

**TO:** All Employees  
**FROM:** Walter Sunderlin, CEO  
**SUBJECT:** Employee Handbook

---

I am proud to distribute the newest edition of **PULAU**'s Handbook. This handbook superseded and replaces all previous handbooks, personnel policies, practices and guidelines. The contents of this handbook, which summarize present Company programs and personnel policies are intended as guidelines only, except for the employment at-will provisions. As such, it is expressly understood that the contents of the handbook **DO NOT CONSTITUTE THE TERMS OF A CONTRACT OF EMPLOYMENT**. This handbook should not be construed as a guarantee of continued employment, but rather employment with the company is on an "at will" basis. This means that the employment relationship may be terminated at any time by either the employee or the Company for any reason not expressly prohibited by law or for no reason at all. Any verbal or written representations to the contrary are invalid and should not be relied upon by any prospective or existing employee. While other personnel policies are subject to change, the at-will relationship is not, absent a written agreement expressly so providing, signed by me.

---

Please enter the requested information below and return this page to:

Pulau Electronics Corporation  
ATTN: Human Resources  
12633 Challenger Parkway  
Suite 200  
Orlando, FL 32826

---

I, \_\_\_\_\_, have received and will read **Pulau** Electronics Corporation's Handbook concerning Company policies and procedures.

---

Signature

---

Date

**PULAU  
ELECTRONICS  
CORPORATION**



**EMPLOYEE  
HANDBOOK**

This handbook supersedes all previous handbooks, personnel policies, practices and guidelines. Policies and procedures contained in this **PULAU ELECTRONICS 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 distributed to each employee of **PULAU ELECTRONICS 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. Verbal 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**

It is a pleasure to welcome you to **PULAU**. Everyone has an important roll 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 retain it for future reference.

Your manager is your prime source of information about **PULAU** and your position. If you have any questions or suggestions, please discuss them with your manager.

Our Company has had an outstanding growth record and we anticipate even greater opportunities in the future. Our employees' personal sense of responsibility for the Company's success and welfare has been 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 ELECTRONICS CORPORATION** 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 ELECTRONICS CORPORATION**

Charles W. Wendland  
President

**PULAU** Electronics Corporation is a privately held corporation founded in 1976 by Mr. L.O. Harding. Mr. Harding remains as our principal shareholder, Chairman and Chief Executive Officer.

Derived from the Indonesian language, '**PULAU**' means island. This is a very symbolic term since the nation of Indonesia is made up of 13,000 to 17,000 islands.

**PULAU** was established to provide overhaul and repair of electronic and computer-related assemblies such as computer systems, power supplies, tape and disk drives, card readers and core memory stacks and systems. Shortly after the company's formation, **PULAU** developed the capability to manufacture core memory stacks and systems and became a major prime contractor for both defense and civilian agencies of the United States Government. Today, **PULAU** remains one of only a few companies manufacturing and supporting core memory technology.

In the early 1980's, **PULAU** developed field engineering capabilities to support all makes and models of personal computers. During this period, **PULAU** became one of the largest third-party maintenance providers for personal computers manufactured by Zenith Data Systems. **PULAU** became heavily involved in support of Zenith computer users at Department of Defense installations throughout the nation.

In the late 1980s, **PULAU** expanded its service to include full logistics support of major training and simulation systems. In 1987 **PULAU** was awarded the United States Air Force's first contract for full logistics support of their C-135B Flight Simulator. Outstanding performance on this contract led to the award of the United States Army's first training system consolidated support contract. That contract, won again in recompetition by **PULAU**, has grown to full logistics support for ten (10) different types of training devices at forty-three (43) Army installations in the United States, Korea, Germany and Italy.

Currently, **PULAU**'s operations support all types of simulators from System Maintenance Trainers to Part Task Trainers to complex Weapon System Trainers for the Army, Navy, Air Force and Marine Corps. Our support to the Department of Defense includes service for most of the computer systems manufactured today, and our technical support personnel are located throughout the world.

**PULAU**'s corporate headquarters and operational center are located in Orlando, Florida. From this location, **PULAU** supports all of its operations, marketing and manufacturing activities. At our executive headquarters in Chula Vista, California we support our core memory operations which include on-call maintenance and repair and manufacture of ferrite core memory devices.

Today **PULAU** continues to acquire contracts to:

- Provide for overhaul and repair of core memory stack and systems.
- Provide computer maintenance and support services.
- Provide logistics support for simulation and training devices.

**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."

**A- 0.4****Alphabetical Index**

<u>SECTION</u>	<u>SUBJECT</u>	<u>ORIGINAL ISSUE DATE</u>	<u>REVISION NUMBER</u>	<u>DATE</u>
<b>A</b>				
A- 0.1	Foreword	05/01/90	2	04/01/96
A- 0.4	General Alphabetical Index	05/01/90	10	04/11/07
A- 0.2	Letter from the President	05/01/90		
A- 0.3	PULAU History	05/01/90	2	04/01/96
A- 0.4	Table of Contents	05/01/90	10	04/11/07
<b>B</b>				
<b>General Information</b>				
B- 1.4.1	Accident Reporting	05/01/90	1	04/01/96
B- 1.1.1	Affirmative Action Policy	05/01/90	2	04/01/96
B- 1.9.2.1	Attendance Standard	05/01/90	6	09/01/00
B- 1.9.5	Bulletin Boards	05/01/90	1	04/01/96
B- 1.9.9	Business Travel Expenses	04/01/96		
B- 1.9.1	Conflict of Interest and Business Ethics	05/01/90	1	04/01/96
B- 1.9.3.1	Corrective Action Policy	05/01/90	2	04/01/96
B- 1.9.4	Defense Industrial Security Program	05/01/90	1	04/01/96
B- 1.1.2	Disability Accommodation	04/01/96		
B- 1.9.8.3	Dismissal	05/01/90	1	08/10/92
B- 1.5	Drug Free Workplace Policy	05/01/90	5	10/31/03
B- 1.7	Employee Identification Badges	05/01/90	1	04/01/96
B- 1.7.1	Employee Performance Appraisals	05/01/90	2	04/01/96
B- 1.7.2	Employee Personnel Files	05/01/90	1	04/01/96
B- 1.2	Employment of Relatives	05/01/90	1	04/01/96
B- 1.1	Equal Employment Opportunity	05/01/90	2	04/01/96
B- 1.1.3	Immigration Law Compliance	04/01/96		
B- 1.9.3	Investigative Policy	05/01/90	1	04/01/96
B- 1.9.8.2	Involuntary Resignation	05/01/90	2	10/01/92
B- 1.6	Problem Resolution Policy	04/01/96		
B- 1.9.4.1	PULAU Security	05/01/90	2	04/01/96
B- 1.9	Rules of Conduct	05/01/90	6	03/21/08
B- 1.4	Safety –Right to Know Policy	05/01/90	1	04/01/96
B- 1.9.8.4	Severance Policy	05/01/90		
B- 1.3	Sexual Harassment Policy	05/01/90	2	08/03/04
B- 1.9.6	Solicitation and Distribution	05/01/90		
B- 1.9.7	Telecommunication Costs and Personal Visits	05/01/90	1	08/10/92
B- 1.9.8	Termination of Employment	05/01/90	5	04/11/07
B- 1.9.4.2	Visitor Control System	05/01/90	1	08/10/92
B- 1.9.8.1	Voluntary Resignation	05/01/90	2	04/01/96
B- 1.9.2	Work Hours	05/01/90	1	04/01/96
B- 1.8	Your Manager	05/01/90	1	04/01/96

