

AMERICAN STAFFCORP
AND MYSTAF, a division of American StaffCorp, Inc.

EMPLOYEE HANDBOOK AND
POLICY MANUAL

I. INTRODUCTION

Welcome to American StaffCorp, Inc. and MyStaf, a division of American StaffCorp, Inc., (hereinafter jointly referred to as “ASC”). ASC is proud that you have joined its team. ASC offers top quality temporary, temporary to permanent and direct hire assignments with the area's best businesses. ASC is a locally owned and operated business and looks forward to your commitment to its values and hardworking ethics.

This Employee Handbook and Policy Manual (the “Handbook”) is intended to provide each employee with a basic understanding of the policies and guidelines governing all ASC employees, as well as the benefits that come with employment at ASC. This Handbook is a starting point – not an exhaustive list of all criteria that may affect your employment. If an employee ever has any questions about any policy, procedure or benefit, please contact the President at 918-362-WORK (9675).

These policies and procedures apply to all employees of ASC and are designed to enhance communications, assure lawful treatment of all employees, and clarify management’s expectations. These policies are not intended to establish a legal promise, a legal right, or a contractual relationship, either express or implied, between ASC and its employees.

ASC reserves the right to change, interpret, delete or add to any of its employment guidelines at any time and without prior notice to employees. Employment or any offer of employment may be withdrawn, with or without cause, and with or without notice at any time at the option of the ASC or employee. Your employment with ASC is “At Will” at all times.

No representative, other than the President of ASC, has the authority to enter into any contract for employment for any specified period of time. ASC further reserves the right to transfer any employee to another staffing assignment, shift or entity and to change wages, benefits, guidelines, work schedules and working conditions at any time. The contents of this Handbook are not to be considered in any manner as being in the nature of a contract, expressed or implied, with any employee. No employee has or will acquire any contractual right or rights as a result of the guidelines as set forth in this Handbook.

II. EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

ASC’s policy is to select the best qualified personnel available to meet ASC's client’s needs. ASC seeks employees who are skilled, talented, ambitious, and who take pride in these characteristics. ASC subscribes to the principle of equal employment opportunity and prohibits discrimination on the basis of race, color, religion, gender, age, pregnancy, disability, veteran status or genetics. This includes, but is not limited to, the express prohibition against discrimination in recruitment, hiring, training, promotion, compensation, benefits, leave of absence, termination, and all other privileges, terms and conditions of employment. Likewise, it is a violation of company policy to refuse to hire applicants, discriminate against or terminate employees because of pregnancy.

III. AMERICANS WITH DISABILITIES ACT STATEMENT

It is the policy of ASC to comply with the Americans with Disabilities Act (“ADA”) and the Americans with Disabilities Act Amendments Act of 2008 (“ADAAA”). Therefore, in the case of an applicant or employee who has a disability (as defined in the ADAAA), which prevents him or her from performing one or more of the essential functions of the job, ASC will attempt, through a flexible, interactive process with the applicant or employee, to identify a “reasonable accommodation” that will enable the applicant or employee to perform such essential functions for ASC or ASC's clients. Notwithstanding these provisions, an applicant or employee will not be assigned to work on a job if (1) he or she is not otherwise qualified for the job; (2) he or she is unable to perform one or more of the essential functions of the job as determined by ASC’s clients, with or without reasonable accommodation; (3) the accommodation would create an undue hardship for the operations of ASC’s business or that of its clients; or (4) the employee poses a risk to the safety and health of fellow employees, employees at the client's work site, or him/herself, with or without a reasonable accommodation alleviating that risk.

IV. HIRING AND PROMOTION

A. NEW HIRE/APPLICATION FOR EMPLOYMENT.

1. Applications

An Application for Employment must be submitted to an ASC recruiter or designee, with all of the required documentation. Documentation will include, but is not limited to, acknowledgements of understanding of ASC's Drug Testing Policy, Safety Policy, and later, after an offer and acceptance have occurred, submission of documentation from ASC's Post-hire packet.

2. Employment Of Minors

ASC will comply with all Federal and State regulations with regard to the employment of minors. In most states, minors are individuals under eighteen (18) years of age. Minors, who are at least sixteen (16) years of age, but not yet eighteen (18) years of age, may be employed in appropriate positions, as dictated by applicable laws. A certificate of age (work permit) must be obtained prior to the minor's start date and must be retained in his/her personnel file. Minors under sixteen (16) years of age will not be considered for employment.

B. IMMIGRATION COMPLIANCE

ASC is committed to full compliance with federal and state immigration laws, including, but not limited to, the Immigration Reform and Control Act of 1986 (IRCA). In accordance with these laws, ASC employs, to the best of its knowledge and belief, only individuals who are authorized to work in the United States. ASC is an Equal Employment Opportunity Employer and does not discriminate against any individual in hiring, discharging, or recruiting because of that individual's national origin or citizenship status. This anti-discrimination policy is applicable to all immigration related employment practices, before, during or after employment with ASC.

