



Employee Handbook

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Forward

This handbook supersedes all previous handbooks, personnel policies, practices and guidelines. Policies and procedures contained in this PULAU CORPORATION's Employee Handbook are the only official PULAU policies, procedures and practices and serve as the PULAU authority in questions of policy interpretation and application.

In the event that any applicable state or federal law affect provisions contained herein, this manual shall be considered to be amended as the particular law requires.

This policy manual is electronically distributed to each employee of PULAU CORPORATION. Any further distribution of this manual must have the prior written approval of the President of PULAU.

Policies in this manual contain a statement that policy exceptions require written approval of the President of PULAU. This statement is of particular importance since policy manuals cannot cover all contingencies and circumstances that may arise.

Under certain conditions, departures from established corporate policy may be necessary to maintain equity within the corporation. The purpose of this "exception" clause is not designed to discourage policy deviations, but serves as a means to record and analyze the need for change.

The contents of this handbook summarizing present PULAU programs and personnel policies are intended, with the exception of at-will employment provisions, as guidelines. The contents of this policy manual do not constitute the terms of an employment contract, and this handbook does not serve as a guarantee of continued employment.

Employment with PULAU is on an "at will" basis meaning that an employment relationship may be terminated at any time by PULAU or by the employee for any reasons not expressly prohibited by law or for no reason at all. Oral or written representations to the contrary are invalid and should not be relied upon by any current or prospective employee. While other personnel policies are subject to change, the at-will employment relationship is not, absent a written agreement signed by the President of PULAU granting that provision.

Letter from the President and Chief Operating Officer

It is a pleasure to welcome you to PULAU. Everyone has an important role to play in assuring our success. You are a member of a fine team!

This employee handbook has been prepared to help you understand the Company. It is designed to assist you in understanding personnel policies and practices. We hope the manual will help you during your employment and that you will refer to it often.

Your immediate supervisor is your primary source of information about PULAU and your duties and responsibilities. If you have any questions or suggestions, please discuss them with your supervisor.

PULAU has an outstanding reputation among our customers and industry peers. Our growth projections have risen steadily and we anticipate even greater opportunities in the future. Our employees' personal sense of responsibility for the Company's success and welfare is a major factor in our past achievements and we envision you will add to this impressive record.

Our success as a Company is founded on the skill and efforts of our employees. For those of you who have been with us for some time, we appreciate your enthusiasm, cooperation and loyalty. We are confident that the new employees, who we welcome, will share in our spirit of team work.

PULAU was established and has grown on a strong foundation of respect for the individual, equal opportunity for all and service to our customers. Thanks to the devotion and hard work of our employees, PULAU is the leader in our field. We are dedicated to winning!

Very truly yours,

PULAU CORPORATION

A handwritten signature in blue ink, appearing to read "Michael J. Armstrong".

Michael J. Armstrong
President and Chief Operating Officer

Corporate Overview

Pulau Electronics Corporation was incorporated in California in 1975. The focus of the original business was the manufacture and repair of magnetic core memory systems. In 1979 Pulau Electronics was certified as an SBA 8(a) company. We graduated from 8(a) in 1991. During the tenure of our 8(a) status, Pulau was very successful in capturing contractor logistic support and contractor operation and maintenance support related contracts. The fact that we've continued our steady growth since graduation is a testament to our diversity, responsiveness and forward looking management philosophy.

The Company's headquarters were moved from Chatsworth, California to Florida in 1994. PULAU is a privately-owned business and today we have over 230 employees. While our headquarters are near the Defense services acquisition centers, PEO STRI, PMTRASYS and NAVAIR, the majority of our workforce is located throughout the United States, South Korea, Hawaii, Germany, Japan, Iraq, Afghanistan and Kuwait.

In 2010, we changed our name to PULAU Corporation to better reflect our diverse lines of business. During our 30 year history, PULAU has grown from a small manufacturing and repair operation into a diverse, highly responsive company that provides a full range of services, to include training device operation and maintenance, instruction/mentoring, logistics, supply chain management, training device relocations, and support for deployed operations.

PULAU employees continue to provide the foundation for our growth and are by far our company's most important resource. We ask no more of our employees than to follow PULAU's motto, "Proven Excellence Through Quality Performance."

Equal Employment Opportunity Policy

It is the established policy of PULAU to provide employment and growth opportunity without bias or discrimination on the basis of race, color, religion, national origin, sex, age, mental or physical disability, sexual orientation, special disabled veteran, or Vietnam era veteran status.

This policy shall apply to all employment actions, including but not limited to recruitment advertising, hiring, upgrading, promotion, transfer, demotion, layoff, reapplication of temporary help, recall, termination, rates of pay or other forms of compensation, benefits and selection for training including apprenticeship, and all social activities.

Decisions on employment are to be based solely upon an individual's qualifications for the position being filed.

If you have a question about the Equal Employment Opportunity Policy or feel that you have been discriminated against, please refer to the Problem Resolution Policy, page 16 or contact Human Resources.

Affirmative Action Policy

It is the policy of PULAU to take affirmative action to employ, and to equally treat in employment, all persons regardless of their race, color, religion, national origin, sex, age, mental

or physical disabilities, special disabled veteran, or Vietnam era veteran status. This policy shall apply to all employment actions.

The President is committed to the principles of Affirmative Action and Equal Employment Opportunity. In order to ensure its dissemination and implementation throughout all levels of the Company, the President has selected the Human Resources Vice President as the Affirmative Action Officer for PULAU.

In furtherance of its policy of Affirmative Action and Equal Employment Opportunity, PULAU Corporation will develop a written Affirmative Action Program which will set forth the policies, practices, and procedures which PULAU is committed to applying in order to ensure that its policy of non-discrimination against, and affirmative action for, persons without regard to their race, color, religion, national origin, sex, age, mental or physical disabilities, or veteran status will be accomplished. The Affirmative Action Plan will be available for inspection by any employee or applicant for employment, during normal business hours, in the Human Resources Department. Interested persons should contact Human Resources at (407) 380-9191.

Disability Accommodation

PULAU is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed in an attempt to provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions, unless it would cause undue hardship on the Company. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression and seniority lists.

PULAU is also committed to not discriminate against any qualified employees or applicants because they are related to or associated with a person with a disability.

This policy is neither exhaustive nor exclusive. PULAU is committed to taking all reasonable actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state and local laws.

Immigration Law Compliance

PULAU is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. Positions at PULAU requiring a US Government security clearance are subject

to the requirements set forth by the Department of Defense (DoD) to obtain a security clearance. Therefore some non-US Citizens may not be eligible for those positions.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with PULAU within the past three years, or if their previous I-9 is no longer retained or valid. Effective September 8, 2009 PULAU participates in E-verify to confirm work authorization.

Employees with questions or seeking more information on immigration law issues are encouraged to contact Human Resources. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

Human Trafficking and Child and Forced Labor

The U.S. Government established a “zero-tolerance” policy on human trafficking. This covers the use of trafficking in persons and commercial sex acts. It is the policy of the Company that trafficking in persons will not be facilitated in any way by or through the Company’s activities, its personnel, or its subcontractors. In some parts of the world, companies use child labor and forced labor. PULAU does not condone the use of child or forced labor by the company or any of its suppliers, clients or partners.

Conflict of Interest and Business Ethics

Our goal is to maintain the highest possible standards of business conduct. The Standards of Conduct and Business Ethics policies are located in Appendix A.

Proprietary Information

It is the responsibility of the manager to emphasize that information such as Company processes & products, bids, rates of pay, overhead rates, costs, customers, and other data remain confidential and are not to be released to any non-PULAU employee or organization at any time. It is the responsibility of the manager or executive management to indicate PULAU Proprietary on such products and documents. PULAU retains the rights to all intellectual property. Upon leaving the Company you are required to sign the Return of PULAU Proprietary Information and Property Form in the presence of your manager, HR, or another PULAU employee.

Export Policy

PULAU Corporation is a US company incorporated in the state of Florida. The company is registered with the US Department of State. We understand the importance of maintaining the utmost discretion for our customers and their concerns for security, ITAR and EAR compliance.

PULAU may provide equipment, technology or services that are subject to export control laws. Employees who perform services, transport and/or use goods and technology subject to export controls must be conversant with and in compliance with the relevant laws, regulations and related company policies and control procedures.

Examples of export-controlled items or services that may require obtaining a license prior to export include:

- Training Foreign Nationals (in the US or abroad)
- Technology related to the maintenance or operation of simulators.
- Personal protective equipment such as helmets and vests used to protect personnel in areas with security risks.
- Computer software taken into certain countries or given to individuals who are not U.S. citizens and who are not approved to have that computer software as part of the company's business practices.
- Transfer of certain technical data or software to non-U.S. citizens or into countries subject to technology transfer restrictions.

PULAU has put in place procedures and policies to appropriately handle information considered DOD, ITAR or EAR sensitive. The complete Export Policy is located on the Employee Intranet site and in our quality document management system.

Employment of Relatives

Many companies traditionally prohibit or limit the employment of relatives. With changing social structures, we believe it is possible to have as many conflict of interest problems with non-relatives as there are assumed to be with relatives. Therefore, we do not restrict the employment of relatives.

Relatives may not be hired into positions where one relative would be directly supervising another. In the event such a relationship is established after the employment of both individuals, the matter will be reviewed and a decision made by senior management on a case-by-case basis. Every reasonable effort will be made to accommodate both employees.

In any case, we cannot and will not tolerate favoritism based on any special relationships between employees. If there is a conflict of interest, whether it is with a relative or non-relative, the problem will be dealt with on a case-by-case basis. Should you have a concern about a potential or actual conflict of interest, you are encouraged to discuss the issue with Human Resources.

Sexual Harassment Policy

It is the policy of PULAU that all employees should be able to enjoy a work environment free from all forms of discrimination, including sexual harassment.

Sexual harassment infringes on an employee's right to a comfortable work environment, and it is a form of misconduct which undermines the integrity of the employment relationship. No employee, male or female, should be subjected to unsolicited and unwelcome sexual overtures or conduct, either verbal, physical, or in e-mail form.

Sexual harassment does not mean occasional compliments of a socially acceptable nature. Sexual harassment refers to conduct which is offensive to the individual which harms morale and interferes with the effectiveness of the Company's business. Such conduct is prohibited.

Sexual harassment includes offensive sexual flirtations; advances or propositions; verbal abuse of a sexual nature, including off-color jokes; explicit or degrading verbal comments about

another individual or his/her appearance; the display of sexually suggestive pictures or objects or any offensive or abusive physical conduct. It also includes taking (or not taking) any personnel action on the basis of an employee's submission to or refusal of sexual overtures. No employee should so much as imply that another employee's assent to or rejection of any of the foregoing will have any effect on that employee's employment, assignment, compensation, advancement or career development. Using the e-mail system to distribute inappropriate (especially sexually oriented) material to PULAU employees and/or customers and vendors will not be tolerated. Individuals engaging in this behavior will be subject to immediate disciplinary action, up to and including termination of employment.

Any employee, who believes that he/she has been the victim of sexual harassment, is urged to report such conduct to their manager, the Human Resources Department or the CEO. The manager must contact the Human Resources Department. The information exchanged will be treated as confidential unless the involvement of a third party becomes necessary in order to answer the question or resolve the problem. In such cases, the involvement of a third party will be discussed in advance with the employee making the complaint.

The Company will immediately investigate any claim of sexual harassment in a confidential manner. If the investigation reveals sexual harassment has taken place, the Company will take immediate disciplinary action against the employee engaging in sexual harassment. Such disciplinary action may include, depending on the circumstances, suspension, demotion or termination. However, any employee that knowingly makes a false claim of harassment will be subject to corrective action, up to and including termination. Additionally it is the responsibility of all employees to cooperate in harassment and discrimination investigations; refusal to cooperate is grounds for termination.