**A- 0.4****Alphabetical Index**

<u>SECTION</u>	<u>SUBJECT</u>	<u>ORIGINAL ISSUE DATE</u>	<u>REVISION NUMBER</u>	<u>DATE</u>
<b>C.</b>	<b>Compensation</b>			
C- 1.1	Classifications and Definitions	05/01/90	2	04/01/96
C- 1.0	Compensation	05/01/90	1	04/01/96
C- 1.7	Overtime	05/01/90	7	03/21/08
C- 1.6	Pay Advances	05/01/90	1	08/10/92
C- 1.5	Pay Days	05/01/90	2	03/21/08
C- 1.3	Payroll Information and Deductions	05/01/90	2	04/01/96
C- 1.8	Report in Pay	05/01/90	2	04/01/96
C- 1.2	Salary and Wage Changes	05/01/90	2	04/01/96
C- 1.4	Time Cards	05/01/90	4	03/21/08
C- 1.9	Wage Garnishments	05/01/90	2	04/01/96
<b>D</b>	<b>Benefits</b>			
D- 1.0	Benefits	05/01/90	4	03/21/08
D- 1.10.5	Bereavement Leave	05/01/90	2	02/13/04
D- 1.6	Cafeteria Plan	05/01/90	1	04/01/96
D- 1.10.3.2	California State Disability Insurance	05/01/90	2	04/01/96
D- 1.9	COBRA Insurance Continuance	05/01/90	2	04/01/96
D- 1.2	Dental	05/01/90		
D- 1.7	Dependent Care Coverage	05/01/90		
D- 1.11	Direct Deposit	07/01/92	2	03/21/08
D- 1.5	401(K) Savings and Retirement Plan	05/01/90	5	03/21/08
D- 1.10.1	Holidays	05/01/90	3	11/05/04
D- 1.10.7	Jury Duty	05/01/90	2	04/01/96
D- 1.10.4	Leaves of Absence	05/01/90	2	04/01/96
D- 1.3	Life	05/01/90	1	04/01/96
D- 1.4	Long Term Disability	05/01/90	2	10/01/92
D- 1.1	Medical	05/01/90	1	08/10/92
D- 1.10.3.3	Occupational Disability Leave	10/01/92	1	04/01/96
D- 1.10.4.1	Return from Leave	05/01/90	1	04/01/96
D- 1.4.1	Short Term Disability	04/01/96		
D- 1.10.8	Short Term Military Leave	05/01/90	2	03/21/08
D- 1.10.3	Sick Time	05/01/90	8	03/21/08
D- 1.10	Time Away from Work	05/01/90	1	04/01/96
D- 1.8	Unemployment Insurance	05/01/90		
D- 1.10.2	Vacation	05/01/90	5	04/11/07
D- 1.10.9	Voting	05/01/90	1	04/01/96
D- 1.10.3.1	Workers' Compensation Insurance	05/01/90	2	10/31/03

## A- 0.4

## Table of Contents

<u>SECTION</u>	<u>SUBJECT</u>	<u>ORIGINAL ISSUE DATE</u>	<u>REVISION NUMBER</u>	<u>DATE</u>
<b>A</b>				
A- 0.1	Foreword	05/01/90	2	04/01/96
A- 0.2	Letter from the President	05/01/90		
A- 0.3	PULAU History	05/01/90	2	04/01/96
A- 0.4	Table of Contents	05/01/90	10	04/11/07
A- 0.4	General Alphabetical Index	05/01/90	10	04/11/07
<b>B</b>				
<b>General Information</b>				
B- 1.1	Equal Employment Opportunity	05/01/90	2	04/01/96
B- 1.1.1	Affirmative Action Policy	05/01/90	2	04/01/96
B- 1.1.2	Disability Accommodation	04/01/96		
B- 1.1.3	Immigration Law Compliance	04/01/96		
B- 1.2	Employment of Relatives	05/01/90	1	04/01/96
B- 1.3	Sexual Harassment Policy	05/01/90	2	08/03/04
B- 1.4	Safety –Right to Know Policy	05/01/90	1	04/01/96
B- 1.4.1	Accident Reporting	05/01/90	1	04/01/96
B- 1.5	Drug Free Workplace Policy	05/01/90	5	10/31/03
B- 1.6	Problem Resolution Policy	04/01/96		
B- 1.7	Employee Identification Badges	05/01/90	1	04/01/96
B- 1.7.1	Employee Performance Appraisals	05/01/90	2	04/01/96
B- 1.7.2	Employee Personnel Files	05/01/90	1	04/01/96
B- 1.8	Your Manager	05/01/90	1	04/01/96
B- 1.9	Rules of Conduct	05/01/90	6	03/21/08
B- 1.9.1	Conflict of Interest and Business Ethics	05/01/90	1	04/01/96
B- 1.9.2	Work Hours	05/01/90	1	04/01/96
B- 1.9.2.1	Attendance Standard	05/01/90	6	09/01/00
B- 1.9.3	Investigative Policy	05/01/90	1	04/01/96
B- 1.9.3.1	Corrective Action Policy	05/01/90	2	04/01/96
B- 1.9.4	Defense Industrial Security Program	05/01/90	1	04/01/96
B- 1.9.4.1	PULAU Security	05/01/90	2	04/01/96
B- 1.9.4.2	Visitor Control System	05/01/90	1	08/10/92
B- 1.9.5	Bulletin Boards	05/01/90	1	04/01/96
B- 1.9.6	Solicitation and Distribution	05/01/90		
B- 1.9.7	Telecommunication Costs and Personal Visits	05/01/90	1	08/10/92
B- 1.9.8	Termination of Employment	05/01/90	5	04/11/07
B- 1.9.8.1	Voluntary Resignation	05/01/90	2	04/01/96
B- 1.9.8.2	Involuntary Resignation	05/01/90	2	10/01/92
B- 1.9.8.3	Dismissal	05/01/90	1	08/10/92
B- 1.9.8.4	Severance Policy	05/01/90		
B- 1.9.9	Business Travel Expenses	04/01/96		

**A- 0.4****Table of Contents**

<u>SECTION</u>	<u>SUBJECT</u>	<u>ORIGINAL ISSUE DATE</u>	<u>REVISION NUMBER</u>	<u>DATE</u>
<b>C</b>	<b>Compensation</b>			
C- 1.0	Compensation	05/01/90	1	04/01/96
C- 1.1	Classifications and Definitions	05/01/90	2	04/01/96
C- 1.2	Salary and Wage Changes	05/01/90	2	04/01/96
C- 1.3	Payroll Information and Deductions	05/01/90	2	04/01/96
C- 1.4	Time Cards	05/01/90	4	03/21/08
C- 1.5	Pay Days	05/01/90	2	03/21/08
C- 1.6	Pay Advances	05/01/90	1	08/10/92
C- 1.7	Overtime	05/01/90	7	03/21/08
C- 1.8	Report in Pay	05/01/90	2	04/01/96
C- 1.9	Wage Garnishments	05/01/90	2	04/01/96
<b>D</b>	<b>Benefits</b>			
D- 1.0	Benefits	05/01/90	4	03/21/08
D- 1.1	Medical	05/01/90	1	08/10/92
D- 1.2	Dental	05/01/90		
D- 1.3	Life	05/01/90	1	04/01/96
D- 1.4	Long Term Disability	05/01/90	2	10/01/92
D- 1.4.1	Short Term Disability	04/01/96		
D- 1.5	401(K) Savings and Retirement Plan	05/01/90	5	03/21/08
D- 1.6	Cafeteria Plan	05/01/90	1	04/01/96
D- 1.7	Dependent Care Coverage	05/01/90		
D- 1.8	Unemployment Insurance	05/01/90		
D- 1.9	COBRA Insurance Continuance	05/01/90	2	04/01/96
D- 1.10	Time Away from Work	05/01/90	1	04/01/96
D- 1.10.1	Holidays	05/01/90	3	11/05/04
D- 1.10.2	Vacation	05/01/90	5	04/11/07
D- 1.10.3	Sick Time	05/01/90	8	03/21/08
D- 1.10.3.1	Workers' Compensation Insurance	05/01/90	2	10/31/03
D- 1.10.3.2	California State Disability Insurance	05/01/90	2	04/01/96
D- 1.10.3.3	Occupational Disability Leave	10/01/92	1	04/01/96
D- 1.10.4	Leaves of Absence	05/01/90	2	04/01/96
D- 1.10.4.1	Return from Leave	05/01/90	1	04/01/96
D- 1.10.5	Bereavement Leave	05/01/90	2	02/13/04
D- 1.10.7	Jury Duty	05/01/90	2	04/01/96
D- 1.10.8	Short Term Military Leave	05/01/90	2	03/21/08
D- 1.10.9	Voting	05/01/90	1	04/01/96
D- 1.11	Direct Deposit	07/01/92	2	03/21/08

## **B-1.1**

# **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 B- 1.6 or contact Corporate Human Resources.

## **B-1.1.1**

## **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 Administrator as the Affirmative Action Officer for **PULAU**.