All individuals to whom an offer of employment has been made will be required to complete, and sign under oath Form I-9, Employment Eligibility Verification. This form requires that employees attest that they are authorized to work in the job for which they have been hired and that the documents they submit to establish this right are genuine. The U.S. Citizenship and Immigration Services (USCIS) requires that within three (3) business days of the date employment begins (as distinguished from the "hire" date), all new hires must present original documents providing satisfactory evidence of his/her identity and employment eligibility. If employees are authorized to work, but are unable to present the required documents within three (3) business days, they must present a receipt for the application of the documents within three (3) business days and the actual documents within ninety (90) days. An employee who cannot present such documents will be terminated.

All documents presented during the employment verification procedure shall be subject to a test of facial validity. If an employee cannot provide the appropriate documents described herein, the employee will be terminated. Documents, such as Forms I-9, will be retained by ASC for the appropriate time period as required by the Department of Homeland Security (DHS), the U.S. Department of Labor (DOL), or the Office of Special Counsel for Immigration Related Unfair Employment Practices (OSC) for inspection.

C. CRIMINAL BACKGROUND CHECKS

To ensure that the relevant facts about an applicant's employment history and personal background have not been misstated, and to verify such information, either on the employment application, resume, during the job interview or any other information/documentation submitted to ASC by applicant/employee, and to ensure that the client and persons being served by ASC are protected, ASC may conduct a thorough criminal background check. Each and every applicant must read and sign the Applicant Disclosure and Authorization upon being hired. Failure to do so will result in immediate denial of employment. The decision to conduct a criminal background check shall depend on ASC's client's decision, job-specific necessity or for other reasons as determined at the discretion of ASC.

Under this policy, if the results of a background check reveal that the subject person has been charged, convicted of or pled guilty to any of the following offenses, ASC may not hire or contract with the person, or if already employed, may terminate their employment immediately upon learning of the violation:

- a. assault, battery, or assault and battery with a dangerous weapon;
- b. aggravated assault and battery;
- c. murder or attempted murder;
- d. manslaughter, except involuntary manslaughter;
- e. rape, incest or sodomy;
- f. indecent exposure and indecent exhibition;
- g. pandering;
- h. child abuse;
- i. abuse, neglect or financial exploitation of any person entrusted to the care or possession of such person;
- j. burglary in the first or second degree;
- k. robbery in the first or second degree;
- l. robbery or attempted robbery with a dangerous weapon, or imitation firearm;
- m. arson in the first or second degree;
- n. unlawful possession or distribution, or intent to distribute unlawfully, Schedule I through V drugs as defined by the Uniform Controlled Dangerous Substances Act;
- o. grand larceny; or
- p. petit larceny or shoplifting within the past seven (7) years.

Additionally, if the background check or any other subsequent investigation discloses misrepresentation on the application form or information indicating that the individual is not suited for employment with ASC or its clients, the applicant will be refused employment, or if already employed, may be removed from a client's assignment and terminated. The issue of expungement or sealed criminal records will be looked at on a case-by-case basis and the applicable state law relating to particular locations of the facility at issue.

V. ANTI-HARASSMENT POLICY

ASC is committed to providing a work environment free from unlawful harassment. ASC policy prohibits unlawful harassment on the basis of race, color, religion, gender, national origin, age, disability, or veteran status. Likewise, ASC specifically prohibits sexual harassment of any employee.

Harassment is a form of discrimination that is specifically prohibited by this policy. Every employee should be aware that ASC does not tolerate harassment and that both federal and state law prohibits such behavior. This policy prohibits harassment by ASC employees, contractors, and agents of ASC. ASC will take prompt and appropriate action to prevent, correct and, if necessary, discipline behavior that violates this policy. All employees are responsible for participating in the creation of a workplace free from harassment.

Since ASC cannot be at all clients where employees are assigned, it is imperative that ASC employees bring forward to management any complaints relating to harassment that may exist at an assigned work-site.

A. DEFINITION

Harassment includes, but is not limited to, the following:

1. Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
2. Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings, or gestures;
3. Physical conduct such as assault, unwanted touching, or interfering with work because of gender, race, or any other protected basis;
4. Threats and/or demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, as well as offers of employment benefits in return for sexual favors;
5. Retaliation for having reported or threatened to report harassment; and
6. Any other offensive conduct or behavior deemed inappropriate by ASC.

In determining whether alleged conduct constitutes harassment, ASC's management will look at the record as a whole and the totality of the circumstances, such as the nature of the conduct and the context in which the alleged incidents occurred. Each allegation will be examined on a case-by-case basis.

B. REPORTING HARASSMENT

Any individual who believes he or she has been subjected to harassment should report the harassment immediately to ASC's President, Casey Lamb or its Controller, Lisa Rossman at 918-362-WORK (9675). Thus, reporting such conduct is a vital step to enable ASC to enforce this policy.