Questions regarding this policy should be addressed to the Human Resources Department. Retaliation against the person making the complaint will not be tolerated.

Safety – Right to Know Policy

PULAU is committed to providing safe working conditions for all employees. The cooperation of every employee is necessary to make PULAU a safe place to work. Common sense and personal interest in safety is still the greatest guarantee of your safety at work, on the road, and at home. Your manager will see that you receive the protective clothing, equipment required for your job, and site specific safety policies and procedures.

Standard safety procedures for all locations are:

- Do not use tools, equipment or facilities for purposes other than those for which they were designed.
- Keep your work area clean and neat.
- Do not store material in aisles or passage ways.
- Stack material safely.
- Report any exposed electrical wires.
- Observe "no smoking" signs.
- Handle and store flammable liquids properly.
- Know the location and use of fire extinguishers.
- Know how to properly evacuate your work location.

Compliance with all established safety rules and guidelines is a condition of employment. We take your safety seriously and any willful or habitual violation of safety rules will be considered cause for disciplinary action, up to and including termination.

Every employee has the right to information about hazardous chemicals at his/her workplace. Material Safety Data Sheets (MSDS) are available to all employees upon request. Employees routinely exposed to hazardous chemicals will be trained to safely handle these chemicals. Containers of hazardous chemicals are labeled with the chemical name(s), appropriate hazard warnings, and name and address of the manufacturer.

Accident Reporting

Under the provisions of the Williams-Steiger Occupational Safety and Health Act of 1970, the Company is required by law to keep a log of all occupational injuries and illnesses. Therefore, it is MANDATORY that an employee report any injury, however slight, to his/her manager or HR immediately. If the injury or illness is not reported to your manager or HR in a timely manner, you may not be eligible for workers' compensation insurance.

Depending on the severity of the injury or illness, your manager or Human Resources may recommend that you go for treatment at a specific health facility. Don't neglect an injury, an illness, or any health problem, however insignificant it may appear. Do not attempt to work if you are ill or limited by injury.

In an emergency seek first aid and then your first line manager. You'll receive emergency treatment, and arrangements will be made to provide further treatment without delay.

Your manager will promptly investigate all accidents that occur. He or she will question the injured employee and all witnesses regarding the circumstances of the injury or illness. Following the investigation, your manager will prepare a written report, giving details and circumstances surrounding the injury or illness, as well as including any recommendations to eliminate any reoccurrence of the accident. You may be subject to a drug test after a workplace accident or injury. Your manager is required to submit the completed report to Human Resources, so that a claim, if necessary, may be filed with the Company's workers' compensation carrier. You may be required to complete a claim form from the Company's workers' compensation carrier. See the Workers' Compensation section for additional information.

Drug-Free Workplace Policy

Purpose

PULAU has a primary goal of conducting business operations efficiently through productive and safe job performance on the part of all employees. These guidelines are designed to implement the Company's alcohol and drug abuse policy and establish responsibility for implementation of the policy and related programs. General policy guidelines are intended to support Company safety and productivity programs and avoid alcohol and drug-related work performance problems by certifying that PULAU has an alcohol and drug-free working environment.

Introduction

The Company, as a matter of law, is obligated to implement reasonable work rules as they apply to substance abuse. Because alcohol and drug abuse are often difficult to detect and can lead to serious injuries, property damage and work performance deterioration, clarification of the Company's position regarding alcohol and drug abuse is appropriate.

The Company position is that all employees are responsible for their life style choices. However, all employees are expected to report to work and remain free of the influence of alcohol, drugs, or any other intoxicating substances. Compliance with this requirement is considered an essential job qualification for all job assignments; it is also the law, under the Drug Free Act of 1988. This "alcohol and drug-free workforce" requirement is based on the fact that measurable amounts of alcohol, or drugs in a person's body can put that person under the influence of the substance to some degree, even if the impairment is not readily apparent to the layman.

Policy

In order to approach the problem of alcohol abuse and drug abuse among those who work at PULAU, in a constructive manner, the following policy is established.

An employee while on duty or on Company property, who manufactures, distributes, dispenses, possesses, or uses a controlled substance may be discharged and, in appropriate situations, referred to law enforcement authorities.

Any employee, who is under the influence of a controlled substance while on Company premises at any time, will be referred to an appropriate rehabilitation type of program at the employee's expense. Any employee who fails to comply with this referral will be subject to immediate termination.

No drugs will be brought on Company premises in any manner, combination or quantity other than prescribed by a licensed physician. Abuse of prescription drugs will not be tolerated. Each employee may register with his/her Manager, the use/or possession of any prescribed medication which may affect judgment, performance or behavior. This information is critical if an employee becomes unconscious and emergency medical assistance is called.

If possession of drugs or alcohol on Company premises is suspected, an employee's locker, work area and personal belongings, including vehicles, may be searched. In the case of PULAU employees physically located or performing work on government installations; the government has the right to conduct random inspections, without cause, of these areas. An employee's refusal will be regarded as insubordination and may result in discharge.

It is the responsibility of an employee to notify the employer of any criminal drug statute conviction for a violation occurring in the workplace within five days after such conviction. The Company would then notify the contracting agency of an employee conviction within ten days after notice of the conviction. The Company will impose sanctions on the convicted employee up to and including termination or may require the employee to satisfactorily complete an approved drug rehabilitation program.

The term "Company premises," as it appears in this policy, is intended to include any government installations where PULAU employees are physically located or are performing work. In other words PULAU employees physically located on government installations will be

subject to this policy as well as any rules and regulations in effect for that location or for their particular contract.

All prospective new hires may be tested for the use of drugs, alcohol and intoxicating substances. All employees are subject to random drug/alcohol testing without notice and subject at anytime based on reasonable suspicion of any employee, workplace accident or injury, or accident involving Company property or Government Furnished Equipment. Any employee who refuses substance abuse testing may be immediately discharged.

Alcohol and drug screening of any employee, including the taking of urine/or blood samples, will be required where behavior indicates the possible presence of drugs, alcohol or intoxicating substances, or after workplace injuries/accidents. Any employee who refuses to participate in this mandatory screening may be discharged.

When proper medical documentation exists, company medical insurance programs provide some coverage for the treatment of substance abuse. The Company will encourage appropriate treatment when an employee has recognized a need and resolved to seek assistance.

When the Company refers an employee for treatment, the decision to follow through with referral for diagnosis and to cooperate with prescribed treatment is the personal responsibility of the employee. Refusal to accept referral for diagnosis will constitute grounds for discharge. When an employee seeks diagnosis and treatment, lack of response to treatment will be dealt with only on the basis on continuing job performance and compliance with Company rules.

No employee with alcohol or drug addiction will have his/her job security or promotional opportunities jeopardized on the basis of his/her request for diagnosis and treatment of the disease. Medical records of employees with drug and alcohol related problems will be preserved in the same confidential manner as all other medical records. These records will not become part of their personnel file, except in cases of mandatory referral due to violation of any of the above-listed policies.

The Company is subject to penalties for failure to comply, such as contract termination and suspension or debarment of the Company as a federal contractor. Therefore, it is our intention to maintain a drug-free workplace by enforcement of this policy.

Problem Resolution Policy

PULAU is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from PULAU supervisors and management.

Supervisors, managers and employees are expected to treat each other with mutual respect. Employees are encouraged to offer positive and constructive criticism.

If employees disagree with established rules of conduct, policies or practices, they can express their concern through the problem resolution procedure. No employee will be penalized for voicing a complaint with PULAU in a reasonable, business-like manner, or for using the problem resolution procedure.

If a situation occurs where an employee believes that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to make use of the following steps:

1. The employee presents problem to their immediate supervisor after the incident occurs. If their supervisor is unavailable or the employee believes it would be inappropriate to contact that person, the employee should present their problem to HR.
2. Their supervisor responds to the problem after consulting with appropriate management, when necessary. Their supervisor documents this discussion.
3. If the problem is unresolved, the employee presents their problem to HR.
4. HR will discuss the problem with the employee, assist in putting problem in writing if necessary, research the problem, and obtain a final decision from senior management. The employee shall have the opportunity to meet with and discuss their problem with senior management if desired prior to a final decision being made.

HR will inform the employee of the decision and will place a copy of any written response in the employee's file.

An employee may discontinue the process at any step.

While you may not always get the result you desire, management encourages all employees to express concerns and will attempt to provide a timely response to those concerns.

Employee Performance Appraisals

PULAU employees receive scheduled performance appraisals annually. The specific date may vary from year to year as it is scheduled according to business circumstances.

These appraisals provide an opportunity for you and your manager to discuss what is expected of you and to evaluate your performance. Your manager will discuss your areas of strengths and areas of improvement in a number of categories.

You will have the opportunity to register any comments regarding your appraisal by writing them on the appraisal or submitting a written response. You will receive a copy of your evaluation and a copy will be maintained in your personnel file.

Employee Personnel File

It is essential that the Company maintain accurate, up-to-date records on each employee, for example, payroll data, benefits, medical records, performance appraisals. To protect your privacy, PULAU has adopted the following fundamental practices for handling such information:

The Company will collect, use, and retain only that personal information which is required for business, legal, and governmental reasons.

Each employee is given the opportunity to review his/her personnel records upon request. An appointment will be arranged and you may view the materials. Internal availability of personal information is restricted to those individuals with a business need to know.

Dates of employment, job title, and re-hire eligibility is the only information released to anyone outside the Company. Exceptions to this policy may be made for loan verifications, etc. provided a written release, signed by the employee, accompanies the form.

Employees and Managers are prohibited from releasing information about current or former employees to prospective employers, including employment agencies, search firms or personal acquaintances in other companies.

You must use Employee Self Service in Deltek Time & Expense to update your home address, telephone number, marital status, number of dependents, life insurance beneficiary designation, and emergency contact information. You must file new W-4 and any state income tax withholding forms, if required, within ten (10) days when the number of allowances you previously claimed has decreased or increased. It is important to keep this information up to date to avoid problems concerning taxes, employee benefits and other important matters.

Your Manager

Your manager is responsible for quality work, safety, communication and discipline. It's a major job, and your manager's success depends on you. Should you have any questions about your work with PULAU, ask your manager first. Your manager may not have the answer immediately, but he/she can obtain the answer or direct you to the proper person who can assist you. Remember, it is much better to ask questions than make a mistake or worry unnecessarily because you simply did not ask.

General Rules of Conduct

Integrity and honesty are conditions of employment at PULAU. In the general interest of maintaining good working conditions, employees are expected to observe PULAU's general rules of conduct. Although cause is not necessary for termination, violation of any policies, procedures, and/or rules could result in disciplinary action up to and including termination. Keep in mind at all times that your actions are a reflection on PULAU.

Generally, no conduct which is immoral, unethical, illegal, or unsafe will be tolerated by PULAU. Although it is not possible to provide an exhaustive list of all types of impermissible conduct, the following are examples of some, but not all, which will result in disciplinary action up to and including termination. There are other common sense rules in the work place which should be followed. Nothing in this policy is intended to alter the at-will status of your employment with PULAU.

- Poor work performance, including inability or inefficiency in carrying out normal job duties.
- Inattention to duties, loafing or idleness, sleeping during work hours.
- Possession or use of weapons, firearms or explosives.
- Possession or use of narcotics, intoxicants, marijuana or other illegal drugs on Company premises.
- Engaging in immoral or indecent conduct.
- Gambling or disruptive behavior.
- Fighting, threatening, intimidating, attempting bodily harm or injury, or interfering with another person on Company property, in company vehicles, or while on business travel.