In furtherance of its policy of Affirmative Action and Equal Employment Opportunity, **PULAU ELECTRONICS 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, special disabled veteran, or Vietnam era 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 Corporate Human Resources at (407) 380-9191.

## **B-1.1.2**

## **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.

## **B-1.1.3**

# **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.

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.

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

## **B-1.2**

## **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. This restriction does not apply to employees in such positions prior to April 1, 1996. 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 be with relative or non-relatives, 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 Corporate Human Resources.

## **B-1.3**

# **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.

The Company will immediately investigate any claim of sexual harassment. 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 discharge.

Questions regarding this policy should be addressed to the Human Resources Department. Any employee, who believes that he/she has been the victim of sexual harassment, is urged to report such conduct to either the Human Resources Department or the CEO. 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.

Retaliation against the person making the complaint will not be tolerated.

## **B-1.4**

## **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 and equipment required for your job. 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 and treating health care professionals 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. Fixed containers within a workplace do not have to be labeled, but the required information is available.

Safety is the responsibility of each employee. Report unsafe conditions or equipment to your manager. Follow established procedures. Don't perform unsafe acts. Use the right tool and keep the tools in good condition. 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;; lift properly with your arm and leg muscles, keeping your back straight. If the load is too heavy, request assistance. Do not tamper with or try to service equipment yourself. Report any exposed electrical wires. Observe "no smoking" signs. Handle and store flammable liquids properly. Know the location and use of fire extinguishers. Compliance with all established safety rules and guidelines is a condition of employment.

## **B-1.4.1**

# **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 immediately. If the injury or illness is not reported to your manager, you may not be eligible for workers' compensation insurance.

Depending on the severity of the injury or illness, your manager 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. Your manager is required to submit the completed report to Corporate Human Resources, so that a claim, if necessary, may be filed with the Company's workers' compensation carrier.

## B-1.5

# 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. 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.

**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 employees believe 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. Employee presents problem to immediate supervisor after incident occurs. If supervisor is unavailable or employee believes it would be inappropriate to contact that person, employee should present problem to Corporate Human Resources.
2. Supervisor responds to problem during discussion or after consulting with appropriate management, when necessary. Supervisor documents discussion.
3. Employee presents problem to Human Resources Department if problem is unresolved.
4. Human Resources Department counsels and advises employee, assists in putting problem in writing, visits with employee's manager(s), if necessary and obtains 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.
5. Human Resources informs employee of decision and places copy of written response in employee's file.

An employee may discontinue at any step he/she chooses.

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

## **B-1.7**

# **Employee Identification Badges**

You are required to wear your I.D. photo badge at all times when on Company property 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 guard 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 Corporate Human Resources, 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 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.

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.

## **B-1.7.1**

# **Employee Performance Appraisals**

**PULAU** employees should receive scheduled performance appraisals at approximately three months from date of hire, and annually thereafter. The specific date will vary according to business circumstances. For example, reviews may occur at your anniversary date or the anniversary date of the contract to which you are assigned. You will also receive a three month performance appraisal following any change of position, including promotions, demotions, and transfers.

**EXAMPLE:** You are hired on January 1, 1995  
You should receive your three month performance review on or about April 1, 1995.  
You should receive your annual performance review on or about January 1, 1996.

These appraisals provide an opportunity for you and your manager to discuss what is expected of you and to evaluate your performance. Examples of areas to be reviewed include: quality and quantity of work, job knowledge, attendance, and adherence to Company policies and procedures. Your manager will discuss your areas of strengths and areas for improvement in a number of categories. The appraisal is used to review your work progress and to ensure that you are paid according to your performance and contribution.

Normally, the date of your next scheduled review will be stated on your current performance appraisal. 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.

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:

- a. The Company will collect, use, and retain only that personal information which is required for business, legal, and governmental reasons.
- b. 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.
- c. Internal availability of personal information is restricted to those individuals with a business need to know.
- d. Dates of employment and job title only are 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.
- e. 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 should inform your Manager and Human Resources immediately whenever there are changes in your home address, telephone number, marital status, name, number of dependents, education, life insurance beneficiary designation and/or person to notify in the event of an emergency. 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.

## **B-1.8**

## **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 the Company, 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 Company representative 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.

## B-1.9

## Rules of Conduct

Integrity and honesty are conditions of employment at **PULAU**. In addition, rules of conduct have been established to protect **PULAU**, employees, products, and property. 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 discharge. 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**.

1. Poor work performance, including inability or inefficiency in carrying out normal job duties.
2. Disruptive behavior.
3. Possession or use of weapons, firearms or explosives.
4. Possession or use of narcotics, intoxicants, marijuana or other illegal drugs on Company premises.
5. Gambling, horseplay, fighting, scuffling or threatening violence on Company premises.
6. Verbal, physical or sexual harassment of other employees, customers or visitors, including use of inappropriate, foul or profane language.
7. Stealing, pilferage or willfully damaging Company property or property which belongs to others.
8. Loss of/or damage to Company property, machinery, tools, building, or funds, either deliberately or through gross negligence.
9. Misrepresentation, falsifying information, either verbal or by written word, including making entries on another employee's time card, 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.
10. Conducting personal business during work hours or on Company premises.
11. Loafing or sleeping on the job.
12. Engaging in immoral or indecent conduct.
13. Failure to perform reasonable work requests.
14. Failure to meet acceptable quality and quantity work standards.
15. Refusing to work overtime if a qualified replacement is not available.
16. Insubordination, rudeness or disruptive behavior.

17. Failure to observe posted and written safety regulations or failure to use safety equipment.
18. 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.
19. Operation of machines or working with electricity or chemicals without prior safety instructions or in violation of such instruction.
20. Reporting for work or working when unfit to work safely.
21. Trespassing or assisting others in restricted areas or unauthorized use or possession of confidential information
22. Failure to present Company identification, including employee I.D., property pass, or other documentation as required.
23. Discrediting PULAU products, services or reputation; discouraging sales; disclosure of unauthorized and/or Company Confidential, proprietary Company, and employee information.
24. Marking PULAU products or product containers or materials in any way not authorized by the Company.
25. Having absenteeism in excess of 3%.
26. Failure to comply with absence call-in rules.
27. Being absent from work for two (2) consecutive scheduled work days without notifying your manager.
28. Posting information on bulletin boards or other Company property without prio management approval.
29. 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.
30. Solicitation by employees for any purpose on company property during working time unless the solicitation is for an approved Company-sponsored program.
31. Failure to follow Company policies and procedures.

32. Unauthorized use of telephones, mail system, e-mail system to distribute inappropriate (especially sexually oriented) material to PULAU employees and/or customers and vendors, or unauthorized use of other Company or customer-owned equipment.
33. 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.

## **B-1.9.1**

# **Conflict of Interest and Business Ethics**

Our goal is to maintain the highest possible standards of business conduct. These standards include honesty in dealing with employees, customers, suppliers, competitors and other-outside contacts. It is our intention to obey not only the letter of the law, but also the spirit of the law.