Employees also have the right to file a complaint with an agency outside ASC and may file the same complaint concurrently with their report to ASC. A complaint filed with an external agency will neither delay nor stop ASC's investigation concerning the same or similar events. Please note, however, that reporting any complaint to ASC does not stop administrative and governmental deadlines for filing official complaints with any outside agency.

C. MANAGEMENT RESPONSIBILITIES

Employees or agents of ASC who supervise other employees are required to (1) engage in appropriate measures to prevent violations of this policy; and (2) promptly notify ASC's President after being informed of or having a reasonable basis to suspect a policy violation. Failure by a supervisor to report an allegation of a violation of this policy or observation of same, will result in disciplinary action, up to and including termination.

D. CONFIDENTIALITY

All reports of harassment shall be treated as confidential, except where disclosure is required by law or is otherwise necessary to facilitate legitimate ASC processes, including the investigation and resolution of sexual harassment allegations.

E. ANONYMOUS COMPLAINTS

Any employee may anonymously complain or ask questions about ASC's harassment policy or complaint procedures. However, because of the inherent difficulty in investigating and resolving allegations from unknown persons, individuals are discouraged from making anonymous complaints of harassment. Although anonymous complaints are discouraged, ASC will reasonably respond to all allegations of harassment.

F. RETALIATION

The law prohibits retaliation against individuals who engage in protected activity related to harassment. An individual is protected from retaliation when he or she:

1. Files a harassment complaint or testifies, assists, or participates in any manner in an investigation or other proceeding related to such a complaint; or
2. Opposes conduct reasonably believed to constitute harassment to one's self or to others, even if the individual has not filed a harassment complaint and is not involved in the investigation of such a complaint.

Essentially, any adverse action that is reasonably likely to deter a complaining party or others from engaging in protected activity is prohibited. Allegations of retaliation will be investigated, and if substantiated, will result in appropriate disciplinary action up to and including discharge.

G. GOOD FAITH ALLEGATIONS

No adverse action will be taken against an individual who makes a good faith allegation of harassment, even if after investigation the allegation is not substantiated. However, allegations or statements made in the course of an

investigation or enforcement procedure found to be intentionally dishonest or made with disregard for the truth may subject the individual to disciplinary action up to and including discharge.

VI. GRIEVANCES/OPEN DOOR POLICY

ASC is concerned about any on-the-job problems you may encounter. Employees are therefore encouraged to bring any problems to the attention of ASC. Many problems tend to arise out of a misunderstanding or lack of complete information. If problems are kept hidden, they tend to fester and to grow out of proportion to their seriousness. If an employee feels that anything has occurred that is in any way unfair or if he/she has any complaints, requests, or constructive criticism, the best way to eliminate the problem is to talk it over.

VII. OFF DUTY BEHAVIOR

Off duty misconduct is generally not the concern of ASC. However, if the conduct (including, but not limited to, arrest or law violation) renders the employee ineffective or unable to perform his/her job satisfactorily, in the opinion of management, the conduct causes publicity that is harmful to ASC's public image, is unbecoming of an employee of ASC, involves acts of violence and/or theft, results in incarceration or other jail time, or results in a loss of confidence in the employee, ASC will examine the off-duty conduct on a case-by-case basis and determine whether the employee shall be subject to disciplinary action, up to and including termination.

VIII. DISCIPLINARY ACTION

ASC may, in its sole discretion, use a progressive discipline procedure in order to provide feedback, including reprimands, before a decision to terminate employment is made. The progressive discipline steps are not guaranteed, and there are many instances which could result in severe disciplinary steps (up to and including discharge) for a first or one-time infraction. Exceptions to progressive discipline may include, but are not limited to:

- a. Any falsification or misinformation on a resume or job application;
- b. Cases of grave offenses, i.e., firearms in work place, violence, misconduct that could result in injury or loss of life, limb, or property, or impairment of ASC operations, or that is willful, malicious, or in serious disregard of ASC's policies or rules;
- c. Insubordination or refusal to follow instructions from superiors;
- d. Poor attendance and punctuality;
- e. Unlawful discriminatory or harassing conduct;
- f. Violation of ASC's Safety Policy; and
- g. Violation of applicable Drug and Alcohol Testing Policy.

When an employee's performance, actions, or behaviors indicate a need for improvement, he/she will normally receive counseling. This first discipline step will typically involve a formal notice or reprimand, except in severe or serious cases. ASC management will typically hold a private discussion with the employee concerning the specific problems and the specific corrective action required of the employee.

The next progressive discipline step is a second reprimand or written notice. Repeated violations following a first notice or reprimand may result in an immediate second reprimand or more serious disciplinary action (including discharge), as warranted and in ASC's discretion. A second reprimand also may be used as the first measure of discipline in response to a first offense or infraction, if deemed to be serious in nature.

Involuntary discharge may result for any serious offense, including falsification of resume or job application, commission of a grave offense, failure to respond to progressive discipline, insubordination, or substantiated unlawful or discriminatory conduct. Employees who are discharged for cause (or resign in lieu of discharge) will not be considered eligible for rehire, absent approval by the President.