- Verbal, physical or sexual harassment of other employees, customers or visitors, including use of inappropriate, foul or profane language.
- Theft, pilferage, dishonesty, or willfully damaging Company property, Government Furnished Equipment or property which belongs to others.
- Loss of/or damage to Company property, Government Furnished Equipment, machinery, tools, building, or funds, either deliberately or through gross negligence.
- Misrepresentation, falsifying information, either oral or written, including making entries on another employee's time card, expense report, or to obtain employee benefits, such as coverage of a non-qualifying family member, or misuse of such benefits, such as stating a dependent child is attending college when that is not true.
- Conducting personal business during work hours or on Company premises.
- Refusing to work overtime if a qualified replacement is not available.
- Insubordination, rudeness or disruptive behavior.
- Failure to observe posted and written safety regulations or failure to use safety equipment.
- Failure to report immediately to your manager all injuries sustained on the job, damage or defective equipment you discover, or any unsafe situation you observe.
- Operation of machines or working with electricity or chemicals without prior safety instructions or in violation of such instruction.
- Reporting for work or working when unfit to work safely.
- Trespassing or assisting others in restricted areas or unauthorized use or possession of confidential information
- Failure to present Company identification, including employee I.D., property pass, or other documentation as required.
- Discrediting PULAU products, services or reputation; discouraging sales; disclosure of unauthorized and/or Company Confidential, proprietary Company, and employee information.
- Marking PULAU products or product containers or materials in any way not authorized by the Company.
- Having absenteeism in excess of 3% or excessive tardiness regardless of the reason.
- Being absent from work for three (3) consecutive scheduled work days without notifying your manager.
- Posting information on bulletin boards or other Company property without prior management approval.
- Solicitation by non-employees for any purpose on Company property during working time. Likewise, non-employees distributing materials of any kind to employees while on Company premises.
- Failure to follow PULAU's policies and procedures.
- Unauthorized use of telephones, mail system, e-mail system to distribute inappropriate (especially sexually oriented) material to PULAU employees, customers and vendors, or unauthorized use of other Company or customer-owned equipment.
- Smoking in prohibited areas.

PULAU employees who are physically located on government installation will be subject to the rules and regulation of that installation, in addition to the above rules of conduct.

Cell Phone/PDA Policy

Personal Cellular Phones/PDA's

While at work employees are expected to exercise the same discretion in using personal cellular phones and PDA's as is expected for the use of company phones. Excessive personal calls during the work day, regardless of the phone used, can interfere with employee productivity and be distracting to others. Employees are encouraged to make any other personal calls on non-work time where possible and to ensure that friends and family members are aware of PULAU's policy. Excessive use of the company issued cell phone or PDA for personal reasons may result in disciplinary action. Ask your supervisor or Human Resources for guidance on what is considered excessive use.

PULAU will not be liable for the loss of personal cellular phones or PDA's brought into the workplace.

Personal Use of Company-Provided Cellular Phones/PDA's

Where job or business needs demand immediate access to an employee the company may issue a business cell phone or PDA to an employee for work-related communications. Employees in possession of company equipment such as cellular phones or PDA's are expected to protect the equipment from loss, damage or theft. Upon resignation or termination of employment, or at any time upon request, the employee may be asked to produce the phone for return or inspection.

Safety Issues for Cellular Phone and PDA Use

All employees are expected to follow applicable state or federal laws or regulations regarding the use of cell phones or PDA's at all times.

Employees whose job responsibilities include regular or occasional driving and who are issued a cell phone or PDA for business use are expected to refrain from using their phone while driving – use of a cell phone or PDA while driving is not required by the company. Safety must come before all other concerns. Regardless of the circumstances, including slow or stopped traffic, employees are required to pull off to the side of the road and safely stop the vehicle before placing or accepting a call or use hands-free operations, refrain from discussion of complicated or emotional matters and keep their eyes on the road. Special care should be taken in situations where there is traffic, inclement weather or the employee is driving in an unfamiliar area.

Employees who are charged with traffic violations resulting from the use of their phone or PDA while driving will be solely responsible for all liabilities that result from such actions.

Video or Audio Recording Devices

The use of camera phones, PDA's or other audio or video recording capable devices within the Company may constitute not only an invasion of employees' personal privacy, but may breach confidentiality of PULAU trade secrets or other protected information. Therefore, the use of camera or other video-capable recording devices within Company work sites is prohibited without the express prior permission of senior management and of the person(s) present at the time. This prohibition is specifically applicable to restrooms and locker rooms, and proprietary and confidential materials.

Special Responsibilities for Managerial Staff

As with any policy, management staff is expected to serve as role models for proper compliance with the provisions above and are encouraged to regularly remind employees of their responsibilities in complying with this policy.

Violations of this policy will be subject to the highest forms of discipline, including termination.

Internet Code of Conduct and Acceptable Use Policy

Access to modern information technology is essential to PULAU's success. The pursuit and achievement of PULAU's success requires the use of computing systems and software, internal and external data networks, as well as access to the Internet. This is a privilege made available to employees. Inappropriate use exposes PULAU to risks including virus attacks, compromise of network system and services, down-time, and the potential for individual legal liability. Employees at government or customer sites should follow the Internet policies of the facility in which they are working in addition to PULAU's Policy.

General Principles

PULAU provides the necessary computer equipment, software, and/or tools to do your job. None of the provided computer equipment, software, and/or tools should be removed from the physical confines of company property, unless it is approved by your supervisor and your job specifically requires use of company equipment outside the physical facility.

PULAU reserves the right, upon reasonable cause for suspicion, to access all aspects of its computing systems and networks, including individual login sessions to determine if a user is violating this policy or state or federal laws.

PULAU specifically reserves the right to amend or discontinue any portion of the Acceptable Use Policy at any time, at its sole discretion. If, at any time, an employee does not adhere to these policy guidelines, he or she will be subject to disciplinary actions up to and including termination. If necessary, the company will advise appropriate legal officials of any legal violations.

General Use and Ownership

While PULAU's network administration provides a reasonable level of privacy, users should be aware that the data they transmit or create on corporate systems remains the property of the Company.

Employees are responsible for exercising good judgment regarding reasonableness of personal use of company equipment. If there is any uncertainty, employees should consult their supervisor. If any question remains, ask the question "Do I need to perform this task to perform my job duties?" If the answer is no, then err on the side of caution and do not perform the act on company systems.

"Pirated" or otherwise illegally obtained software and programs are not authorized to be installed on a Company computer.

Unacceptable Use

The following activities are, in general, prohibited. Employees may be exempted from these restrictions during the course of their legitimate job responsibilities.

Under no circumstances is an employee authorized to engage in any activity that is illegal under local, state, federal or international law while utilizing Company-owned resources. The list below is by no means exhaustive, but attempts to provide a framework for activities which fall into the category of unacceptable use.

Email, Blogs, Instant Messaging and Other Communication Activities

- Sending unsolicited email messages or instant messages, including the sending of "junk mail" or other advertising material to individuals who did not specifically request such material (email spam).
- Unauthorized use of email or instant messaging accounts.
- Solicitation of email for any other email address, other than that of the poster's account, with the intent to harass or to collect replies.
- Creating or forwarding "chain letters", "Ponzi" or other "pyramid" schemes of any type.
- Unauthorized use, or forging, of email header and signature information.
- Any form of harassment via email, telephone, texting, paging or instant message, whether through language, frequency, or size of messages.
- Employees are prohibited from making any discriminatory, disparaging, defamatory or harassing comments when e-mailing, instant messaging, or blogging regarding the company and/or an employee.
- Employees are prohibited from revealing any company confidential or proprietary information, trade secrets or any other material when engaged in blogging, email, instant messaging or other means of electronic communication.
- Employees shall not engage in any blogging that may harm or tarnish the image, reputation and/or goodwill of the company and/or any of its employees.
- Employees may not attribute personal statements, opinions or beliefs to the company when engaged in blogging.
- Employees assume any and all risk associated with blogging, including legal risk.
- Apart from following all laws pertaining to the handling and disclosure of copyrighted or export controlled materials, PULAU's trademarks, logos and any other PULAU intellectual property may also not be used in connection with any personal blogging, email, or texting activity.

Enforcement of Internet Code of Conduct and Acceptable Use Policy

Employees found in violation of any or all of the Acceptable Use Policy may be subject to disciplinary action up to and including termination. Additionally, illegal acts involving PULAU computing resources may also subject violators to prosecution by local, state, and/or federal authorities. PULAU will comply with requests from authorities in investigating such violations and reserves the right to initiate criminal or civil action as appropriate.

Attendance Policy

Employees are expected to report to work on time and on a regular basis. Unnecessary absenteeism and tardiness is disruptive, expensive, and places an unfair burden on the company as well as other employees and managers. Unsatisfactory attendance and/or excessive tardiness are considered sufficient cause for disciplinary action up to and including termination.

PULAU has developed the following method to control absenteeism and to achieve our overall, company-wide objective of 97% attendance.

If your manager suspects abuse of an employee's use of sick time you may be penalized and subject to disciplinary action and required to provide a doctor's note for any use of your sick time. Special consideration on an individual basis will be given to employees covered by the Americans with Disabilities Act.

Lateness or leaving early will be included in an absenteeism calculation on a 3 to 1 ratio: Three (3) occurrences in a rolling six (6) month period are equivalent to one eight (8) hour day's absence. Work hours available are based on 2,080 hours in a year, minus ten (10) Company holidays, which equals 2,000 hours (1,000 hours in six months). Approved vacation, jury duty and short-term military leave are included in work hours available.

NOTE: Vacation that is not pre-approved by your supervisor will be included in the absenteeism calculation.

To calculate your absenteeism, divide the number of hours you were absent by the number of hours available to work within the rolling six (6) month period. Absenteeism greater than 3%, which is equivalent of 30 hours in a six (6) month period, may subject you to corrective action. Your absenteeism is calculated on a rolling six (6) month period. The period during which absenteeism is calculated includes the date of your last absence back six (6) months, regardless of the calendar year. We use the rolling six (6) month time period so that if during a specific period you do have an attendance problem, you have the opportunity to reduce your absenteeism simply by missing few days in future months.

If you are going to be late (15 minutes or longer) you must personally telephone your supervisor at least 30 minutes before your shift begins or as soon as possible. If you are going to be absent for any reason, you must personally telephone your supervisor at least 30 minutes before the beginning of your shift except in the case of an emergency and you were not physically able to telephone. You must explain the reason for your absence and state when you expect to return to work. You must telephone your supervisor before the beginning of your shift for each day you are out sick.

You must telephone your supervisor, asking another employee, relative or friend to give notification is not acceptable, except in an emergency. If you cannot reach your supervisor you should inform Human Resources. You must also notify your supervisor if you are planning to leave early or have an extended lunch period.

If you fail to give such notification you be considered to have an unexcused absence. If you are absent for three (3) consecutive days without notice, you are considered to have voluntarily resigned. Repeated tardiness will be cause for disciplinary action up to and including termination.

If you are absent for three (3) consecutive days or more due to your own health a doctor's note will be required to return to work. Check with your manager for any other site specific attendance rules.

Investigative Policy

In the event of unexplained losses, you will be expected to participate in the investigation process and to participate in the reduction of loss and shrinkages by efficient performance of

your duties. In addition, the Company expects that from time to time employees may be requested to furnish information regarding their employment activities which will aid the Company in reducing losses, waste and inefficiencies.

Your failure to answer any questions will be considered a refusal to cooperation with the investigation and may lead to disciplinary action up to and including termination.

Workers Compensation

PULAU has employees working in a number of different states. Each of these states has a workers' compensation law designed to provide financial assistance to individuals who are injured or who become ill as a result of their employment. PULAU employees are fully protected by Workers' Compensation Insurance, and benefit, including wages, will be paid in accordance with state laws.

It is our policy to comply with these state laws and to aid any employee whose injury or illness is determined to be compensable under the provisions of the state's workers' compensation act. The Company pays for costs associated with providing this coverage, and the insurance carrier will make all payments and decisions pertaining to compensable illnesses or injuries.

If you are injured on the job, it is imperative that your manager and HR be notified immediately. Early filing facilitates the processing of claims. Your manager will arrange for you to receive medical care, including taking you to the hospital, if necessary.