Exactly what constitutes a conflict of interest or an unethical business practice is both a moral and a legal question. The Company recognizes and respects an individual employee's right to engage in activities outside of his/her employment which are private in nature and do not in any way conflict with or reflect poorly on the Company. Management reserves the right, however, to determine when an employee's activities represent a conflict with the Company's interests and to take whatever action is necessary to resolve the situation, including terminating the employee.

It is not possible in a general policy statement to define all the various circumstances and relationships that would be considered "unethical". The list below identifies some of the types of activity that would negatively reflect on an employee's personal integrity or that would limit his/her ability to discharge job duties and responsibilities in an ethical manner:

1. Simultaneous employment by another firm, particularly if the other firm is a competitor or supplier.
2. Conducting Company business with a firm in which the employee, or a close relative of the employee, has a substantial ownership or interest. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.
3. Holding a substantial interest in, or participating in the management of, a firm to which the Company makes sales or from which it makes purchases.
4. Borrowing money from customers or firms, other than recognized loan institutions, from which our Company buys services, materials, equipment, or supplies.
5. Accepting substantial gifts or excessive entertainment from an outside organization or agency.
6. Speculating or dealing in materials, equipment, supplies, services, or property purchased by the Company.
7. Participating in civic or professional organization activities in a manner whereby confidential Company information is divulged.
8. Misusing privileged information or revealing confidential data to outsiders.
9. Using one's position in the Company or knowledge of its affairs for outside personal gains.

## **B-1.9.1**

## **Conflict of Interest and Business Ethics**

10. Engaging in practices or procedures that violate Anti-Trust Laws or other laws regulating the conduct of Company business.

**REMEMBER:** Employment by the Company carries with it a responsibility to be constantly aware of the importance of ethical conduct. Employees must refrain from taking part in, or exerting influence in any transaction in which their own interests may conflict with the best interests of the Corporation.

## **B-1.9.2**

## **Work Hours**

**PULAU**'s normal work week begins Monday morning and ends Sunday night. The official location work hours should be posted at each location. The work hours may vary between locations to meet various business needs. The standard work day for hourly employees is eight (8) hours, and all employees are expected to work a full 8-hour day. The standard work week for hourly employees is forty (40) hours.

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.

## **B-1.9.2.1**

## **Attendance Standard**

**PULAU** recognizes that there are times when it is necessary to be absent from work. However, regular attendance by all employees is important to establish an effective and efficient operation. We have developed the following method to control absenteeism and to achieve our overall, company-wide objective of 97% attendance.

You will not be penalized for using your sick time, as long as your absenteeism does not exceed 3% within a rolling six (6) month period. 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). Vacation, jury duty and short-term military leave are included in work hours available.

**NOTE:** Vacation that is not pre-approved by your supervisor with a written request, 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.

You are required to personally notify your manager in advance of lateness or absence. If advance notice is not possible, notification by phone must be given within the first half-hour of the shift.

Do not have another person call in for you and do not leave messages with anyone other than your manager, since this can cause breakdowns in communication. Also, you are required to maintain daily contact with your manager for any period of absence beyond one day, unless you have provided a doctor's certification covering a specified period, or made other arrangement with your manager. For absences beyond one day, failure to make verbal contact with your manager will be deemed as failure to notify your manager. This daily contact will enable your manager to assist you in any way possible and to make necessary arrangement to keep the work running smoothly in your absence.

An employee who is absent for two (2) consecutive work days without notifying his/her manager, will be considered an involuntary resignation.

## **B-1.9.3**

## **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.

## **B-1.9.3.1**

## **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 discharge, 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 dismissal. 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 for two years beyond the date of the last action.

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 your in resolving the problem through the Problem Resolution Policy.

## **B-1.9.3.1**

## **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 discharge, 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 warnings, suspension, and dismissal. Infractions of any Company rules, dependent on the severity of the infraction, at the discretion of the Company, may subject to employee to disciplinary action up to and including termination.

Corrective Action documentation will be maintained in your personnel file for two years beyond the date of the last action.

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 resolving the problem through the Problem Resolution Policy.

## B-1.9.4

## Defense Industrial Security Program

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.

At all times you must be aware of possible compromise of classified information. If you attend meetings (classified or unclassified) where members of a designated country are in attendance, you must report that information to your Security Officer, in writing, upon your return. The following is a partial list of such countries:

Albania, Angola, Bulgaria, Cambodia, Chinese Peoples Republic (Communist China including Tibet), Cuba Czechoslovakia, Communist Korea (North Korea), Ethiopia, German Democratic Republic (GDR) (East Germany, including the Soviet Sector of Berlin), Hungary, Laos, Mongolian Peoples Republic (Outer Mongolia), Nicaragua, Poland, Rumania, South Yemen, Union of Soviet Socialist Republics (USSR, including Estonia, Latvia, Lithuania, and all other constituent republics), Kurile Islands and South Sakhalin (Karafuto), Vietnam and Yugoslavia.

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 Security Officer or manager immediately. If you feel uncomfortable speaking with the 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.

You may learn more about our Defense Industrial Security Program by inquiring with PULAU's Corporate Security Office at (407) 380-9191.

Our security practices are intended to protect all of the Company's assets; its people, property, and proprietary information. Prevention of loss is essential to the continuous and successful operation of the business. Your commitment to the protection of Company assets is affirmed in the Confidential Information and Inventions Agreement which you signed upon beginning your employment with **PULAU**.

The following types of incidents must be reported:

Criminal acts on Company property, including gambling, possession or use of narcotics, and money lending at unreasonable rate of interest.

Bomb threats via telephone, mail, etc. or actual bomb incidents.

Theft or misappropriation of Company assets.

Loss, theft, or suspected theft of proprietary information. Also, any inadvertent or unauthorized disclosure of proprietary data or intellectual property.

Damage to Company property or an employee's personal property while on Company premise involving actual or suspected mischief, vandalism, or criminal negligence.

Natural or man-made disasters.

Attempts by persons to misrepresent themselves as employees or agents.

Actual or suspected espionage or subversive activity.

Any illegal action proposed by a purchasing agent, contractor representative, or employees thereof.

#### 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 COMPANY CONFIDENTIAL matter.

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 COMPANY CONFIDENTIAL 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.

#### 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.

#### "COMPANY CONFIDENTIAL"

Mail or correspondence which has been labeled "COMPANY CONFIDENTIAL" will not be opened by anyone other than the addressee, his/her secretary, or a person delegated by the addressee. All information on Company operations, production, and financial matters should be labeled "COMPANY CONFIDENTIAL".

#### "Personal and Private"

Mail or correspondence which has been labeled "Personal and Private" will be opened by the addressee unless he/she leaves specific instructions regarding treatment of mail so marked. All information such as personal profiles, medical reports, etc., should be marked "Personal and Private".

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.

Cameras and Tape Recorders

The above items will not be permitted into the facility without the express, written permission of your manager.

Losses

Report any and all known losses to proper security authority. Document all information, if possible, and identify lost or stolen property with as much detail as is available.

## **B-1.9.4.2**

## **Visitor Control System**

The purpose of the Visitor Control System is to positively identify authorized visitors. Each visitor or vendor must furnish his/her name, affiliation and person to be visited to the receptionist/security, who will issue the appropriate badge which is to be displayed on the upper left shoulder area of the visitor's garment. Visitors must be escorted at all times. It is the responsibility of the employee being visited to furnish the escort and to ensure the visitor checks out with the receptionist and turns in his/her badge. For insurance and security reasons employees cannot have personal outside visitors during working hours without management's prior approval.

Each employee has an individual responsibility to enhance the Company's security. Whenever in doubt as to the identity of persons on Company property, it is your responsibility to challenge the person in question and notify management if appropriate. It is required that all instances of unauthorized personnel be immediately reported to your manager or security.

## **B-1.9.5**

## **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, government notices, and other information of concern to all employees are posted on bulletin boards. Only authorized material may be posted.

## **B-1.9.6**

## **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.

“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.

## **B-1.9.7      Telecommunication Costs and Personal Visits**

Telecommunication costs represent a major expense to our business; therefore, we strive to control these costs. You can assist us in achieving this objective by refraining from using Company telephone credit cards and/or long distance/lease lines for other than company business.