IX. GENERAL EMPLOYMENT POLICIES

- A. **WORKERS' COMPENSATION.** If injured on the job, it is the employee's responsibility to immediately report any injury to his or her supervisor, staffing coordinator or ASC's President Casey Lamb, regardless of how slight. Failure to report work-related accidents is a serious matter, and may preclude an employee's coverage under Workers' Compensation insurance. Refer to your American StaffCorp Safety Policy for more information.
- B. **DRESS CODE.** Employees are to maintain a professional image. Therefore, in addition to complying with client dress code policies, all employees are to maintain personal cleanliness. Remember, an employee's job assignment will dictate the proper attire. Therefore, all employees who are on assignment shall comply with ASC's client's dress code at all times.
- C. **PERSONNEL RECORDS.** Personnel records are the sole property of ASC and are treated as confidential information. Employee records are maintained centrally and access to records is strictly limited to avoid any unauthorized disclosures. Current employees may review the content of their personnel file by written request during normal operating hours and in the presence of a member of ASC's management. Former employees are not allowed copies of such records, unless required to by law or proper legal proceedings. Employees have a responsibility to keep their personnel records up to date and should notify the ASC of any changes in at least the following: (a) name; (b) address; (c) telephone number; (d) marital status (for benefits and tax withholding purposes only); (e) number of dependants; (f) persons to be notified in case of emergency. In addition, employees who have a change in the number of dependents or marital status must complete a new Form W-4 for income tax withholding purposes within ten (10) days of the change, if it results in a decrease in the number of dependents.
- D. **NON SMOKING WORK ENVIRONMENT.** ASC seeks to maintain the preservation of health, the quality of the work environment and the quality of our business and client contacts. Therefore, ASC prohibits the use of tobacco or tobacco products inside any of its facilities. When on location or assigned to a job with a client, all smoking policies relating to ASC's clients shall be complied with by ASC employees.
- E. **SOLICITATIONS.** All forms of solicitation, selling or distribution of products or literature while on ASC business are prohibited unless authorized in writing by ASC Management.
- F. **WEAPONS.** Employees are forbidden to bring weapons, such as firearms or knives on ASC property or ASC's client's property. Violation of this policy, or the commission of violence of any type on ASC property, will be cause for immediate discharge.
- G. **COMPLIANCE WITH CLIENT POLICIES AND PROCEDURES.** When assigned to work for a client, all employees must also be familiar with and comply with all of that client's employment and safety policies and procedures.

X. **ALCOHOL/CONTROLLED SUBSTANCE**

ASC strives to provide a safe and productive environment for all employees. In so doing, every reasonable effort will be made to keep the work environment free from any unauthorized use of drugs or alcohol. Although ASC respects employee's freedom to manage their life, it is a recognized fact that job performance, productivity and safety may be impaired or jeopardized by the use or misuse of drugs or alcohol.

Therefore, ASC has developed a policy to explain ASC's position on drugs and alcohol in the workplace, the circumstances under which ASC will conduct drug and/or alcohol testing, and to define the rights of applicants and employees. Employee will be provided with a copy of ASC's "Drug and Alcohol Abuse Policy and Testing Program" (the "Policy") at the time of application with ASC. Employees are expected to review the Policy and to sign an acknowledgment indicating their understanding of the Policy terms.

Additionally, an employee who reports to work in an impaired condition or under the influence of drugs and/or alcohol is subject to disciplinary action, up to and including termination.

XI. ATTENDANCE

A. GENERAL POLICY ON ATTENDANCE

Employees are expected to report regularly for work and to be on time. Failure to report absences or lateness in a timely manner may result in disciplinary action against the employee, up to and including termination. Poor attendance and or tardiness are considered grave offenses as they reflect exceptionally poorly on ASC. Therefore, any pattern or practice of tardiness or absenteeism will result in employee's termination for cause.

Employees are to call ASC at least once a week to let it know that the Employee is available for work. IT IS EXTREMELY IMPORTANT THAT EMPLOYEES CALL IN AVAILABLE IF THEY WANT TO WORK. If an Employee does not call in, ASC will assume you are NOT available, which will result in Employee being placed on inactive status.

When an Employee completes an assignment or leaves an assignment for any reason, the employee must also call in available. Failure to call in available indicates that the Employee is not available to work and will, therefore, be placed on inactive status. Our office number is available 24 hours/day at 918-362-WORK (9675).

B. COMMITMENT TO WORK

If an Employee accepts a job assignment from ASC, the Employee is committing him/herself to being dependable at the assigned job. As mentioned herein, Employee's conduct, particularly with punctuality and attendance is very important to ASC and its relationship with its clients. In the event an Employee cannot make his/her assignment or any other job related appointment, the Employee MUST call ASC to let it know BEFORE the scheduled assignment/appointment. ASC's phones are available 24 hours a day and therefore there is no excuse not to call. The Employee is to call in a minimum of two hours before the assignment, but preferably 24 hours in advance. Failure to call in advance of the assignment may result in the Employee's employment being terminated for cause.