All employees who are involved in a work related injury may be subject to a drug/alcohol test immediately after the accident. This drug/alcohol test is required for safety and insurance purposes.

IMPORTANT! – Do not use your PULAU group medical insurance for work-related injuries. Simply identify that you have experienced a work-related injury and the medical care provider will take the necessary action.

It is equally important to stress that employee claims, associated forms and reports must be accomplished as truthfully and completely as possible. Fraudulent claims hurt the Company's reputation and profitability; they can also have dire consequences for a dishonest claimant. Failure to report work-related illnesses and injuries in a timely manner may delay (or deny) claims for benefits.

Corrective Action

A critical operating premise of PULAU is that there is no guarantee of employment and that your employment is at-will. We recognize that there will be occasions when performance problems occur or when the wrong hiring decisions are made. To assure orderly operations and provide the best possible work environment, PULAU expects employees to follow all Company rules to protect the interests and safety of all employees and PULAU. Without altering the at-will nature of your employment, if your performance is counter-productive to the attainment of our goals, your performance may be handled through a Corrective Action Program.

Ordinarily, one of several disciplinary measures will be taken in cases of misconduct or unsatisfactory work performance. However, PULAU reserves the right to take disciplinary

action, including termination, at any time without resort to, or without following any or all of the steps set forth in the Corrective Action Program. Four types of corrective action are recognized. They are: verbal warnings, written warning, suspension, and termination. Infractions of any Company rules, dependent on the severity of the infraction, at the discretion of the company, may subject the employee to disciplinary action up to and including termination.

Corrective Action documentation will be maintained in your personnel file.

If at any time you disagree with your manager's assessment of your performance, you are encouraged to talk with any level of management that you feel can assist you in resolving the problem through the Problem Resolution Policy.

Office Hours

PULAU's normal work week begins Saturday morning and ends Friday night. The alternate work week begins Monday morning and ends Sunday night. The standard work day for full time employees is eight (8) hours, and all employees are expected to work a full 8-hour day. The standard work week for full time employees is forty (40) hours.

The standard workday hours at our corporate office are 7:30am to 4:30pm Monday through Friday, with one hour for lunch. Employees may work through their lunch period only with manager approval and it should not be a daily habit. Employees at government or customer sites should follow the local site hours, see your manager for details on what shift/hours are available.

Extended lunch hours, rest periods or unapproved departures are detrimental to efficient operations and inconsiderate of co-workers. We ask for your cooperation in adhering to the work schedules described above. Employees who do not comply with the work schedules may be subject to disciplinary action up to and including termination.

Security

Security Clearances and "Need-to-Know"

A majority of PULAU's contracts require access to classified information by certain employees in the performance of that contract. This information or material is owned by, produced by, or for, or under the control of the United States Government. This information or material requires protection against unauthorized disclosure.

If your contract program requires a security clearance or it is determined by your manager that you have a "need-to-know" to access classified information or material in order to perform your job, you may be required to obtain a security clearance. Failure to obtain a security clearance in a timely fashion may result in transfer, demotion or termination. Your commitment to the protection of classified information is affirmed in the SF312 Nondisclosure Agreement; which you signed when your clearance was granted.

If you have a clearance, you must report any of the following events to the Security Officer:

- Change of Name
- Marriage

- Arrest
- Wage Garnishment
- Citizenship
- Suspicious Foreign Contact
- Suspected Loss or Compromise of Classified Material
- Actual Loss or Compromise of Classified Material
- Failure to Follow Established Security Procedures (you or a co-worker)
- Acquiring a foreign national relative

When an event is reported to the Security Officer, a report will be issued to DISCO for your clearance to be updated. If you fail to report an event to the Security Officer corrective action will be taken which could result in a loss of your clearance and/or termination.

Security of Classified Data

Classified data exists in several forms and includes design and product data, blueprints, standard operating procedures, financial reports, etc. Classified data shall be secured at all times when not in use. Further, such data shall not be made available to unauthorized persons or those who do not have a need to know.

At all times you must be aware of possible compromise of classified information. If you feel there is a problem within the Company, such as the disclosure of classified information to persons not having authorized access, or a person from outside of the Company is asking too many questions regarding the types of classified work performed at PULAU, report it to your Facility Security Officer or manager immediately. If you feel uncomfortable speaking with the Facility Security Office or your manager, you may call the "Defense hotline" number 1-800-424-9098. Feel free to call it if you have a genuine concern.

Our security practices are intended to protect all of the Company's assets; its people, property, and proprietary information. All employees are responsible for practicing sound operational security (OPSEC) procedures. All cleared employees must adhere to the policies and procedures set forth by the DoD. In addition, employees working at government sites that are cleared facilities must also adhere to all DoD and OPSEC procedures.

If a security violation occurs at a facility disciplinary action will be taken. Upon the first security violation, a verbal warning will be issued. Upon the second security violation, a written warning will be issued and stored in your employee file. A third violation could result in a loss of security clearance and termination. Depending on the severity of the security violation an employee may be subject to a loss of security clearance and termination without a verbal or written warning.

Employee Identification Badges

You are encouraged to wear your I.D. photo badge at all times at the corporate office and to show your badge to the receptionist or security officer upon request. Temporary and student employees are also required to wear their badges at all times. If you forget your badge, you will be issued a temporary employee badge for the day. If the receptionist or security officer is unfamiliar with you, you must present other identification and/or your manager must verify your employment.

If you lose your badge, you must report the loss immediately to PULAU's Facility Security Officer, and you will be issued a temporary employee badge. This temporary badge will be replaced with a permanent badge in two weeks if the original badge cannot be found.

Certain areas within the Company or customer site may be designated as Controlled Areas, and special indicators will be included on badges to verify authority of access. Employees without the appropriate designators will be denied entry. Employees working at a government or customer site will follow the site specific rules and procedures for wearing their badge.

In the event that an employee is terminated or resigns, the immediate manager is responsible for obtaining the employee's Identification Badge. The manager must also ensure that all Company property has been returned prior to the employee's departure.

Visitor Control System

The Purpose of the Visitor Control System is to positively identify authorized visitors. Each visitor or vendor to the corporate office must sign the Visitor Log at the receptionist desk with the following information:

- Date of Visit
- Visitors Name
- Company
- Person visiting
- Reason for visit
- U.S. Citizen (If not, Country of Citizenship)

This will allow the receptionist to issue the appropriate badge; which must be displayed on the visitor's garment. It is the responsibility of the employee being visited to be aware of the visitors whereabouts while in the facility. In addition, they are responsible to see their visitor checks out with the receptionist and turns in their badge.

Foreign National Visitors

Foreign national visitors and their companies need to be screened against the various government lists, sanctions and embargos. If you are aware that a foreign national will be visiting our corporate facilities, please notify the Export Department with the following information prior to their visit: full name, company name, and address.

Foreign national visitors will be issued a separate badge that indicates they are a Foreign National (FN). A foreign national visitor will be escorted by an employee at all times.

For those employees not working at the corporate office it is your responsibility to follow local facility security procedure and a responsibility to maintain your worksite's security procedure.

Security Guidelines

The following security considerations are offered to assist you in your responsibilities in maintaining a secure workplace. You owe it to yourself and your co-workers to protect our assets and the people around us.

- Be alert to anyone loitering near the office for no apparent reason; such places as parking areas, walkways, entrances/exits, and service areas are generally where "strangers" might congregate.

- Questionable mail which renders threats or is objectionable in any way should be treated differently. Immediately upon recognizing such correspondence, do not handle it unnecessarily, but isolate it, and if possible, place it in a plastic cover or folder. Notify your Manager and Security.
- Do not advertise the travel plans of your Manager and or his/her subordinates or peers. Treat travel itinerary as a Proprietary Information.
- Maintain control over all lockable files and/or cabinets. Secure them at the close of business or when called away from your work area for a prolonged period.
- Do not leave keys to controlled items in or around your desk or your Manager's desk
- Do not place valuable personal articles in or around your work station which will be accessible to individuals in the work area.
- Safeguard all proprietary information, material/memoranda. Properly safeguard their integrity.
- Clear away your own work area and make sure that your immediate area of accountability is properly secured each day and the close of business.

Removal of Material

Materials cannot be removed from Company property without permission. In order to remove property, a written memorandum must be obtained by the employee's manager. The material to be removed must be described on the memo and signed by the employee's manager. A memo must be obtained for any personal belongings which could be mistaken for Company property including radios, tape recorders, tools, etc.

Losses

You must report any and all known losses to your manager or the proper security authority. Document all information, if possible, and identify lost or stolen property with as much detail as is available. You may be financially responsible for the loss, stolen, or damaged material.

Bulletin Boards

Official Company bulletin boards are used to keep employees informed. They are there for your benefit and are conveniently located at your facility. It is your responsibility to inspect these boards frequently for important official announcements. Changes in Company policies and regulations, safety information, government notices, and other information of concern to all employees are posted on bulletin boards. Only authorized material may be posted.

Solicitation and Distribution

No solicitation of any kind is allowed during working time. No distribution other than that required for the normal operation of the facility is allowed during working time or working areas of the facility. Persons not employed by the facility may not, at any time, solicit, sell or distribute merchandise, services, and/or literature on facility property for any purpose, other than that directed by management for the convenience of the employees, such as food/beverage services.

The unauthorized use of Company time, material, or facilities for any personal business purposes is prohibited.

Any violation of this policy should be reported to your manager immediately. Employees violating this policy will be subject to disciplinary action, up to and including termination.

“Working time” means the time employees are actually engaged in work, and does not include their meal time, break time and other time during which they are on the premises but not working. Working time includes the working time of both the person doing the solicitation or distribution and the person to whom it is directed.

Termination of Employment

An applicable rule of law is that an employee’s employment can be terminated, with or without cause, and without notice, at any time by the employer or by the employee. In other words, employment with PULAU is at-will. No individual manager, other than the President, has authority to make any agreement for employment for any specified period of time. Any such agreement by the President must be signed by him/her. There is no guarantee of continued employment.

There are basically three (3) ways that termination from the Company can occur: Voluntary Resignation, Involuntary Resignation, and Termination by the Company.

Voluntary Resignation

An employee may voluntarily decide to resign from the Company. In the best interest of PULAU and its employees and clients, the company requests that employees give a 2-week notice in the event they wish to resign. This must be delivered to your manager or Human Resources in written format.

The following are a few examples of voluntary resignations:

- Retirement, change of career, or relocation.
- An employee who is absent for 3 consecutive working days without notifying their manager or Human Resources.
- Failure to report for work upon recall on the date designated. An employee who fails to report will forfeit all recall.
- Failure to return from an approved vacation or leave of absence at the expiration of the leave.

Involuntary Resignation

The following are examples of an involuntary resignation:

- Layoff for lack of work or reduction in force – when the Company reduces its work force for economic or other reasons. Employees will be selected for layoff based on a combination of factors, including, but not necessarily limited to, past performance, productivity, qualifications, attendance, punctuality, length of service, and the needs of the Company.
- Release without fault – when an employee, through no fault of his/her own, is unsuited for or incapable of performing work assigned and no appropriate change of assignment is available.

Termination

PULAU is an employment-at-will employer and reserves the right to terminate the employment of any employee with or without cause.

Exit Process

The following are components of the exit process required of all employees who leave the Company.

Company Property

It is the responsibility of the terminating employee's manager to assure that employee returns all Company property, e.g., I.D. Badge, corporate keys, corporate credit cards, drawings, tools, reference data, equipment, Government Furnished Equipment or Data, etc., prior to the employee leaving the work site.

The manager should also contact Accounting and Human Resources to ensure that all travel advances and expense reports are balanced, prior to issuing final payment.

Government Security Clearance De-Briefing

If the departing employee has a Government Clearance, the employee must be de-briefed.

Proprietary Information De-Briefing

Upon leaving the Company you are required to sign the Return of PULAU Proprietary Information and Property Form in the presence of your manager, HR, or another PULAU employee.