While we realize that local personal incoming and/or outgoing calls may be necessary on an occasional basis, any employee who abuses the privilege may be subject to disciplinary action. Business telephone lines must be kept clear for **PULAU** business.

**PULAU** does understand the hardship that company travel may pose on an employee and we do acknowledge it is important for employees to stay in contact with their family members during travel. Therefore, employees who are on travel for **PULAU** may have one phone call home each day, for up to a maximum of 15 minutes per phone call, per day.

Audits are periodically conducted to ensure that we are properly billed and that misuse of the telecommunication system does not exist. If you inappropriately use Company telecommunication equipment, you will be required to reimburse the Company, as well as be subject to disciplinary action, up to and including termination.

For insurance and security reasons employees cannot have personal outside visitors during working hours without management's prior approval. It is the manager's responsibility to make certain that visitors in his/her department, whether employees or not, are authorized to be there. In case of doubt, he/she should ask such visitors for identification. Unauthorized visitors should be escorted courteously out of the facility.

## B-1.9.8

## 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 Dismissal by the Company, These are defined in sections B-1.9.8.1-3.

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, etc., prior to the employee receiving his/her final paycheck.

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.

### "COMPANY CONFIDENTIAL" Information

It is the responsibility of the manager to emphasize that information on Company products, processes, bids, rates of pay, overhead rates, costs, customers, and other data, remain confidential and are not to be released to any person or concern at any time. **PULAU** retains the rights to all "intellectual property".

### Final Paychecks

Involuntary Resignations and Dismissals: Laid-off or discharged employees shall be paid on their last day of work for all time worked.

Voluntary Resignations: Employees who terminate voluntarily will receive their final pay on the next scheduled payroll unless your State regulations require otherwise.

Voluntary Resignation

- A. Written or oral resignation. An employee may voluntarily decide to resign from the Company. Although advance notice is not required, **PULAU** requests at least two weeks written resignation notice from all employees.
- B. Failure to report for work upon recall on the date designated. An employee who fails to report will forfeit all recall rights.
- C. Failure to return from an approved vacation or leave of absence at the expiration of the leave.
- D. Retirement.

Involuntary Resignation

- A. Layoff for lack of work; 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.
- B. An employee who is absent for two (2) days or more without giving notice will be considered an involuntary resignation.
- C. 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.

Dismissal

- A. When an employee who is suited for and capable of performing the work, is terminated for such reasons as inefficiency, absenteeism, and violation of rules of conduct set forth in this Employee Handbook, including, but not limited to, habitual carelessness or recklessness, disorderly conduct, insubordination, leaving work before quitting time without permission, falsification of records, sleeping on the job, etc.
- B. Death of the employee.
- C. Disability – When, on the basis of medical evidence, and with reasonable accommodation, an employee is totally and permanently disabled from performing his/her work assignment or any other assignment available at the Company for which they are qualified and thus eligible for disability benefits.

## **B-1.9.8.4**

## **Severance Policy**

There is no severance policy at **PULAU**.

## **B-1.9.9**

## **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.

Employees whose travel plans have been approved should make all travel arrangements through **PULAU**'s designated travel agency.

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by **PULAU** may not be used for personal use without prior approval.

When travel is completed, employees should submit completed travel expense reports within two weeks. Reports should be accompanied by receipts for all individual expenses of ten dollars or more.

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.

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

In order to attract and retain qualified personnel to fill positions at all levels with the potential to assume responsible positions within the organization, it is **PULAU**'s policy to maintain fair and competitive salary ranges consistent with the economic requirements of the Corporation, and commensurate with those of the community in which we operate. It is the Company's policy to fully comply with the letter and intent of applicable law.

Our objectives are:

1. To obtain the highest possible degree of employee performance, morale, and loyalty through fair and equitable salary administration.
2. To ensure internal equity and consistency within and among all departments and divisions; to provide an effective means of controlling payroll costs and salary expenditures.
3. To provide for recognition and reward for differences in individual ability and performance.
4. To provide uniform methods for establishing and applying salary rates, and to facilitate the employment, classification, and promotion of our personnel.

Wage and salary decisions will be based upon objective appraisal of employee performance. New or changed pay policies will be approved by the President prior to their implementation.

Wage and salary information regarding an individual employee is personal information and will be confidentially maintained by the Company.

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

Independent consultants are sometimes used to perform specific services on a contract basis. It is important to note that these types of consultants are not employees.

The following definitions have been established in order to standardize terminology and provide common understanding in our references as to who are employees and non-employees:

1. Full-Time – Employees who work a minimum of thirty-seven and one half (37-1/2) hours weekly and who maintain continuous regular employment status. Full-time employees are eligible for all Company benefits.
2. Part-Time – Employees who work thirty (30) or more hours per week, but less than thirty-seven and one-half (37-1/2) hours, and who maintain continuous regular part-time employee status. Part-time employees are eligible for all accrued benefits on a half rate basis. They are eligible for the full health and life insurance benefits.
3. Minimum Part-Time – Works less than 30 hours per week on a consecutive and continuous basis. Minimum part-time employees are not eligible for Company benefits.
4. 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.
5. Contract – A contract individual is not a Company for a limited time. Therefore, they are not eligible for Company benefits.
6. Consultant/Independent Contractor – This type of individual or company is not a Company employee. They perform specific services for the Company under terms of a consulting agreement or purchase order. Therefore, they are not eligible for Company benefits.

## C- 1.1

## Classifications and Definitions

In addition to the above categories, each individual will belong to one other employment category listed below:

1. 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.
2. Non-Exempt Salaried or Hourly – A non-exempt employee performs routine duties of a clerical or technical nature and is not exempt from the Fair Labor Standards Act and will be paid overtime pay for hours worked over forty (40) hours per week. Their pay may be computed on either an hourly or salaried basis.

Examples of “non-exempt” status are field service technicians, clerical employees, machine operators, and material handlers.

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.

A valid state work permit/state age certificate should be obtained by the minor and kept on file, except in Arizona, where they are not required. Minors employed in Texas, must obtain a federal certificate of age.

Minors’ work hours and work days fall under the same regulations as any other employee over the age of 18.

## C-1.2

## Salary and Wage Changes

Salary and wage increases may be given at the time of your annual performance appraisal, or as circumstances dictate. Increases may be given more or less frequently based on your performance and contribution.

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

Promotions involve a change in job duties and a distinct increase in job responsibilities and will normally be accompanied by a promotional increase to provide tangible recognition of the acceptance of greater responsibility. The amount of promotional increase should raise that acceptance of greater responsibility. The amount of promotional increase should raise the employee to at least the minimum rate of the new job classification. If not, it is the individual's manager's responsibility to develop an appraisal review plan for progression to the minimum within one year of the promotion date.

If an employee is interested in an opening that would constitute a promotion, the employee should contact his/her manager or the manager of the position that is available. **PULAU** will make every effort to consider qualified internal applicants before seeking outside applicants.

Internal Candidates will be evaluated for the open position on the following:

1. Whether the job would be a true promotion.
2. Level of performance in his/her present position.
3. Whether the individual has the basic skills and training necessary, as established by the hiring manager.

Lateral reclassification (change in job title, but no change in job grade) and lateral transfers (change in location, but no change in job title or job grade) will not warrant a pay increase. Any exception will require prior approval of the President.

Demotions will be individually evaluated by the President for suitable salary treatment.

## **C-1.3**

# **Payroll Information and Deductions**

Always verify your paycheck for accuracy; check your social security number, address, and, of course, the dollar amounts. If something does not look right to you, notify the Payroll Department immediately.

Federal income tax, state income tax, where applicable, and Social Security deductions are withheld from your paycheck as required by Federal and State law. Upon your written authorization, deductions will also be made for insurance premiums or other voluntary programs. A statement of all deductions will appear on your paycheck stub. You should keep the stubs for your own records.

