



DON SELVY ENTERPRISES, INC.

MANUAL OF EMPLOYEE POLICIES

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DON SELVY ENTERPRISES, INC.

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100 INTRODUCTION

This Employee Manual contains verbiage referencing "Manual of Accounting Policies", "Manual of Employee Policies", "Accounting Policies Manual" and "Employee Manual".

The Employee Manual is a subset of the Accounting Manual in order to distribute information and guidelines pertinent to the employees from the Accounting Manual.

101 Purpose of Manual

- A. The Manual of Accounting Policies of Don Selvy Enterprises, Inc. (also referred to as DSE, Inc. or DSE) is the official document of the Corporation for the conduct of business and the accounting and administration for contracts and subcontracts with the U.S. government and other customers.
- B. This Manual of Employee Policies is a subset of the Manual of Accounting Policies to guide employees of Don Selvy Enterprises, Inc. in the application of various Federal and state laws and regulations to contracts awarded by the U.S. government and other customers.
- C. This Employee Manual has been prepared to provide general guidelines of some of DSE, Inc.'s policies and procedures, including, but not limited to, benefits and work rules. It is not possible, however, to anticipate every situation, nor is it possible for this Employee Manual to explain every detail of DSE, Inc.'s policies.

107 Amending the Manual of Employee Policies

- A. All policies and procedures outlined in this Employee Manual are subject to change, modification or elimination at DSE, Inc.'s discretion at any time DSE, Inc., deems particular circumstances warrant. The provisions of this Employee Manual are also subject to interpretation by the Management of DSE, Inc. in their application to particular situations as they arise from time to time.

109 Employee Manual Contract Disclaimer

This Employee Manual is provided for general information and guideline purposes only. It is not intended to be comprehensive or to address all possible applications of, or exceptions to, the general policies and procedures described. NO PROVISION OR PORTION OF THIS EMPLOYEE MANUAL CONSTITUTES AN IMPLIED OR EXPRESS CONTRACT, GUARANTEE OR ASSURANCE OF EMPLOYMENT OR ANY RIGHT TO AN EMPLOYMENT RELATED BENEFIT OR PROCEEDURE.

Employment is not for any specific time and may be terminated at will without prior notice by the DSE, Inc., or you may resign for any reason at any time.

200 INTERNAL CONTROL POLICIES

201 General Business Conduct and Disclosure

A. Unethical actions, or the appearance of unethical actions, are unacceptable under any conditions. The policies and reputation of Don Selvy Enterprises, Inc. depend on the following considerations.

Each employee must apply his/her own sense of personal ethics, which should extend beyond compliance with applicable laws in business situations, to govern behavior where no existing regulation provides a guideline. It is your responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this code in specific situations, ask yourself the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with corporate policy?
4. Am I sure that my action doesn't appear inappropriate?
5. Am I sure that I would not be embarrassed or compromised if my action became known within the Corporation or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?

You should be able to answer "yes" to all these questions before acting.

Each supervisor is responsible for the ethical business behavior of his/her subordinates. Supervisors must carefully weigh all courses of action suggested in ethical as well as economic terms and base their decisions on the guidelines provided by this code as well as their personal sense of right and wrong.

Implementation of the provisions of this code is one of the standards by which the performance of all levels of employees will be measured.

- B. In recommending or proposing a particular business transaction or course of action for approval, those involved must disclose to their superiors or to the board of directors of the Corporation, if the recommendation is to the board, all the pertinent information they know about such transactions and the persons involved. The disclosure should include significant information that they may have reason to believe has been omitted by others.
- C. Specifically, the Corporation does not tolerate the willful violation or circumvention of any laws of the United States, its states, counties, cities, or a foreign country by an employee during the course of that person's employment; nor does the Corporation tolerate the disregard or circumvention of corporate policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents and intermediaries, what is directly forbidden.

Failure to comply with the standards contained in this code will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Corporation or the government for any losses or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this code will be afforded an opportunity to explain his or her actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against employees who authorize or participate directly in actions which are a violation of this code.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this

code.

3. Against any supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this code.

D. DSE enforces a specialized policy that establishes guidelines to ensure Don Selvy Enterprises, Inc. is in compliance with guidance provided in 32 Code of Federal Regulation (CFR) Part 117, National Industrial Security Program (NISP).

As a recipient of U.S. Department of Defense "facility clearance," DSE is obligated to follow 32 CFR Part 117, NISP requirements, restrictions and other safeguards that are necessary to prevent unauthorized disclosure of classified information and to control authorized disclosure of classified information released by U.S. government executive branch departments and agencies to their contractors. DSE maintains a facility clearance to authorize handling of classified material at customer sites but does not permit classified operations or storage of classified materials at DSE facilities. Having been granted this facility clearance, DSE is subject to the rules and regulations contained in 32 CFR Part 117.

The facility security officer (FSO) is directly responsible for the management of the security program. All requests for clearance of employees who require access to classified information at their work location or when visiting other facilities will be initiated by the FSO. All authorizations for security clearance will be in writing and are not valid until authenticated by the FSO or designee.