Final Paychecks

Final pay is always on the next scheduled payroll unless your State regulations require otherwise.

Business Travel Expenses

PULAU will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by your supervisor.

Expense reports shall be submitted and signed, attesting that the expenses reported are accurate and comply with corporate policy and guidelines, within 10 days of completing the travel or incurring the expenses whichever occurs first. Expense reports must be accompanied by supporting documentation in accordance with corporate travel policy and guidelines.

Completed and signed expense reports shall be forward to the employee's supervisor or designee for review and approval. Supervisors and/or their designees shall review and sign, attesting that the travel expenses reported are accurate and comply with corporate policy and guidelines. Completed expense reports shall be forwarded to Accounting for processing.

Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, expenses reports, reimbursement for specific expenses, or any other business travel issues prior to taking action or incurring the expense.

Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

Corporate Credit Cards

Expenditures for goods and services charged to the corporate credit cards are the responsibility of the employee whose name appears on the bankcard. Personal charges on corporate credit card are prohibited. Abuse of this privilege will result in credit card cancellation and in disciplinary action, up to and including termination of employment.

Purchases of goods and/or services on the corporate credit cards not cleared with an approved expense report and/or documentation within 90 days of the time the charge is posted to the individual's corporate credit card account will be deemed a personal charge. Any personal charges on corporate accounts must be paid within 60 days from the time the charge was deemed personal. If an employee does not pay within 60 days, the total amount owed will be treated as a deduction from the employee's wages.

Upon termination of employment, the total balance will be deducted from the employee's final paycheck regardless of the number of days a charge is outstanding.

Pay Schedule

Employees are paid every other Wednesday (26 pay periods per year). If a pay day falls on a holiday, payroll will be distributed on the day immediately preceding the holiday.

Direct Deposit

Payments of wages are made via direct deposit. Employees are required to have direct deposit into either a savings or checking account or both. You must ensure that the HR and Payroll Departments have all the necessary documents required for this transaction. A direct deposit form is included in all new hire packets and is available in the Human Resources department. Email HR@PULAU.com for a direct deposit form.

Garnishments and Income Deduction Orders

Wage garnishments are court-ordered or IRS legal claims against an employee's wages or salary by a creditor for nonpayment of a debt. They are governed by both federal and state laws and must be recognized and processed. This means the Company withholds a certain amount from the employee's paycheck to be applied toward payment of the debt. If the Company receives a garnishment notice from more than one source for an employee, the monies will be paid (to the extent that they are available) to each of the creditors in the order in which notification was received. All Garnishments must be forwarded to the Payroll Department.

Employment Categories

PULAU assigns a specific category to each employee for purposes of identifying eligibility for benefits and for overtime pay. Categories are determined based on the type of job, the schedule the employee is hired to work and the individual's employment relationship with the Company.

Full-Time Employees

Employees regularly scheduled to work a minimum of thirty-seven and one half (37.5) hours weekly on a regular basis. Full-time employees are generally eligible for Company benefits.

Part-Time Employees

Employees regularly scheduled to work a minimum of thirty (30), but less than 37.5 hours, per week on a regular basis. Part-time employees are generally eligible for accrued vacation on a half rate basis. They are eligible for the health and life insurance benefits.

Minimum Part-Time

Employees regularly scheduled to work less than 30 hours per week on a regular basis. Minimum part-time employees are not eligible for Company benefits. If you are a Service Contract Act minimum part-time employee, you will earn vacation and holiday time on a pro-rated basis depending on your weekly scheduled hours.

Temporary/On Call

Employees whose services are intended to be of limited duration (i.e., filling in for illness, vacations, summer months, and who work the customary number of full-time hours required). Temporary employees are not eligible for Company benefits.

Contract

Contract employees may work any number of hours per week but are hired with a predetermined estimated termination date. Therefore, they are not eligible for any Company benefits.

Employment Classifications

Exempt Salaried – An exempt salaried employee is one whose functions determine that they are exempt from the overtime provisions of the Fair Labor Standards Act. These employees are paid a salary of a specified amount per pay period and do not receive overtime pay as a legal requirement. The term is generally used to indicate that category of employee who 1) possesses a four year degree; 2) work requires advanced knowledge and; 3) exercise considerable judgment and discretion.

Exempt employees not at work for one or more full days and who do not have sufficient leave for those days will be considered to be on a leave without pay status for those days and will be paid for the number of days actually worked (for example, if a salaried exempt employee works 4 days and does not work on the fifth day and does not have leave, 4/5 of the normal weekly salary will be paid for that week.)

Non-Exempt Salaried or Hourly

Employees classified as Non-exempt are paid only for hours worked, recorded holiday, and recorded paid leave (vacation or sick.) This classification is not exempt from the Fair Labor Standards Act. Hours worked in excess of 40 hours per week will be paid at premium time equal to one and one half times the employee's normal hourly wage. "Hours worked" is defined as actual hours worked and does not include paid leave, paid holiday time, paid jury duty, and other types of non-work payments. In states requiring premium pay calculations other than as described here, PULAU will comply with the more stringent pay requirements.

NOTE: Under the Fair Labor Standards Act, minors, over the age of 16 and under the age of 18, may be employed in any of the above classifications, dependent on the type of work to be performed. A minor may not be employed in occupations that are considered hazardous, such as: Occupations involving exposure to articles containing explosive components or radioactive substances; and occupations involved in the operation of power-driven; metal forming, punching, and shearing machines.

Reclassification of an employee's current status may occur due to promotions, demotions, of lateral changes.

Time Cards

All employees are required to report on a daily basis all time worked and all absences using appropriate projects numbers and pay type codes in increments of hours and tenths of hours. Employees must accurately maintain their own timesheet, sign it attesting the timesheet is accurate before they leave work on the last day of their work week. Employees with supervisory responsibilities must confirm the time worked each work week and approve the timesheet attesting the timesheet is accurate before they leave work on the last day of their work week. Time and attendance is recorded in the Deltek Time & Expense with Employee Self Service (ESS) and is processed weekly by Payroll.

Entries in the Deltek Time & Expense with ESS system are considered part of the company records for determining labor cost and employee wages. Entries are subject to audit. An employee and/or supervisor that knowingly submit a false timesheet will be subject to disciplinary action up to and including termination.

Benefits

The most important asset of any company is its employees. In recognition of this, together with our interest in the welfare of each employee, certain benefit programs have been established.

As a full time, benefits-eligible employee of PULAU, you enjoy a broad range of excellent employee benefits. It is important for you to remember that your paycheck represents only a portion of your total compensation. PULAU is pleased that the Company's continuing success allows us to provide you and your family with a superior benefit program. You can view your total compensation in Employee Self Service located in your timecard.

This benefit program is made possible as a result of your daily efforts and commitment to the Company's success.

A number of the programs (such a Social Security, worker's compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

The best benefit of all: PULAU is a great place to work, where your contributions are truly appreciated, and you are more than a number! PULAU continues to investigate new opportunities to improve its excellent employee benefit program.

Service Contract Act (SCA) eligible employees have different options for benefits than non-SCA employees. SCA eligible employees should refer to their offer letter for their specific benefit package.

Summary Plan Descriptions and Certificates of Coverage are available upon request from Human Resources, HR@pulau.com.

Medical, Dental, and Vision Insurance

Eligible full time employees may participate in PULAU's medical, dental, and vision insurance plan. This benefit is at no cost to the employee and optional dependent coverage is available to purchase.

Eligible full time employees have 31 calendar days from the date of hire to enroll (or 31 calendar days from date of eligibility.) If enrollment forms are not submitted by the 31st day of employment, the employee must wait until open enrollment to enroll in this coverage.

Employee benefit elections remain in force for the entire plan year while the employee remains eligible for these benefits. Employees may make changes to their elected benefit plans on two different occasions. The first occasion is during open enrollment, generally held in December with a January 1st effective date. During open enrollment employees may change, add, or delete benefits and/or dependents. Note that some changes may cause the employee and/or dependent(s) to be subject to plan pre-existing condition clauses or limited benefit coverage. Information about annual open enrollment will be made available to the employees approximately 30 days prior to the effective date.

The only other time an employee may make changes to their benefits is when they experience a qualifying family status change. Certain qualifying family status changes may allow for an opportunity to add, delete, or change benefits and/or dependents. The requested benefit change must be consistent with the qualifying family status change and allowed under the IRS Section 125 rules and plan policy. Qualifying family status changes include a change in employment that would dictate a change in eligibility for benefits; a change in employment of a spouse where there is an addition or loss of benefits; the change in dependent status of a dependent; the birth, adoption, or foster placement of a child; marriage; divorce; or death of a dependent. You **MUST** contact and provide documentation to HR immediately if you experience a change in status. **All changes must be made within 31 calendar days of the date of the qualifying family status change. Changes requested outside of the 31-day window will not be accepted.**

The Consolidated Omnibus Budget Reduction Act (COBRA) allows for continuation of employer-provided medical, dental, and vision insurance in addition to Medical Reimbursement Plan after termination of employment or other qualifying events such as loss of dependent status (divorce or child no longer being eligible as a dependent under the plan). Employees are required to pay the full monthly premium, plus a 2% administrative fee, directly to the COBRA Administrator. Employees should immediately notify Human Resources if a qualifying event occurs within their family. For more detailed information on your COBRA rights, and the terms under which continuation is allowed, please refer to the COBRA Continuation Notice sent to your home upon enrollment in PULAU's medical, dental, and vision plan, or contact Human Resources.

Life and Accidental Death and Dismemberment (AD&D) Insurance

PULAU provides \$50,000 in group employee life and AD&D insurance to all eligible full time employees up to age 65. At age 65 and beyond, your Life and AD&D insurance coverage amount will be reduced. Please refer to the SunLife enrollment form for reduced amounts.

Certain SCA employees will not be eligible for this coverage depending on their overall benefit election and benefit eligibility. Beneficiaries are maintained in ESS which is located in your time card.

Health Advocate

PULAU provides this benefit to all benefits eligible employees and their family members. Health Advocate gives personalized help with a healthcare or insurance issue, elder care issues, locating an in-network provider, interpret a complex condition or procedure, clarify treatment options, and help with billing or claims issues.

Additional Benefits

The following additional benefits are available for benefits eligible employees to purchase. Some SCA eligible employees may not purchase these benefits.

Supplemental Life and AD&D

Additional life and AD&D insurance for the employee, spouse, and child(ren) is available for an eligible employee to purchase. You can purchase supplemental life insurance in \$10,000 increments up to five times your annual salary, not to exceed \$500,000. When you are first eligible (for example, as a new hire) the amounts available with no evidence of insurability required is \$50,000 if under age 60; \$40,000 if age 60-69; \$20,000 if age 70-79; and \$1,000 if age 80 or over. Evidence of Insurability is required for anyone who purchases supplemental life after their initial eligibility period has expired.

Spouse life insurance is available to purchase at \$12,500, \$25,000, \$50,000, and \$100,000 coverage levels. You must purchase supplemental life in order to be eligible to purchase spouse life. The amount for spouse life is limited to as it cannot exceed 50% of your own supplemental coverage amount.

Child(ren) life insurance is available to purchase at \$5,000 and \$10,000 coverage levels. You must purchase supplemental life in order to be eligible to purchase child life.

Beneficiaries are maintained in ESS which is located in your timecard. Employees are automatically the beneficiary for Spouse and Child life insurance. Contact Human Resources for cost and additional information.

Short Term Disability

This benefit is optional for the employee to purchase. It provides 66.6% of your weekly salary up to a maximum of \$1,500 for you if you are unable to work due to a non-work-related illness, injury, or disability, and after an absence of more than seven consecutive calendar days. Benefits begin on the 8th day of disability and continue for up to a maximum of 13 weeks of disability. A disability claim form can be obtained from Human Resources. Short Term Disability runs concurrently with FMLA.