C. MILITARY LEAVE

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

The leave will be unpaid. However, employees may use any available paid days off for the absence.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible.

Benefit accruals, if any, will stop accruing during a military leave of absence as these benefits are based on hours of work performed, and will resume upon the employee's return to full time work.

Employees on military leave for up to thirty (30) days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits

based on length of service, including eligibility for family medical leave. For more information concerning family medical leave, see the policy entitled Family Leave.

Contact ASC's management and or President for more information or questions about military leave.

XII. PAYROLL

- A. TIMESHEETS.** Employees are responsible for turning in their timesheet each week. Timesheets must be turned in to ASC office no later than 12:00 noon on Monday following the prior workweek. If not turned in timely, an employee's paycheck may be delayed.
- B. DIRECT DEPOSIT.** For an employee's convenience, ASC has the capability of directly depositing the employee's paycheck into their checking or savings account on payday. In order to initiate a direct deposit with the financial institution, employees will be required to complete a Direct Deposit Agreement, authorizing ASC to process payroll credit entries to the employee's checking or savings account. Direct Deposit forms are available at ASC office.
- C. PAYROLL DEDUCTIONS.** The law requires that applicable federal and state taxes, as well as social security benefits, be deducted from employee paychecks each pay period. Other deductions may occur based on benefit plans and employee selections.
- D. ASSIGNMENTS AND GARNISHMENTS.** ASC is required to honor legal garnishments and other orders by the court and/or State and Federal agencies. During this period, ASC is required to deduct a percentage from the earnings of the employee.

XIII. EMPLOYEE BENEFITS

ASC provides eligible employees with certain benefits.

- A. REFERRAL BONUS.** A \$100 referral bonus may be available when an employee refers a friend or acquaintance to ASC. In order to qualify, the person that is referred must put your name on their application and work eighty (80) hours for ASC. Upon completion of eighty (80) hours worked, the employee must notify ASC in order to receive the referral bonus.
- B. VACATION PAY.** As an employee of ASC you are entitled to 40 hours vacation pay once completing 1600 hours within a one year period. It is employee's responsibility to request vacation pay.
- C. HOLIDAY PAY.** As an employee of ASC you are entitled to Holiday Pay. ASC recognizes the following Holidays: New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. To receive Holiday Pay you must have completed 750 hours work within a 1 year period of the holiday. In addition, you must work the day before and the day after the holiday. It is the employee's responsibility to request holiday pay.
- D. MEDICAL INSURANCE.** Please request information from ASC office.
- E. EMPLOYEE ASSISTANCE PROGRAM (EAP).** American StaffCorp offers a no cost, confidential referral to a counseling program for personal issues. Please refer to your Employee Benefits brochure at the ASC office.

XIV. USE OF ELECTRONIC SYSTEMS AND COMMUNICATION TOOLS

ASC internal and/or public communication systems and tools, including but not limited to telephone, fax, E-mail and Internet, have been developed expressly for the purpose of conducting ASC's legitimate business interests. All documents, messages and correspondence created using ASC resources, whether electronic or paper-based, personal

or business related, are ASC's property. Creators of the material have no assurance of privacy. ASC employees on assignment with clients must also comply with that client's Electronic Systems and Communication Tools policies and procedures.

XV. FAMILY AND MEDICAL LEAVE OF ABSENCE ("FMLA")

ASC will follow all state and federal rules and regulations governing FMLA and applicable leave mandated by a State or locality. The Family and Medical Leave Act of 1993, as amended in 2008, allows "eligible" employees of a covered ASC to take job-protected, unpaid leave, or substitute appropriate paid leave if the employee has earned or accrued it, for up to a total of twelve (12) workweeks, or as otherwise provided below, in a defined twelve (12) month period because of the birth of a child and to care for the newborn child, because of the placement of a child with the employee for adoption or foster care, because the employee is needed to care for a family member with a serious health condition, or because the employee's own health condition makes the employee unable to perform the functions of his or her job. In certain cases, this leave may be taken on an intermittent basis rather than all at once, or the employee may work a part-time schedule.

A. EMPLOYEE ELIGIBILITY

To be eligible for FMLA benefits, an employee must meet the following requirements:

1. He or she must have worked for ASC for at least twelve (12) months*;
2. He or she must have worked at least 1,250 hours over the previous twelve (12) months; and
3. He or she must have worked at an ASC location where at least 50 employees are employed by ASC within 75 miles.

* The twelve (12) months does not have to be consecutive or continuous employment, but the employment must have been within the last seven (7) years, or as otherwise subject to USERRA.