It is important that the Payroll Department maintain accurate, up-to-date records on each employee. The Payroll Department should be promptly notified of changes in your address, telephone number, marital status, name, and number of dependents. You must file a new W-4, and applicable state withholding forms, within ten (10) days when the number of allowances you previously claimed has decrease or increased.

Time cards are considered official employment documents and are subject to periodic audit by the Federal and State governments.

All employees are required to complete a time card to record hours worked, including overtime, as well as time off for early departures, late arrivals, vacations and sick time. Employees who submit incorrect time cards involving the above conditions will be considered to have falsified records and may be subject to severe disciplinary action up to and including termination without prior warning. Accuracy on your time card is critical. It provides us with cost control information and ensures that you are paid correctly.

Some employees may be required to specifically indicate the number of hours spent working on projects or processes on their time cards. Your manager will assist you if you have any questions about your time card.

Time cards are electronic and you need to access the internet please type in <http://tc.pulau.com>, and then hit Enter. You will sign in by using your employee ID number, which will be pre-fixed by two zero's, and your social security number (enter with no dashes) as your password. After you have logged into the system the first time, you will be immediately prompted to change your password. (Please see your ETC User Instructions for detailed information). Work week starts Monday – ends Sunday.

- Your time card must be completed daily. If you accidentally enter the incorrect information on your saved time card, you will be required to provide a reason for the change.
- Enter the proper charge code that is available to you. If you are not sure of the charge code, contact your manager.
- Enter the number of hours worked on each job under the proper day. If you worked on the same job for the entire week, all daily entries can be made in the same row across the card.
- At the end of the work week, employees sign their time cards using their password.

Time cards are to be filled out daily and should not be signed until all entries for the applicable time period are complete. Once completed, your manager is required to sign the time card. All electronic time cards must be electronically submitted to the Payroll Department no later than 9:00am the following Monday.

All employees are paid every two (2) weeks, bi-weekly, on Wednesdays. If a pay day falls on a holiday, paychecks will be distribution on the day immediately preceding the holiday.

Employee's checks are directly deposited into their bank accounts. Procedures to establish direct deposit are provided in D- 1.11, Direct Deposit.

All employees are urged to examine their paycheck for accuracy. If you have any questions, contact your manager or the Payroll Department at Corporate Headquarters.

## **C-1.6**

## **Pay Advances**

Pay advances of any kind or borrowing against unearned benefits, such as sick or vacation time, are prohibited.

You may request payment for vacation which you have earned and which you are scheduled to take by submitting a request to payroll ten (10) working days in advance of your scheduled vacation.

If you are required to travel for the Company or incur other out-of-pocket expenses, you may request an advance. You will not be given additional advances until expense reports have been submitted covering any outstanding advances.

At times it may be necessary to require you to work overtime. We recognize that this is sometimes an inconvenience, and Pulau will make every effort to provide you with as much notice as possible. Your manager will select employees for overtime on an equal basis among employees, based on critical skills needed.

Each employee is classified as exempt or non-exempt in accordance with Federal wage and hour laws. All non-exempt employees are paid premium pay for overtime as set forth below. No overtime pay will be paid for hours of work in excess of any daily number. Overtime will only be paid if a non-exempt employee works over 40 hours in a work week. **Exception:** In some cases, Pulau is specifically paid by the customer for overtime on a daily basis pursuant to time and material or over and above contract tasks. When this happens, the employees involved will be paid overtime for hours worked in excess of eight (8) hours in the work day without regard to the total number of hours worked for the week.

Exempt employees are generally not paid for hours worked in excess of 40 in any given week; however, business conditions permitting and subject to supervisory approval, they may be given compensatory time off. An exception is made for exempt employees who work overtime on specific time and material or over and above contract tasks, which are in addition to firm fixed-price effort, and for which Pulau is paid by the customer. In such cases, the exempt employee is paid for the applicable overtime at straight-time rates.

When a non-exempt employee is requested to work over his/her regularly scheduled hours, additional wages will be paid as follows:

All non-exempt employees who work over 40 hours in a work week will be paid one and one-half of their regular hourly rate of pay. The hours cannot be averaged over two or more weeks. For example, if an employee works 30 hours in one week and 50 hours in the next, it doesn't matter that the hours average out to 40 hours per week.

No overtime pay will be paid for hours of work in excess of any daily number. Overtime will only be paid if a non-exempt employee works over 40 hours in a work week. (***Exceptions apply to California and Colorado non-exempt employees, please contact the Payroll Department or Human Resources for information.***)

Overtime will be paid on the regular payday for the time period in which it is worked. For example, our regular pay period is every two weeks, if during that two weeks an employee works overtime, the overtime will be paid at the same time as the regular pay for those two weeks.

Overtime payments are calculated on your base pay. To receive overtime payment, your manager must approve the overtime on your time card before it is submitted to payroll. The overtime will be paid on the following scheduled payday.

Federal wage and hour laws prohibit non-exempt employees from taking compensatory time off for overtime hours worked.

Non-exempt employees may not work overtime without the advance approval of their manager.

All overtime worked by non-exempt employees must be recorded on the employee's time card.

Management expects the employees will work in excess of standard hours when requested. Failure to do so may result in disciplinary action. In the event of any such failure, the validity of the reason for refusal and the amount of advance notice of overtime shall be taken into consideration.

## C-1.8

## Report in Pay

Should **PULAU** not be able to provide non-exempt employees with work on a day he/she appears for work as normally scheduled and required, a minimum of four (4) hours will be paid. If an employee normally works less than an eight (8) hour day, he/she will receive Report-in Pay at the rate of one-half (1/2) the normally scheduled work day.

Wage garnishments are court-ordered 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. A federal levy, which takes precedence over all other garnishments, can take 100 percent of all money due to an employee from the Company as of that date. It is quite common for the employee to be allowed to work out an arrangement for paying in installments. You will be contacted by an appropriate member of Company management and the matter will be dealt with confidentially.

When the Company receives a garnishment notice from more than one source, 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.

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. Our benefits program is outlined in the following sections.

As an employee of **PULAU**, you enjoy a broad range of excellent employee benefits. It is important for you to remember that your paycheck represents only 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. 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. In addition, **PULAU** provides Group Medical, Dental, Vision and Prescription drug card insurance at no cost to the employee (excluding minimum part-time and temporary employees). Optional dependent coverage is available to the employee. Contact Corporate Human Resources for current costs.

The above coverage begins on the date of hire for the employee. You will receive specific insurance information once you are enrolled into the insurance plan, and/or when there's a change in insurance carriers or coverage changes.

**EXAMPLES:**

If you are hired on March 3, 2008,  
Your insurance coverage becomes effective on March 3, 2008

In addition to the benefits stated above, the eligible employee may also receive the following:

- Optional Extra Life Insurance
- 401(k) and Profit Sharing Plan
- Optional Short-Term Disability Insurance
- Optional Long-Term Disability Insurance
- Cafeteria Plan (Section 125)
- Medical Reimbursement Coverage
- Dependent Care Coverage
- Direct Deposit
- 80 Hours of Holiday Pay per Year (or as per SCA contract requirement)
- Vacation:
  - 2 weeks per year for tenure of less than 5 years
  - 3 weeks per year for tenure of 5 years to less than 15 years
  - 4 weeks per year for tenure of 15 years and over (or as per SCA contract requirement)
- Sick Pay
- Other benefits, which are detailed in the following sections

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.

If you have any questions or comments regarding any of your benefits, please contact Corporate Human Resources at (407) 380-9191.

Group medical insurance is a vital part of your employee benefits program. Your comprehensive group medical plan provides financial protection from today's high cost of catastrophic illness or injury.

Please refer to your medical insurance booklet for a comprehensive detail of specific coverage provided.

Dental coverage is also included in your benefits package. The primary intent of the plan is to assist you in keeping your teeth healthy by providing excellent preventive care benefits. The plan also helps to reduce your costs for restorative and other dental treatment.