Long Term Disability

This benefit is optional for the employee to purchase. It provides 66.6% of your basic monthly salary up to a maximum of \$6,000 per month until you become eligible for Social Security benefits. This begins on your 14th week of disability. A disability claim form can be obtained from Human Resources. Long Term Disability runs concurrently with FMLA.

Medical Flexible Spending Account

This program allows employees to elect an amount to be withheld on a pre-tax basis to pay for eligible healthcare expenses that qualify under Internal Revenue Service (IRS) regulations. Some eligible expenses are co-pays and deductibles for medical, dental, and vision expenses.

Dependent Care Flexible Spending Account

This program allows employees to elect an amount to be withheld on a pre-tax basis to pay for eligible child care and elder care expenses that qualify under Internal Revenue Service (IRS) regulations.

Personal Insurance Policy

Employees can purchase personal insurance policies such as Cancer, Intensive Care, Accident, Hospital Indemnity, Long Term Care, and Sickness Indemnity Insurances through AFLAC.

401(k) Savings and Retirement Plan

PULAU's 401(K) Savings and Retirement Plan is a voluntary employee contribution salary reduction savings plan. To be eligible to contribute to the plan you must be a U.S. citizen, age 21 or over, and have completed three months of continuous employment. A 401(k) package giving full details of the plan is available to all employees approximately 2-4 weeks before becoming eligible for enrollment.

Once enrolled, changes in the percentage of contributions may be made at any time in ESS and will be effective within one to two payroll cycles. Changes in the direction of contributions can be made at any time through the 401(k) provider.

In addition to your contributions, each year the Board of Directors may determine what additional amount, if any, will be contributed to the Plan. This additional contribution is known as the employer discretionary contribution or employer match.

"Vesting" is your right to the balances that are held in your account. You are immediately 100% vested upon your enrollment into the plan.

Leave Benefits

PULAU acknowledges that there are occasions that employees need to be away from work. In addition to holidays and vacations, an employee may become ill, disabled, or must attend to pressing personal business.

The following sections will address the benefits available to you as PULAU employees. If you have any questions regarding these benefits, contact Human Resources at (407) 380-9191.

Holidays

It is the policy of PULAU to recognize certain designated days throughout the year as paid holidays. Under normal circumstances, PULAU observes the following ten (10) holidays (unless otherwise specified).

- New Year's Day
- Martin Luther King's Birthday

- President's Birthday
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Christmas Day

When a holiday falls on a Saturday the preceding Friday will be treated as a holiday. When a holiday falls on a Sunday the following Monday will be treated as a holiday. Holidays will be paid only to employees who work hours or take approved leave on their normally scheduled work day immediately prior and their normally scheduled work day immediately after the holiday.

An employee should observe the holiday on the designated day unless you are scheduled to work on a holiday. If a non-exempt employee is required to work on a paid holiday, the employee will be paid for hours worked in addition to holiday pay. If an exempt employee is required to work on a holiday, with your supervisor's approval, you may observe your holiday on another day in that calendar year. Employees working at the Fort Irwin site will be notified of their Holiday schedule.

If you are sick or on vacation when a paid holiday occurs, you will receive holiday pay rather than sick or vacation pay.

You will receive up to a maximum of eight (8) hours holiday pay for holidays not worked. You will be advised of any changes in holiday observations.

Part-time employees will receive holiday pay on a half rate basis (4 hours.) Minimum part-time and temporary employees do not receive holiday pay (unless under an SCA contract.) If you are on an approved leave of absence during a holiday, you will not receive holiday pay. Paid time off for holidays will not be counted as hours worked for purposes of determining overtime.

Employees in certain OCONUS sites do not receive holiday pay. See your offer letter for your specific work schedule.

Vacation

You are encouraged to use your vacation time, as this benefit is designated to provide you with an opportunity to rest and enjoy a departure from the normal work routine. In emergency situations and only with Human Resources approval you may be granted vacation pay in lieu of taking vacation.

Vacation is accrued based on your length of service and may be taken as soon as you have earned it. The following schedule specifies the amount of vacation earned for full-time employees for a corresponding period of continuous service.

Length of Service	Hours per Week Accrued	Hours per Year	Work Days per Year
Less than 5 years	1.54	80	10
5 years up to 15 years	2.31	120	15
15 years or more	3.08	160	20

Accrual rates may vary for employees working on SCA contracts and OCONUS locations. See your offer letter or wage determination for specific vacation accrual policies.

The maximum amount of vacation hours you may carry over from one calendar year to the next is:

Length of Service	Hours
Less than 5 years	80
5 to 15 years	120
15 years or more	160

We recognize that it is difficult for some locations to be relieved for vacation. If this is a problem for you, or if you foresee any problem in complying with this policy, please contact your manager for assistance as soon as possible.

If you are a part-time employee (30 – 37.5 hours per week) your vacation accrual will be earned on a half rate basis. Minimum part-time employees do not receive vacation benefits (unless under an SCA contract.) If you become ill or are injured during your vacation, you may substitute sick time, if approved by your manager.

You may use vacation time to observe special religious service. If no hours worked are entered on your timecard in a pay period, no vacation time will accrue. You will be paid all vacation hours earned but not taken upon termination.

Requesting Vacation

Requesting vacation time is done in your timecard. However some OCONUS programs may require additional forms to be submitted to management. For planning purposes, vacation requests must be requested and approved two weeks in advance. The choice of vacation scheduling is usually based on two factors: business requirements and personal preference based on length of service. From time-to-time, it may be necessary for vacation scheduling to be based primarily on the needs of the business rather than personal preference. Vacation time may be taken in increments of one hour, by days, or by weeks.

Sick Time

The PULAU sick time program is designed to meet your needs when you, or an immediate family member, are sick. Immediate family for the purposes of the sick time program is defined as those living in the common household with the employee.

Each year all full-time employees hired after 8/1/92 earn a maximum of 40 hours of sick time. You may use your sick time as soon as you have earned it. (Employees hired prior to 08/01/92 should contact Human Resources for their accrual rate). Sick time may be carried over to following calendar years up to a maximum of 320 hours.

Sick time is paid at your base rate and may be taken in increments of one or more hours. Part-time employees (30-37.5 hours per week) earn sick time on a half rate basis. Minimum part-time and temporary employees do not receive sick time. If no hours worked are entered on your timecard in a pay period, no sick time will accrue.

If an employee is out for three (3) consecutive days or more, a doctor's note will be required to return to work. If your employment with PULAU ends, you will not be paid for accrued sick time.

Maintaining a high level of attendance is a primary goal of PULAU, and the number of sick time hours available to you is not intended to establish a guideline for acceptable attendance. Excessive unplanned absence is determined by your manager and our attendance policy. Disciplinary actions up to and including termination may result from excessive unplanned absence.

Bereavement Leave

The Company recognizes that a time of bereavement is a very difficult one for an employee. In this regard, every effort will be made to ensure the employee is able to attend to family matters. Employees will be granted a paid absence from work for up to three (3) days for a death in the immediate family.

Immediate family is defined as the spouse, parent, spouse's parent, step-parents, children, step-children, brother, sister, grandchild, and grandparent.

In the event of a death in the family, you should immediately notify your Manager, who will notify Human Resources.

Time off granted in accordance with this policy shall not be credited as time worked for the purpose of computing overtime.

Jury Duty

The Company believes it is the civic duty of its employees to accept jury duty service when called. It is the Company's philosophy that an employee should not suffer a major loss of income in the performance of civic responsibility; therefore, the Company will make up the difference between an employee's regular straight-time hourly pay and monies received from the court system for service as a juror, when such service is documented by the court authorities. All company benefits will be maintained during this absence.

PULAU limits income protection for jury duty to a maximum of ten working days per year, unless otherwise approved by management.

While serving as a juror is a civic duty, there may be cases where an employee's extended absence would have a serious effect on the operating efficiency of the Company. In such instances, if the manager deems it necessary to request that an employee be excused from jury duty and Human Resources concurs; the employee may request an excuse from jury duty. If the deadline for response to the court is brief, a phone call may be necessary to respond in a timely manner.

To be eligible for excused absence for jury duty, the employee must notify the Company immediately upon receipt of the summons notice. Furthermore, he/she must report back to work, if released by the court, while a reasonable amount of time is left to the end of the shift. Finally, he/she must obtain from the court an attendance slip verifying his/her actual dates of service. Employees who are paid for jury duty shall submit a copy of their pay voucher to the Payroll department within 30 days; the appropriate amount will be deducted from the next payroll.

In the event that business conditions necessitate overtime while you are on jury duty, you will not be required to work more than twelve hours of combined jury duty and work per day. Overtime is paid for actual hours worked over eight (8) hours per day.

Family Medical Leave Act (FMLA)

PULAU recognizes employee needs for leave requests under various situations. The Family and Medical Leave Act of 1993 (FMLA) requires employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for certain family and medical reasons, or up to 26 weeks of military caregiver leave to care for a covered service member with a serious injury or illness. Employees are eligible if they have at least one year of prior service, worked 1250 hours over the previous 12 months. Paid leave may be used during this period, if available, and is a voluntary option to the employee. All FMLA leaves run concurrent with other leave entitlements. This includes use of paid leave for a FMLA covered reason, Short Term Disability, Occupational Disability Leave, and any other leave provided under federal, state, and/or local law that would be covered under the FMLA.

FMLA leave can be granted for the following reasons: to care for the employee's child after birth or placement for adoption or foster care; to care for an employee's covered family member defined as a spouse, son, daughter, or parent who has a serious health condition; or for a serious health condition that makes the employee unable to perform his or her job.

Additionally, FMLA provides eligible employees unpaid job-protected leave for any one, or for a combination of the following reasons: A "qualifying exigency" arising out of a covered family member's active duty or call to active duty in the Armed Forces in support of a contingency plan (up to a maximum of 12 work weeks of leave during any 12 month period); To care for a covered family member who has incurred an injury or illness in the line of duty while on active duty in the Armed Forces, provided that such injury or illness may render the family member medically unfit to perform the duties of the member's office, grade, rank, or rating (up to a maximum of 26 work weeks of leave during a single 12-month period).

The employee is required to give an advance notice of 30 days if the leave is foreseeable, and must provide medical certification to support a request for leave because of a serious health condition for themselves or a covered family member. There will be no vacation or sick time accrual or paid holidays while employees are on FMLA.

Eligibility and approval of leave is determined upon notification to PULAU of the need for FMLA leave. Complete details on FMLA are available from Human Resources.

Intermittent leave (leave taken in short amounts of time, in either hours or days, and lasting for various amounts of time) for personal illness or injury or to care for a covered family member's illness or injury is allowed. Intermittent leave to care for the employee's child after birth or placement for adoption or foster care will be allowed with prior supervisor and HR approval. The request to take intermittent FMLA leave must be made 30 days in advance or as soon as possible. Exempt employees on an intermittent FMLA leave will be reclassified as Non-exempt employees and will only be paid for hours worked during this period of leave.

Employees are responsible for continuing to pay their portion of the premiums for insured benefits while on leave. These benefits include medical/dental/vision; supplemental life insurance for employee, spouse and/or child, reimbursement accounts, and any other insurance coverage(s) the employee is enrolled in at the time of their leave. Payment is due on the first of each month. Failure to make the appropriate payments, or payments more than 30 days late,

will cause the benefit(s) to be terminated. If the employee fails to return to work after the FMLA leave for reasons other than a serious health condition or circumstances beyond the employee's control, the employee will be obligated to repay the full premium including the amount paid by PULAU for coverage during the FMLA leave. It is required that the employee return to work for at least 30 calendar days to avoid the repayment obligation for premiums paid by PULAU.

If you were on leave for your own medical condition, in order to return to work you are required to submit a physician's release.