B. DEFINITIONS

1. **"Active Duty" or "Call to Active Duty" Status** – For purposes of exigency leave, the term means duty under a Federal call or order to active duty (not a State call to active duty unless by order of the President of the United States) in support of a contingency operation pursuant to specific enumerated provisions of Section 688 of Title 10 of the United States Code. Such active duty or call/order to active duty is only made to members of the National Guard or Reserve components or a retired member of the Regular Armed Forces or Reserve. Therefore, an employee may not take exigency leave if the service member is a member of the Regular Armed Forces.
2. **"Child"** - means a biological, adopted, or foster child (requires State certification), a step child, a legal ward, or a child of a person standing in loco parentis (i.e. in the place of a parent) who is under eighteen (18) years of age, or if the child is incapable of self-care because of a mental or physical disability and is over eighteen (18) years of age.
3. **"Covered Service Member"** - For purposes of military caregiver leave, a covered service member is a current member of the Regular Armed Forces, National Guard, or Reserve, including those on the temporary disability retired list (TDRL), but not including former members or members on the permanent disability retired list. The service member must be receiving medical treatment or oversight by a Department of Defense or Veterans Affairs health care provider or by a Department of Defense TRICARE network or non-network authorized private health care provider.
4. **"Qualified Exigency"** may include (1) short-notice deployment; (2) military events and related activities; (3) childcare and school activities; (4) financial and legal arrangements; (5) counseling; (6) rest and recuperation; and (7) post-deployment activities.
5. **"Serious Health Condition"** means an illness, injury, impairment, physical or mental condition involving either:

- a. Inpatient care at a hospital, hospice, or residential medical care facility, or subsequent treatment in connection with such inpatient care; or
- b. Continuing outpatient treatment by a health care provider (i.e. a doctor of medicine or osteopathy, or other person determined by the Secretary of Labor to be capable of providing health care services) which includes:
 - (i) A period of incapacity lasting more than three (3) consecutive, full calendar days and any subsequent treatment or period of incapacity relating to the same condition, that also includes: (a) Treatment two (2) or more times, by or under the supervision of a health care provider, or (b) one (1) treatment by a health care provider with a continuing regimen or treatment; or
 - (ii) Any period of incapacity related to pregnancy or for prenatal care; or
 - (iii) Any period of incapacity or treatment for a chronic serious health condition which continues over an extended period of time, requires periodic visits to a health care provider, and may involve occasional episodes of incapacity; or
 - (iv) A period of incapacity that is permanent or long term due to a condition which treatment may not be effective; or
 - (v) Any absences to receive multiple treatments for restorative surgery or for a condition that would likely result in a period of incapacity of more than three (3) days if not treated.
- 6. **“Spouse”** - means a husband or wife as defined or recognized by state law for purposes of marriage, including common law marriage.

C. LEAVE ENTITLEMENT

Leave is available under the FMLA for one or more of the following reasons:

- 1. Serious health condition that makes the employee unable to perform the functions of the employee’s position;
- 2. To care for an immediate family member (spouse, child, or parent) with a serious health condition;
- 3. For the birth or adoption of a child, or the placement of a child for adoption or foster care during the first twelve (12) months; or
- 4. For qualifying exigencies arising out of the fact that the eligible employee’s spouse, child or parent is on active duty or has been notified of an impending call or order to active duty in the National Guard or Reserves in support of a contingency operation.

D. ROLLING 12 MONTH BASIS

Leave is available under the FMLA until an employee has taken a total of twelve (12) weeks of leave within a twelve (12) month period, except as otherwise provided below for service members. In determining the amount of leave available to an employee, ASC will calculate leave eligibility on a rolling twelve (12) month basis.

E. WHEN BOTH SPOUSES ARE EMPLOYEES

If you and your spouse are both employed by ASC, then you are jointly entitled to a combined total of twelve (12) workweeks of family leave for the birth or placement of a child for adoption or foster care, and to care for a child or parent (but not a parent-“in-law”) who has a serious health condition.

F. FMLA LEAVE IS UNPAID

However, ASC requires employees to substitute any accrued paid leave (such as vacation, personal, or sick days) for unpaid FMLA leave until the paid leave is exhausted. Once an employee has used all paid leave, the balance of the twelve (12) week leave period is unpaid. The twelve (12) week maximum period of leave may not be extended by adding vacation, personal, or sick days to the twelve (12) week period of FMLA leave.

G. SERVICE MEMBERS PERIOD OF LEAVE

An eligible employee may take up to 26 weeks of leave during a “single 12-month period” to care for a spouse, son, daughter, parent, or next of kin who is a covered service member with a serious injury or illness, as defined herein. A covered “service member” is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness. A serious injury or illness is that which was incurred by the service member in the line of duty on active duty that may render the service member medically unfit to perform the duties of his or her office, grade, rank, or rating. The “single 12-month period for leave to care for a covered service member with a serious injury or illness begins on the first day the employee takes leave for this reason and ends twelve (12) months later, regardless of the other provisions defining twelve (12) month period in this policy. An eligible employee is limited to a combined total of twenty (26) workweeks of leave for any FMLA-qualifying reason during the “single 12-month period.”