Please refer to your dental insurance booklet for a comprehensive detail of insurance coverage.

## **D-1.3**

## **Life Insurance**

Life insurance is an important element in your overall benefit program. It provides cash for immediate expenses and transition assistance to those who may have depended on you for their financial support and well-being.

For specific details about your life insurance coverage, please refer to your life insurance policy.

## **D-1.4**

## **Long Term Disability**

Long Term Disability (LTD) insurance is available to Pulau employees. Please contact Human Resources for details.

## **D-1.4.1**

## **Short Term Disability**

Short Term Disability insurance is available to Pulau employees. Please contact Human Resources for details.

**PULAU**'s 401(K) Savings and Retirement Plan is a voluntary employee contribution salary reduction savings plan. With this plan you are able to take money which would otherwise be taxed and put it into your own personal retirement savings plan. All principal, investment earnings, and matching funds are tax-deferred until withdrawal. Through tax-deferral, earnings on your account accumulate faster than with conventional savings programs. You may elect to defer on a pre-tax basis, referred to as "pre-tax contribution", an amount from 1% up to the maximum mandated by the IRS in your taxable year. The maximum amounts may vary from year to year, please contact Human Resources for the allowable maximum for the year.

In addition to your voluntary 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 match.

"Vesting" is your right to the balances that are held in your account. The value of your pre-tax contributions, plus earnings and losses, is 100% vested at all time. However, you earn the right to **PULAU**'s matching and earnings based on your years of service. Please refer to the Summary Plan Description for further details on how to calculate vestiture.

Contributions to the Plan are invested in a group annuity contract issued by Certified Financial Group. The plan allows you to direct the investment of the contributions you make to the specified investment accounts. You may do this by phone or through the internet. You may change the amount of your pre-tax contribution at any time by filling out the 401(K) change form and it will be effective the following payroll period.

An employee is eligible to join the 401(K) plan after they have completed three (3) consecutive months of service, then first of the following month, are age 21, and a U.S. citizen. Any participant over age 50 is entitled to participate in the "catch-up" contributions. If you are interested in this contribution, contact the Human Resources Department.

This plan is designed for long-term retirement savings. However, if you need your savings while you are still working for **PULAU**, you may be able to borrow against your vested balance. In cases of hardship you may be able to receive an early withdrawal from your employee contribution.

If you terminate your employment, you may receive the full value of your own contributions and earnings, and company discretionary contributions and earnings, in which you are vested if you "roll over" to another qualified plan or an individual retirement account (IRA) within 60 days from receipt of the distribution. Taxes on such rollovers are deferred until the amounts are later distributed to you. If you receive a distribution made payable to you, there is a 20% mandatory tax and you would be liable for the penalties involved.

**PULAU** offers a “Cafeteria Plan” which is the colloquial name for a benefit specified under the Internal Revenue Code Section 125. The company pays the necessary fees and files required paperwork to enroll employees who choose to utilize this benefit.

Any insurance premiums you must pay for life insurance for yourself, up to a \$50,000.00 maximum and medical insurance for dependents can be elected to be paid with pre-tax money under this plan. In addition, under the Flexible Spending Arrangements (FSA) of the Internal Revenue Code Section 125, the employee may elect to pre-tax certain medical expenses incurred in a plan year by participating in the Company’s Medical Reimbursement Program. This is achieved through employees’ salary reduction contributions of the maximum amount of reimbursement elected by each participant.

Information and forms for obtaining this benefit are available at Corporate Human Resources.

## D- 1.7

## Dependent Care Coverage

This benefit is specified under the Internal Revenue Code Section 129. **PULAU** pays the necessary fees and files the proper paperwork to offer this valuable benefit to its employees.

This program allows the employee to pay for child/dependent care assistance programs with pre-tax dollars, thereby saving a substantial amount of money to the employees.

Information and forms for obtaining this benefit are available at Corporate Human Resources.

## D-1.8

## Unemployment Insurance

Unemployment insurance benefits are available under state law to employees who lose their jobs through no fault of their own. **PULAU** finances unemployment compensation by paying taxes which are based on previous years' experience with unemployment claims. As unemployment taxes can become a costly burden, **PULAU** will appeal all unemployment claims which are filed for reasons other than a bona fide layoff or termination for reasons beyond an employee's control.

## D-1.9

## Cobra Insurance Continuance

Under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), you have the right to choose continuation coverage of your health insurance due to a reduction of hours of employment or the termination of employment, for reasons other than gross misconduct on your part.

The employee's spouse has the right to choose continuation coverage for any of the following reasons:

1. The death of the employee.
2. Termination of the employee's employment (for reasons other than gross misconduct) or reduction in the employee's hours of employment.
3. Divorce or legal Separation from the employee.
4. The employee becomes eligible for Medicare.
5. Employee becomes disabled.

In the case of a dependent child of an employee covered by **PULAU** health insurance, he/she has the right to continuation coverage for any of the following five reasons:

1. The death of the parent/employee.
2. Termination of the parent's employment (for reasons other than gross misconduct) or reduction in the parent's hours of employment with **PULAU**.
3. Parents' divorce or legal separation.
4. The parent becomes eligible for Medicare.
5. The dependent ceases to be a "dependent child" under the health plan.
6. Employee becomes disabled.

The employee or a family member has the responsibility to inform **PULAU** of a divorce, legal separation, or loss of child dependent status under the health plan. **PULAU** has the responsibility to notify the insurance carrier of the employee's death, termination or reduction of hours, or Medicare eligibility.

**PULAU** will notify you that you have the right to choose continuation coverage. If you do not choose continuation coverage, your group health benefits will end.

If you choose continuation coverage, **PULAU** will provide identical medical, dental, and prescription coverage under the plan to similarly situated employees or family members, if they have been covered during your employment. The employee's spouse is afforded the opportunity to maintain continuation coverage for three (3) years unless the employee lost coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months.

The law also provides that your continuation coverage may be cut short for any of the following reasons:

1. **PULAU** no longer provides group health coverage to any of its employees
2. The premium for your continuation coverage is not paid.
3. You become an employee covered under another group health plan.
4. You become eligible for Medicare.
5. You were divorced from a covered employee and subsequently remarry and are covered under your new spouse's group health plan.

You will be required to pay the full premium plus a 2% administrative fee for your continuation coverage period, payable monthly on the first day of each month for that month's coverage.

## **D-1.10**

## **Time Away From Work**

The Company 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 Corporate Human Resources at (407) 380-9191.

It is the policy of this Company to recognize certain designated days throughout the year as paid holidays. Under normal circumstances, the Company 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

Employees working under an alternate work week schedule will be notified of their Holiday schedule. When an actual holiday falls on a Saturday or Sunday, the holiday may be observed on the preceding Friday or the following Monday. An employee should observe the holiday on the designated day unless work requirements are scheduled to work on a holiday. If this situation should occur, with your supervisor's approval, you may observe your holiday on another day in that calendar year.

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. This may vary for employees on alternate work weeks. You will be advised of any changes in holiday observations.

Part-time employees will receive holiday pay on a half rate basis. Minimum part-time and temporary employees do not receive holiday pay. 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.

## D- 1.10.2

## 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. Therefore, we do not grant 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.

<u>LENGTH OF SERVICE</u>	<u>HOURS/MONTH ACCRUED</u>	<u>HOURS PER YEAR</u>	<u>WORK DAYS PER YEAR</u>
Less than 5 years	6.67	80	10
5 years up to 15 years	10.00	120	15
15 years or more	13.33	160	20

(Schedule may vary for employees working on SCA contracts).

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

<u>LENGTH OF SERVICE</u>	<u>HOURS</u>
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+ hours per week), your vacation accrual will be earned on a half rate basis. Minimum part-time employees do not receive vacation benefits. Should a Company paid holiday fall during your vacation, you will receive holiday pay, rather than vacation pay. 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.