Occupational Disability Leave

You will be granted a leave of absence upon written request if you sustain a work-related disability. A leave of absence for a work-related disability shall be extended for the duration of the work-related disability. Benefits for a leave of absence for a work-related disability will be coordinated with Workers' Compensation benefits. Notification requirements for an occupational disability leave are the same as those for non-occupational disability leaves. The Company will retain you on an extended leave of absence for work-related disabilities until one of the following situation(s) occurs:

- You are released for full or partial duty.
- The Company receives satisfactory medical evidence that you will be permanently unable to return to work.
- You directly or indirectly inform the Company (i.e., by accepting other employment, moving out of the state, etc.) that you do not intend to return to the Company's employ.

The Company will reinstate you to your former position upon your return from an occupational disability leave unless prevented from doing so as a result of business necessity. In the event, we shall place you in a comparable position for which you are qualified should there be an opening. If no position for which you are qualified is available, we shall place you on a preferential re-hire list to be called in the event of a suitable opening. When you are able to return to work, you should give the Company at least two (2) weeks' notice so that we may properly schedule your return. You will be required to provide a physician's statement that indicates that you are fit to return to work.

During your leave, your service time is protected, but you do not accrue vacation or sick time benefits, nor be paid for holidays. You are responsible for paying the entire cost of your group health and life insurance premiums while on leave. The premiums are due at Corporate Headquarters by the first of the month. Details are available from Human Resources.

FMLA will run concurrently with any worker's compensation leave from work.

Short Term Military Duty

PULAU is covered under the federal Uniformed Services Employment and Reemployment Rights Act and complies with all USERRA requirements and related federal and state military leave requirements. Eligibility for this leave is effective at date of hire.

Any employee required to report for short term military training periods or emergency duty assignment should notify his/her manager immediately. Such leave will be granted provided that:

- The employee must provide management with evidence of the “Ordered Tour of Duty” as soon as possible after receipt of such order.
- Arrangements to have the work performed by others must be made. If suitable arrangements cannot be made, it may be necessary for the employee and the Company to request an exemption from the tour of duty.

Military leave is unpaid. However, if your military pay (excluding travel, housing or other allowances) is lower than your basic Company wages you will be compensated for the difference between your basic Company wages and your military pay for a maximum of ten (10) working days per year.

While you are on short term military leave PULAU will continue to pay your basic Company wages. You are required to submit a military pay voucher or its equivalent to Payroll upon your return from duty. Payroll will offset any amounts you received as military pay against the company wages already paid to you during your short term military leave. The proper amounts will be deducted from the following paycheck.

Company benefit plans will remain in force during short-term military leaves of absence.

Voting

PULAU believes that an employee’s right to vote is a basic one, and providing employees the opportunity to vote is a civic duty. All employees registered to vote at a general election may be entitled to time off at the beginning or end of their shifts to vote. If you do not have at least three (3) consecutive nonworking hours during the time the polls are open, you are entitled to use part of your work hours to vote without loss of pay. Arrangements for time off to vote must be made with your manager prior to the day of the election.

Appendix A

Standards of Conduct

Behavior consistent with PULAU's values and business standards of conduct is one of our most important workplace responsibilities. Observing all laws and regulations and abiding by high ethical standards is not only a legal requirement, but also an ethical obligation for all of us at PULAU Corporation.

This commitment applies to everyone regardless of the level of responsibility of position in the company. It also applies to non-employees who act on the company's behalf in any capacity. Everyone is responsible for the integrity and consequences of their actions.

Responsibility

It is the responsibility of everyone to comply with these standards, and to seek advice or guidance when questions arise and to report violations of which you may have knowledge. Everyone is encouraged to discuss such issues with your supervisor first. In the event that is not possible, contact the Human Resources office. Reported incidents will be kept confidential. You may make an anonymous report if you choose, but in any case, our company policy prohibits retaliation on anyone reporting a violation.

Consequences

Those who violate the company's stands of conduct, especially those relating to our relationships with the U.S. Government, but also those related to commercial customers, will be subject to disciplinary action up to and including termination of employment. Violations may also result in civil or criminal penalties. An employee who witnesses such a violation and fails to report it may be subject to discipline. A supervisor or manager may be subject to discipline to the extent that the violation reflects inadequate supervision or lack of diligence.

What is Considered a Conflict of Interest?

Every PULAU employee occupies a position of trust and all of us must be sensitive to any situation both on and off the job that may cause others to doubt our fairness or to question the good faith of our acts or decisions. Potential conflicts may involve customers, suppliers, present or prospective employees or members of the communities in which we live and work. Even the most conscientious person can be influenced by a conflicting interest and the mere existence of that interest may cause the good faith act to be questioned. If you have any question in this area, seek help or guidance from a supervisor or Human Resources.

Situations in which financial or personal interests of an employee and/or their immediate family may conflict with the company must be carefully avoided. If you or any member of your family has a substantial financial interest in any firm that is supplying goods or services to PULAU, or is bidding on or proposes to do work for PULAU, you must promptly advise management and disclose in writing the nature of the interest. Before serving as a consultant, director, trustee, officer or employee of a company, organization or government agency that competes or deals with or is a supplier of PULAU, or one that is involved in national defense work, you must obtain management's approval. If you are in the chain to recommend or approve a particular supplier or take any similar action and you know that a member of your family or that of another PULAU employee is employed by or controls a substantial interest in that supplier, you should disclose

this fact in writing to management as soon as you learn of it. Close personal relationships, which could lead to questions about the objectivity of your judgment, should be disclosed.

What is Considered a Company Resource?

Company proprietary information is an asset as valuable as money, property, time or skills and must be used for authorized company business purposes only. PULAU employees must protect PULAU's proprietary or private information, which include, but is not limited to, technical, financial, customer, partner, vendor or employee information, including information learned in a partnership or teaming arrangement. All employees are given a "Proprietary Information and Invention Agreement" to read and sign an acknowledgement that they have read and understood it.

Unauthorized use of this information may not only violate company procedures but may also result in violations of laws and regulations such as insider trading, antitrust and others. Also, we must respect copyrights and honor the licensing requirements of computer software.

While conducting business, don't seek information that we are not entitled to, especially involving the integrity of any competitive bidding involving the company. We must comply with DoD requirements when handling government classified information. All classified documents must be handled and safeguarded in strict compliance with the requirements stated in security procedures. If you have any questions regarding these procedures, contact the Facility Security Office (FSO).

Property is a costly company resource. Company and customer owned equipment should be used for authorized business purposes only. Exceptions must be approved by management. Such equipment must never be used for purposes that are disruptive, or to communicate messages that could be considered offensive or violate company procedures in any way. PULAU employees should give the same respect to resources of prospective and current customers or suppliers. Customer-owned property must be used for purposes specified on the appropriate contract requirements and government regulations. Accountability for company-owned property means that it should be used maintained, accounted for and when necessary, disposed of properly as directed in company procedures. Unauthorized removal of company or government property may be considered theft.

Time is money: When signing your timesheet each week or reporting your time electronically, you are certifying that this record accurately reflects how your time was spent at work. Improperly shifting cost from one contract to another, improperly charging labor or materials or falsifying timesheets is prohibited. The accuracy of your input directly affects the accuracy of the data for which our cost systems depend. Willful, false reporting or mis-charging will result in disciplinary action up to and including termination.

Records: Use, expenditure and disposal of company resources must be documented as required by company procedures. All transfers of costs for accounting purposes or any other alternation of company records must be properly approved and adequately documented. Any action by an office, manager, employee or anyone active on company's behalf to circumvent the company's system of internal controls or to provide misleading information on company documents is prohibited.

Expenses: The Company will reimburse PULAU employees for reasonable expenses incurred in the conduct of their work. Permitted expenses are listed in company procedures and must be adequately documented. Expense Reports must be accurate and be submitted promptly and special attention must be paid to any expenses involving business conferences or meetings with customers and suppliers.

Our relationships and business conduct with Customers must always be in an open and above board manner, and not seek any improper influences. We expect both government and commercial customers to select our products because of quality, service and price. Our policies, procedures and practices are designed to prevent even the appearance of such influence.

The nature of our business requires that we especially be attentive to the strict standards that government agencies have established. As a general rule, business courtesies such as gifts, entertainment, services or favors should not be offered to any actual or potential government customer or representative. When dealing with non-government personnel in connection with government contract or subcontract activities, similar restrictions apply.

All products must be exactly as specified by the Customer in the contract and all testing and quality assurance steps must be followed. Any change to a contract must have the prior written approval of the contracts office and an authorized customer representative. It is a crime to offer or give anything to a government employee because of an official act performed or to be performed. Offering, providing, soliciting or accepting anything of value to or from anyone in return for favorable consideration on a government contract or subcontract is called a kickback and is a crime.

Business courtesies offered to commercial non-government customers must demonstrate good business judgment and be reasonable (for example, not frequent or lavish), legal and offered in a manner that could not hurt PULAU's reputation for impartiality and fair dealing.

Professional, helpful, friendly relationships are essential to any business. While developing these relationships with suppliers, we must also maintain an honest, objective and efficient procurement process. The purchase of materials and/or service must be in accordance with our policies and procedures.

Our company policies go beyond the law prohibiting kickbacks. We must avoid even the appearance of improper conduct in all our business dealings. Exceptions to these standards are not allowed unless specifically provided in the company's written procedures.

Laws and Regulations

Laws and regulations, which govern business activities with the federal government are complex and impose requirements that are often different from those encountered in commercial transactions. Some of them prohibit or place limitations on business activities like procurement practices and technology transfer. Others address workplace conditions that affect employees such as environmental obligation and equal employment opportunity. Listed are some of these laws with a summarized explanation. These summaries are not all inclusive. If you are unsure about the impact of any of these laws or if you have questions, contact your supervisor or Human Resources.

Anti-Kickback Act of 1986

Directly or indirectly offering, providing, soliciting or accepting anything of value in return for favorable treatment in connection with a government contract or subcontract is a violation of company policy and federal law that may result in severe civil or criminal penalties.

Byrd Amendment

This law prohibits the use of federally appropriated money to pay any person for influencing or attempting to influence officials of the Executive or Legislative branches, including Members of Congress and their staffs, in connection with the award or modification of U.S. Government contracts.

Equal Employment Opportunity (EEO)

PULAU Corporation complies with all laws pertaining to EEO and will select, retain, promote and take other personnel actions strictly on the basis of ability, performance, experience and company need without regard to race, creed, color religion, national origin, sex or veterans or disability status.

Environmental

There are multiple federal, state, and local laws and regulations that protect the physical environment. Employees must promptly report all circumstances in which regulated materials or chemical wastes are improperly handled or disposed of or where potential violations of law or damage to ground, air or water resources may occur.

Foreign Corrupt Practices Act

FCPA prohibits the payment or offering of anything of value directly or indirectly to a foreign government official, political party, party official or candidate for the purpose of influencing an official act or decision of the person or the government in order to obtain or retain business.

Occupational Safety and Health Act of 1970

OSHA set standards for protecting the health and safety of employees and visitors in the workplace. PULAU Corporation adheres to these standards and employees must not engage in any activity or practice which could jeopardize the safety or health of any individual.

Omnibus Drug Initiative Act of 1988

This law and the DoD "National Industrial Security Program Operating Manual (NISPOM)" require the company to maintain a drug-free workplace. Any employee engaged in the sale or transfer (dealing) of a chemical substance on company time or business, if such dealing is confirmed, will be terminated. Dealing is also a crime and it will be reported to appropriate law enforcement authorities.

Frequently Asked Questions

Q: I work with government teams and/or individuals. Is it okay to give them a company mug, baseball cap, or other items from the company?

A: Since government policies vary between agencies, you should not offer such gifts without consulting our President and Chief Operating Officer.

Q: What exactly does it mean when I hear or read: "PULAU Corporation must disclose current, accurate and complete cost and pricing data to the government?"