H. INTERMITTENT LEAVE

Under certain circumstances, employees may take their FMLA leave intermittently, which means taking leave in blocks of time, or by reducing their normal weekly or daily work schedule. FMLA leave may be taken intermittently whenever it is medically necessary to care for a seriously ill family member, or because the employee is seriously ill and unable to work. If your leave is for the birth or placement of a child for adoption or foster care, use of intermittent leave is subject to ASC’s approval. While on intermittent leave, you may be required to transfer temporarily to a position that better accommodates your leave status. Under such circumstances, you will retain equivalent pay and benefits. If intermittent leave is taken, the employee and ASC must agree in writing of the designation of the intermittent leave as FMLA leave.

I. PROTECTION OF YOUR JOB

Upon return from FMLA leave, an employee will be restored to his or her original position, or to an equivalent position with equivalent pay (i.e., hourly wage), benefits, and other employment terms and conditions. An employee’s use of FMLA leave will not result in the loss of any employment benefit that the employee earned or was entitled to before using FMLA leave. However, seniority and other benefits, such as vacation, personal days, and sick leave days do not accrue during an FMLA leave period. Under limited circumstances, ASC may be entitled to replace rather than reinstate certain highly paid “key” employees who use leave under this policy. For more information on “key” employee status, please see Human Resources.

J. NOTICE, PLANNING, AND CERTIFICATION

Employees requesting FMLA leave should provide thirty (30) days advance notice of leave, or as much advance notice as is possible, that indicates the reasons for the leave, the time the leave will begin, and the expected duration of the leave. When thirty (30) days advanced notice is not possible, e.g. premature birth or sudden, serious illness, the employee must give notice as soon as practicable, ordinarily within one (1) or two (2) business days after the employee learns of the need for the leave. All requests should include the anticipated beginning and end dates for the leave being requested.

When an employee requests FMLA leave, or when ASC acquires knowledge that an employee’s leave may be for an FMLA-qualifying reason, ASC must notify the employee of the employee’s eligibility to take FMLA leave within five (5) business days. Similarly, ASC will notify the employee whether the leave will be designated and will be counted as FMLA leave within five (5) business days, except under extenuating circumstances.

K. CERTIFICATION AND EMPLOYEE STATEMENT

When FMLA is requested for a serious health condition, the employee must provide a Medical Certification Form completed by the healthcare provider containing the following information:

1. The date on which the serious health condition commenced.
2. The probable duration of the health condition and the approximate date of the employee's return.
3. The appropriate medical facts within the knowledge of the healthcare provider regarding the condition.
4. When Family and Medical Leave is requested for a serious health condition of a family member of the employee, the Medical Certification must include a statement that the employee is needed to care for the family member and the estimated time that the employee would be unable to work. The ASC may request a second opinion, at the ASC's expense, from a physician designated by the ASC but not employed by the ASC.

L. CERTIFICATION FOR MILITARY-RELATED FMLA LEAVE

When FMLA is requested for Military reasons, the employee must provide:

1. A copy of the covered military member's active duty orders the first time the employee requests exigency leave.
2. The ASC may require that a qualifying exigency be supported by a certification from the employee providing:
 - a. a description, signed by the employee, describing facts supporting leave request and including any available documentation such as a copy of meeting announcement, appointment, or a copy of a bill for service;
 - b. the approximate date qualifying exigency commenced or will commence;
 - c. if request for a single period of time, the beginning and end dates for the absence;
 - d. if request for intermittent or reduced schedule basis, an estimate of the frequency and duration of exigency; and/or
 - e. if exigency involves meeting with a third party or entity, contact information of the third party or entity and a brief description of the purpose of the meeting.
3. When FMLA is requested to care for a covered service member, a Medical Certification from an authorized Health Care Provider of the covered service member is required.

Failure to provide the required certification/documentation within fifteen (15) days of being asked to do so FOR ANY LEAVE may result in the denial of FMLA.

M. MEDICAL RECERTIFICATION

During FMLA Leave, the employee must provide subsequent medical recertification, completed by a healthcare provider, of a serious health condition of the employee, or that of a family member, upon:

1. Expiration of period of incapacity specified on certification;
2. The employee requests a leave extension;
3. Circumstances described by the original certification have changed significantly;
4. ASC receives information that casts doubt on the continuing validity of the certification;
or
5. The employee is unable to return to work after leave because of the continuation, recurrence or onset of a serious health condition.

Failure to provide the required medical certification may also result in delay or denial of the requested leave until the requested certification is provided, denial of coverage of the employee's time off under the FMLA, loss of health insurance rights, and possible disciplinary action.

N. RETURN TO WORK CERTIFICATION

Upon completion of any period of non-intermittent FMLA leave, and before returning to work, an employee will be required to submit a medical certification of his or her fitness to return to work with regard to the health condition for which the leave was taken, as appropriate in light of the employee's job duties. Failure to provide the requested certification may result in delay of the employee's return to work until the certification is provided, or possible disciplinary action.