## D- 1.10.2

## Vacation

All vacation hours taken must be recorded on your timecard and submitted to payroll.

You may request vacation pay in advance by submitting a timecard, ten (10) working days before the first day of your vacation. Under no circumstances may you borrow against vacation, which has not been earned.

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 separate weeks. It is preferred that employees take one vacation period of at least five (5) consecutive days.

When you need to schedule a day of vacation (eight hours or ten hours for employees who work a four-day work week) or longer, you are required to complete a Vacation Request Form. This form needs to be signed by you and your supervisor and then forwarded to Payroll or Human Resources.

If you need to use less than eight (8) hours of vacation in a work-day, you are not required to complete a Vacation Request Form. For employees who work four days a week, ten hours a day, you are not required to complete a Vacation Request Form. Instead, you will need to receive verbal approval from your supervisor and then place the hours on your timecard.

## **D- 1.10.3**

## **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 a common household with the employee.

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

\*\*\*All Service Contract Employees will accrue their sick time bi-weekly, but they cannot carry over their sick time hours from one year to the next. Instead they will be paid for any remaining sick time hours on their anniversary date.

Sick time is paid at your base rate. Part-time employees (30+ 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, and you may not borrow against sick time that has not been earned.

To be paid for sick time, which may be taken in increments of one or more hours, you must enter your sick time hours on your timecard. Sick time will be paid the following scheduled payday. 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. As long as you maintain an attendance standard of 97%, you will not be penalized for using your sick time. As stated in the Attendance Standard in this handbook, special consideration will be given to you if your attendance falls below 97% due to prolonged illness, injury or other special circumstances.

## D- 1.10.3.1 Workers' Compensation Insurance

Pulau maintains facilities 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.

**PULAU** employees should be aware that premiums paid by the Company vary according to the frequency of claims filed. To avoid unnecessary cost burdens on the Company, all employees should do everything in their power to avoid accidents on the job. Managers are to promptly investigate all accidents and complete necessary paperwork, including recommendations to eliminate the possibility of a recurrence.

If you are injured on the job, it is imperative that your manager be notified as soon as possible. Your manager will immediately arrange for you to receive medical care, including taking you to the hospital, if necessary. Your manager will question you and all witnesses regarding the cause and circumstances of the injury and then a written report will be prepared giving details and circumstances surrounding the injury or illness. After this report has been completed it should be faxed immediately to Corporate Human Resources.

All employees who are involved in a work related injury will submit 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 industrial injuries. Simply identify yourself as an industrial 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.

## D- 1.10.3.2 California State Disability Insurance

California State Disability Insurance (SDI) is a program which works in conjunction with the **PULAU** sick time benefit for employees working in California. You contribute a predetermined percentage of your gross earnings to the California State Disability Insurance Fund, which is listed on your paycheck stub as the SDI deduction.

You are eligible to receive payments from this program under the following conditions:

1. The first day you are hospitalized;
2. The eighth day of an illness; or
3. Upon a doctor's certification that you are disabled because of a normal pregnancy.

The amount paid to you is determined by the earnings paid to you during a twelve month base period. Your pay, while you are disabled, consists of California State Disability benefits plus your accumulated **PULAU** sick time. The total cannot exceed your normal weekly wages. Therefore, your **PULAU** sick time benefit may actually be extended by the California SDI Program.

**PULAU** will coordinate your State Disability Insurance payment with your **PULAU** sick time. To receive State Disability, you must apply for it by completing the form provided by the State of California, which can be obtained from Corporate Human Resources.

## **D- 1.10.3.3 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:

1. You are released for full or partial duty.
2. The Company receives satisfactory medical evidence satisfactory that you will be permanently unable to return to work.
3. 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 after 30 days. The premiums are due at Corporate Headquarters by the first of the month. Details are available from Human Resources.

A leave of absence is defined as an excused absence, without pay, extending beyond ten (1) working days which provides you with an opportunity to recover from a medical disability or address pressing personal obligations. Leaves are granted on the assumption that you will be available to return to regular employment upon expiration of your leave. In general, a leave of absence is considered a privilege. However the Company recognizes that leaves may be required by employees covered under the ADA as a form of reasonable accommodation.

There are four types of leaves of absence – occupational disability, medical, personal and maternity. Medical, personal and maternity are discussed here; occupational leave has its own section. Medical and personal leaves may be granted for up to 90 consecutive calendar days. It is important to note that your position is not guaranteed when you take a medical or personal leave. To qualify for a medical leave, you must have exhausted all of your accrued sick time and must submit a physician's statement indicating the approximate time you will be away from work.

In California, the maximum maternity leave granted is four (4) months, including time off before, during, and after the birth of the employee's child. If you take a maternity leave, your position, or a similar one, will be available to you if you return to work as soon as you are released by your physician.

Both full-time and part-time employees may request a leave of absence. During a leave of absence, your service time will be protected, but you will 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 after 30 days. The premiums are due at Corporate Headquarters by the first of the month. Details are available from Corporate Human Resources.

Your request for a leave of absence must be submitted in writing to Human Resources ten (10) days prior to the leave, except when medical conditions make such a requirement impossible. Extensions to leaves of absence or combinations of medical and personal leaves are not ordinarily permitted; however, under critical circumstances, such as an extended medical disability, written requests for leave extensions or combinations of these leaves may be granted. Normally, only one leave of absence is granted in a twelve month period.

## **D- 1.10.4.1**

## **Return From Leave Of Absence**

You are required to submit a physician's release before you are permitted to return to work.

Upon returning from a leave of absence, the reinstatement alternatives are as follows:

1. Your prior positions, if it is still available.
2. If your prior position is not available, placement in an equivalent position for which you are qualified, if such a position is available.
3. If neither your prior position nor an equivalent position is available, you may be placed in a lesser position for which you are qualified.
4. Reinstatement is not possible, due to no equivalent positions available.

If no position is available according to the reassignment priorities listed above, you will be terminated.

You are required to notify your manager at least two (2) weeks prior to the end of your leave to inform the Company of your availability to return to work. If you fail to return from a leave of absence as arranged with the Company, you will be considered to have voluntarily terminated your employment.

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.

The immediate family is defined as the employee's spouse, parents, step-parents, children, step-children, brothers, sisters, spouse's parents, and grandparents.

**Eligibility**

1. Employees who have completed 30 calendar days of work at **PULAU**.
2. The absence occurs during the period beginning on the date of death and ending with the day after the funeral.

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

**Computation of Payment for Bereavement Leave**

Pay for a paid absence is computed at the regular hourly rate to a maximum of eight hours for one day, except for location following an alternate work schedule.

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

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.

PULAU limits income protection for jury duty to a maximum of ten working days.

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, either PULAU or 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 notice to serve. 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.

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 either eight (8) or ten (10) hours per day, as applicable.

## D- 1.10.8

## Short Term Military Duty

It is the policy of **PULAU** to grant military leave of absence as required by law and to provide certain benefits to employees granted such leave. 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:

1. The employee must provide management with evidence of the “Ordered Tour of Duty” as soon as possible after receipt of such order.
2. 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.

All employees will be compensated for the difference between basic Company wages and your military pay (excluding travel, housing or other allowances ) for a maximum of ten (10) working days per year for short term military leave if military pay (taxable income on military pay voucher) is less than Company base wages.

Upon return from military duty, the employee submits a military pay voucher or its equivalent to his/her manager detailing the amount of payment received for the tour of duty. The manager will attach the voucher to a memorandum addressed to payroll requesting that the proper amounts be deducted from the employee’s following paycheck.

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

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.

Employees are required to have direct deposit into either your savings or checking account or both. You must ensure that the Human Resources and Payroll Department have all the necessary documents required for this transaction. Allow 30 days set-up time for the direct deposit to take effect. **PULAU**'s bank will transfer funds to your account no later than noon on the Wednesday before payday. However, there is no guarantee that your financial institution will credit funds to your account by payday. Your pay stub may be printed electronically.