A: The Truth In Negotiations Act requires such disclosure. "Cost and pricing data" includes all facts, available at the time of agreement on price that prudent buyers and sellers could reasonably expect to affect price negotiations.

Q: A team of commercial customers visit, and we host and pay for lunch. Why can't we do this for a government team?

A: Some government regulations prohibit personnel from receiving meals from actual or potential contractors. The prohibition may apply even if the government personnel pay their fair share. Furthermore, you may not pay for their meals out of your own pockets.

Q: A customer representative has asked me to review part of a competitor's proposal. May I do this?

A: No. Doing so may violate legal and contractual prohibitions on disclosure or use of the information. You should consult the affected proposal manager immediately.

Q: What can I do when I know a DoD person who will be leaving their government job soon? May I talk to this person about coming to work for our company?

A: Not without prior authorization. Contact Human Resources, and a determination will be made for such contact, to ensure there is no conflict of interest.

Q: Our equipment is being repaired, but there is a piece of government owned test equipment in a nearby area. Is it okay to move the government equipment into our area to us, and return it later?

A: No. Government property is provided to our company only for use on specific contracts. To use it for any other purpose without prior government authorization violates the contractual agreement. This could result in a civil or criminal penalty for both you and the company

Q: We use a software program purchased by our company. Another PULAU employee on another contract will have to wait two weeks for their copy. May we copy ours and let them use it until theirs arrives?

A: No. You may not make copies of licensed software without written permission of the copyright owner.

Q: I am active in my community's school district, and have recently accepted a lead role in parent-teacher relations. May I use the copy machine to reproduce mailing materials?

A: If you are working on a government facility, using government equipment, the answer is "no." However, PULAU Corporation encourages involvement in community activities. If there is an event that you believe the company may want to support, bring it to the attention of management, requesting this support.

Q: I'm attending a trade show next month. May I discuss our chances for receiving a contract award with other bidders?

A: No. You should not discuss bids, terms of contracts, or similar proprietary business information with employees of competing firms. This may give others an unfair advantage and violate anti-trust laws.

Q: I received a copy of part of a competitor's proposal in the mail. What should I do?

A: Do not read or use it. Seal the document immediately, and give it to Business Development or Human Resources to handle.

Q: A friend of mine owns a computer store. May I give him names of our employees for a special discount?

A: No. Information about the company's employees, such as who they are and where they work, is private and not for release outside the company.

Q: What's the difference between "allowable" and "unallowable" costs?

A: The words "allowable" and "unallowable" refer to whether or not an expense may be passed along to our government customers. Some expenses, for example wine at a business lunch, may not be charged as an expense to a government customer

Q: May I mix business and vacation?

A: Yes, but this must be clearly defined and indicated on your Travel Authorization and approved in advance. PULAU Corporation will not reimburse additional expenses incurred as a result of your personal travel.

Q: I am a salaried exempt employee. Why do I need to record the number of hours I work every day, as long as I put in 40 hours each week?

A: In accordance with PULAU Corporation's policies and procedures you may be required to work extended hours (in excess of eight hours in one day or on a regularly scheduled day off), which may offset a partial day's absence within the same week. You are responsible for ensuring that your record of hours worked each day is accurate.

Q: How does the company define "Gratuity?"

A: A gratuity is any benefit for which fair market value is not paid by the recipient. It can include, but is not limited to, entertainment, meals, beverages, recreation, hospitality, transportation, discounts, tickets and passes.

Q: A supplier is hosting an industry meeting on a new technology. They are providing the facility and meals. May I attend?

A: If approved, yes. However, PULAU will pay your transportation, room and board (except for meals provided to all participants at the facility as part of the conference).

Q: A company supplier has offered to pay me for work I could do for them on my own time. Is this against company policy?

A: Moonlighting for a supplier or consultant could lead to a conflict of interest. The company requires a written approval from supervisors and management.

Q: I received a calendar as a thank you from one of our suppliers. Should I send it back?

A: The Company allows for some exceptions to the ban of accepting "anything", which includes items of nominal value when it would be impractical to return to them. However, corporate policy is more specific and restrictive, when it comes to dealing face-to-face with a supplier on a government contract who wants to give you a gratuity—your answer should always be, "no thanks."

Q: One of our suppliers is a good friend. We want to go in together and buy a condo in Colorado, to use as a vacation spot for our families, and lease out during the skiing season. Is this a problem?

A: It could be. Even if you can keep your financial arrangements from "spilling over" into your working relationship, you may not be able to keep others from suspecting a conflict. You should discuss any such arrangement with management, who may have to seek legal counsel.

Q: My son works for a supplier of our company. Is this a conflict of interest?

A: Probably not, unless you or your department could influence PULAU Corporation's contracts with this supplier. Discuss this with a manager to assure that no conflict exists.

Q: What does the company consider “substantial financial interest” in a supplier or potential supplier?

A: If you own more than 5% of a publicly-traded stock, or own any stock in a company which is not publicly traded, it is considered “substantial financial interest.” If your interest in another company constitutes 10% or more of your net worth, that is also considered to be a substantial financial interest.

Q: Who should I contact if I believe PULAU Corporation Standards of Conduct are being violated?

A: The first person to tell is your supervisor or manager. We realize that this is not always easy to do. Depending on the issue at hand, upper management may have to become involved. In acting responsibly to alert the company of possible problems, you are assured your confidence will be protected throughout a conducted review of the matter. If we have a way to contact you, we will let you know how the matter is resolved.

Business Ethics

Two Basic Principles

1. Businesses benefit from people who have a complete understanding of “who they are as a person” and base their decisions on that understanding.
2. Everyone has the power and ability to influence others. Ethical behavior deals with how each person chooses to exercise that power to impact people whether it is families, organizations or customers.

Business is about their people. PULAU employees should not think it is about “me” ...it’s about all of us and how we do things. Every day, newspaper and magazine articles are printed about poor ethical behavior that has ruined businesses and lives. Lives are affected from the CEO’s to the entry level positions.

Ten Guiding Principles for Individual Ethical Behavior

Think about examples in your life experiences and work experiences. All of us have been in situations that challenged our ethics. We have all made choices—good and bad. Our choices affect our offices, co-workers, promotions, families and even our health through stress.

1. “I Know Who I Am”

Some of the problems that can result in conflict in our personal values affect us mentally and physically, can create personal and family problems, or even become criminal acts. Know your values, priorities, parameters and limits. Be consistent with your values in both your personal and professional environments. If an environment conflicts with your personal values, you are in a dangerous and stressful situation that may lead to problems. You can’t work in an office with one set of values and go home to a different set of standards.

2. “I Am Not Alone”

We develop personal and professional relationships consistent with our values. We must be consistent in all relationships. Ethics is a matter of rightly and honestly relating to others. We must “walk the talk.”

3. “I Am Aware of My Power and Influence”

We must be aware of the power and influence we have and exercise it carefully for good purposes. Everyone is an example to someone. You are an example to someone. Many businesses have established mentoring programs. Whether you know it or not, as others watch and listen to you, good example or poor, you are mentoring those around you. As a parent, we set an example for our children. Being a parent is a powerful and influencing position. Our children mimic us the first years of their lives. They listen and talk like us. They watch and they act like us. As an Employee of PULAU, no matter what position you work, to a new Employee, “you” are the example of this company, and you will be watched and listened to, and they’ll believe this is how they need to be. We can talk about the culture of this company to new Employees, but we are the best example of what our company represents.

4. “I Work Using Realistic Goals and Timetables”

Unrealistic expectations may lead to shortcuts and bad decisions. How many of you have thought about taking a “shortcut?” It could be as simple as copying a paper off the internet and passing it off as your own. None of us want to, but we’ve all made at least one bad decision in our lives. If you do, don’t get caught up in a lie. Just admit you made a mistake, fix it as quickly as possible and get on with the next deadline.

5. “I Am Accountable”

Don’t make promises you can’t keep—keep those you make. Question your motivation if you are making a promise simply to satisfy someone or to delay the inevitable. Why would anyone make a promise they couldn’t keep? We have expectations of ourselves, set goals, within a certain timeline, and sometimes come up short of those expectations. We’re human. But if you know it’s impossible to complete a project the best way it should be done in the time allotted, speak up right away. You’ll be more respected by the customer and your boss if everything is presented up front. Ask immediately for an adjusted timetable, or explain that more expertise is needed than what you have. If we can bring in more expertise from the beginning, we may meet a timely and quality deliverable. Make yourself accountable.

6. “I Do Not Compromise Others”

Do not ask others to promise something they cannot deliver. Integrity flows downhill. Do not create a need or environment where others may be pressured to shortcut or make bad decisions. Are you creating an environment where others are being pressured to make unethical choices? Don’t ever create a situation where a coworker must turn their head or close their eyes to avoid seeing your misconduct.

7. “I Admit My Mistakes”

Admit mistakes early and move on—it saves time. Do not deny the reality that is already present and waste many others’ time by covering up, fabricating, or passing blame. You may save someone else from a similar fate. Do you like surprises? Parties are fun, but in the work place, surprises can be detrimental. Mistakes happen—people make mistakes. It’s not easy to

admit our mistakes, but you'll gain more respect when you don't waste time covering up or blaming someone or something else. Just fess up, and get on with fixing the problem. If someone else goofs, and apologizes, realize it could have been you, and help them solve the problem so the same thing doesn't happen again.

8. "I Consult Wisely and Widely"

Consult others wisely and widely. Avoid choosing people who will certainly agree or feel pressured to agree. Seek others' opinions quickly and openly to create an environment of trust. Our management culture at PULAU is self-directed teams. So, the idea of consulting wisely and widely should not be new. Everyone should be interacting and consulting with others on a regular basis. Picking the right person is the key. Although it's a pat on the back to have someone always agree with us, avoid "yes" people. Sometimes we are challenged to seek more information which strengthens our results. Agreeing to disagree is acceptable when brainstorming or trying to come to a final conclusion.

9. "I Will Listen and Communicate"

Listen and communicate when decisions are being considered. Break the silences, presumptions, patterns and traditions that keep people from applying ethical decisions. Develop a culture of openness and encouragement so people will tell you when they are concerned about something. Communication is two-way-speaking and listening. ASK QUESTIONS if you don't understand. What you thought you heard may not be what was said. Most everyone wants to do the right thing. Ask more questions, and don't prejudge. Help each other through clarification.

10. "I Will Remind Others to Walk the Talk"

Tell someone when there is a disparity between talk and walk, culture and process, and promise and capability. If you see a contrary practice, let the appropriate individuals know so that it can be corrected or clarified. Given the example of parents and bosses, we have learned where we stand in our positions and roles. But there are always gray areas—times when we must seek advice from others—in order to avoid inappropriate decisions. Communicate openly.

Acknowledgment Form PULAU Employee Handbook

I acknowledge that I have accessed the PULAU Intranet and have received a copy of the PULAU Employee Handbook as revised November 1, 2010, which describes important information about PULAU and my employment with PULAU. I understand that I should consult the Human Resources Department if I have questions.

I understand that PULAU shall have sole authority to add, delete, or adopt revisions to the policies in this Handbook and PULAU may change, modify, suspend, or cancel, in whole or in part, any of the published or unpublished personnel policies or practices, with or without notice, at its sole discretion, without giving cause or justification to any employee, except for the employment at-will provisions. Such revised information may supersede, modify, or eliminate existing policies except for the employment at-will provisions.

I understand that any changes to the policies and information contained within this Handbook will be distributed electronically when possible and published on the PULAU Intranet. I understand that PULAU will notify all employees when a change to the Handbook is made and it is my responsibility to review any changes and additions.

It is expressly understood that the contents of this Handbook do not constitute the terms of a contract of employment, but rather my employment with PULAU is on an at-will basis, which means that the employment relationship may be terminated at any time by either myself or PULAU with or without cause and with or without notice. Any verbal or written representations to the contrary are invalid and should not be relied upon by any prospective or existing employee.

Signature

Date

Print Name