O. EMPLOYMENT DURING A LEAVE

1. Employment elsewhere during a leave of absence will terminate the leave and be considered an implied resignation and employee's employment will be terminated. All leaves will end on the earliest of the following dates:
 - a. The date the leave was approved to expire;
 - b. The reason(s) the leave was approved no longer exist(s);
 - c. The date the employee states he/she does not intend to return to active employment at ASC immediately following the leave; or
 - d. The date the employee begins active employment elsewhere.
2. Employees, who have not returned to active employment by the date their leave expires, will be considered to have voluntarily resigned due to the expiration of their leave.

P. RETURNING TO ACTIVE EMPLOYMENT FOLLOWING A LEAVE

Employees returning from leave should notify their supervisor of their availability to return to work two (2) weeks prior to the expiration of their leave, or as soon as practical so that work schedules can be reestablished. Employees returning from leave should contact Human Resources to make arrangements for any unpaid medical/dental insurance premiums.

It is the employee's responsibility to notify Human Resources when/if the reason for their leave no longer exists and they are available to return to work. (Example: The employee is released to return to work by their physician prior to the date the leave was anticipated to end.)

For an eligible employee who takes an approved leave as defined in this policy, the following provisions apply:

1. The use of FMLA shall not be considered negatively or held against the employee in reference to performance evaluations, promotional consideration, or any other employment factors. Supervisors shall not interfere with, restrain, or deny employees their rights under this policy. Nor shall a supervisor discharge or discriminate against an employee based on the employee's exercise of rights under this policy or charge relating to this policy and the Family Medical Leave Act.
2. If an employee takes FMLA due to their own serious health condition, they must have a written return to work statement from their treating physician to present upon return.

Q. COORDINATION OF FMLA LEAVE AND WORKERS' COMPENSATION LEAVE

If an employee on FMLA leave receives workers' compensation benefits, he or she may not substitute any paid leave while receiving workers' compensation benefits, nor may any paid leave be used to supplement workers' compensation benefits. However, FMLA leave will run concurrently with workers' compensation leave.

XVI. TERMINATION OF EMPLOYMENT

A. RESIGNATIONS.

When an employee voluntarily resigns, the employee is asked to submit a signed letter of resignation. However, verbal resignations will be accepted. If written, the employee is encouraged to include the reason for leaving. Employees that do not give notice of resignation to ASC will be considered to have abandoned their job and will be terminated for cause.

Employee or ASC may end the employee's employment immediately upon notice of resignation. The employee will only be paid for time worked.

XVII. SAFETY POLICY

It is ASC's policy that every employee and all property is entitled to maximum protection from controllable hazards. ASC is totally committed to safety and loss control and it is our intention that each employee shall work under the safest conditions possible. In partnership with our customers, we will strive to maintain a safe workplace that is free from recognized hazards.

ASC and its clients are responsible for compliance with all safety regulations implemented by federal, state and local agencies. The information contained in this safety policy sets forth safety rules and regulations that are to be followed by all company employees. While this policy will help you recognize and avoid obvious hazards, it cannot cover all situations. When in doubt, you should consult with your supervisor for guidance. Employee is to contact Casey Lamb, President, of any safety violations, concerns or issues at ASC's client's job site.

Each employee shall be responsible for their performance and adherence to all safety rules. Failure to comply may result in disciplinary action up to and including discharge.

Refer to your American StaffCorp Safety Policy for additional information.

**AMERICAN STAFFCORP and MYSTAF
EMPLOYEE HANDBOOK AND POLICIES MANUAL**

ACKNOWLEDGEMENT OF UNDERSTANDING

I acknowledge that I have been provided access to, the opportunity to read and my understanding of the American StaffCorp, Inc. (“ASC”) and MyStaf, a division of American StaffCorp, Inc. Handbook and Policies Manual (“Handbook”). I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the Handbook. The Handbook has been provided to me through numerous sources, including at the time of hire in the interview room, at the offices of American StaffCorp and on the website of www.americanstaffcorp.com.

I understand that, except for the employment at-will status, any and all policies or practices can be changed at any time by ASC. ASC reserves the right to change my hours, wages, benefits, and working conditions at any time. I understand that I am to periodically review this Handbook so to maintain my familiarity with the policies. If I am provided notice of a change to the Handbook or that a new version has been implemented, I will and acknowledge herein my responsibility to use the above locations and resources to familiarize myself with and fully understand the Handbook. In line with this obligation, I acknowledge that I either have access to the internet and a computer at home or at the office of ASC to review the Handbook at any time I wish to. I understand and agree that nothing in the Handbook creates, or is intended to create; a promise or representation of continued employment and that employment at ASC is employment at-will that may be terminated at the will of either ASC or myself.

My signature below certifies that I understand that the foregoing agreement is the sole and entire agreement between ASC and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations concerning my employment with ASC.

EMPLOYEE’S SIGNATURE

DATE