The Defense Counterintelligence and Security Agency (DCSA) conducts periodic inspections of DSE industrial security practices on behalf of the Department of Defense. The FSO or designee will conduct self-inspections as appropriate to ensure continued compliance with 32 CFR Part 117. The FSO maintains detailed Standard Practice Procedures (SPP) to ensure system compliance with 32 CFR Part 117. Contact the FSO for questions relating to classified information or to receive a copy of the SPP.

Individuals authorized to have access to classified information must follow established procedures at all times and are responsible for guarding against

unauthorized disclosure of such information. Cleared employees shall ensure that classified information is disclosed only to persons authorized in accordance with 32 CFR Part 117.

Employees will not disclose classified or controlled unclassified information pertaining to a classified contract to the public without prior review and clearance as specified in the DD-254 for the specific contract or as otherwise specified by the Government Contracting Authority (GCA). Requests for approval shall be routed through the DSE FSO for approval by the GCA.

All violations of established security procedures must be reported to the FSO immediately so the FSO may assist in bringing the situation back into compliance. Examples of security violations are:

- (a) Leaving a safe containing classified material open and unattended.
- (b) Allowing non-cleared individuals to have access to classified material, either by viewing classified material or by conducting classified discussions in a non-secured area or over a non-secured telephone line.
- (c) Allowing non-cleared individuals access to combinations for safes in which classified material is stored.
- (d) Sending classified material via fax machines.
- (e) Removing classified material from the building in which it is normally stored without permission from the FSO.
- (f) Copying or destroying classified material.
- (g) Generating classified material on a non-approved computer.
- (h) Storing the written combination to the safe in a non-approved container.

Security violations are recorded by the FSO through an Administrative Inquiry (AI) process. A copy of procedures for the AI process is maintained by the FSO and contains detailed guidance for collecting required data and making required reports within the mandatory timelines. Top Secret initial reports will be completed within 24 hours. Secret/Confidential initial reports will be completed within 72 hours. The FSO will conduct an investigation of the violation using the AI process.

In addition to disciplinary action that may be taken pursuant to other DSE policies, 32 CFR Part 117 requires a graduated scale of disciplinary actions in the event of employee violations or negligence.

- (a) **Minor violations** will result in a review of proper security procedures with the individual. The Security Incident Report will be kept in the employee's security file in the Security Office.

- (b) **A second minor violation** will result in the employee being required to participate in a complete review of the 32 CFR Part 117 requirements. The Security Incident Report will be maintained in the employee personnel file and be provided to the management of the facility in which the violation occurred.

- (c) **Additional minor violations** indicate a pattern of negligence and will result in an Adverse Information Report submitted to the Defense Counterintelligence and Security Agency (DCSA). The Security Incident Report and the Adverse Information Report will be provided to the management of the facility in which the classified work is being performed. A decision will be made by the FSO and the management of the facility where the violations occurred as to the appropriate corrective action to be taken which may be up to, and include, denying the individual access to classified information. At the discretion of the President of DSE, the employee's employment at DSE may be terminated if it is determined failure to access classified information negatively impacts DSE's ability to accomplish tasking required on classified contracts.

- (d) **Major violations include the loss, compromise, and suspected compromise of classified information.**

Classified material that is out of the control of its custodian or that cannot be found shall be presumed to be lost until an investigation determines otherwise.

If an investigation determines that classified material is lost, the employee will be denied access to classified information for a period of at least one year. The actual length of time for lack of access will be determined by the President of DSE

and the management of the facility where the violation occurred. All major violations will be reported to the DCSA Industrial Security Representative (ISR).

When individual responsibility for a security violation can be determined and one or more of the following factors are evident, an Individual Culpability Report will be sent to DCSA.

- (a) Deliberate disregard of security requirements.
- (b) Gross negligence in the handling of classified material.
- (c) A pattern of negligence or carelessness.

203 Compliance with Laws

A. General

In complying with the laws and regulations that apply to business at all government levels in the United States and abroad, we believe you will find the following information useful.

Please bear in mind as you read these materials that the laws and customs of one country may conflict with those of another. If you have international responsibilities, you must learn to recognize such discrepancies and, if a conflict appears, report the matter to supervisors, who may seek legal counsel to resolve the matter.

B. Securities

Information about the Corporation's plans or operations that can have a significant impact on corporate earnings and has not been released to the public must remain confidential.

Don Selvy Enterprises, Inc. is a privately held C Corporation. While Don Selvy Enterprises, Inc. is not subject to some of the regulations required of publicly traded corporations, we seek to maintain the same level of constraint in financial transactions as those imposed upon publicly traded institutions with respect to information concerning earnings.

This material, non-public information, often called "inside information," is not the property of the individual directors, officers, or other employees. It belongs to the Corporation. For anyone to use this information for personal benefit or to disclose it to others outside the Corporation violates the Corporation's

interest and may be considered illegal. Use or disclosure of material, non-public information would perpetrate a fraud and victimize uninformed actual and potential investors trading in the same market as insiders with such information. Information may be "material" if it is likely to affect the market value of the Corporation's securities or influence decisions to buy, sell, or hold securities. Securities laws impose severe penalties on any individual engaging in this practice, and liability can extend to the organization as well. Penalties include injunctions, criminal fines, imprisonment, and monetary judgments for damages. You must observe the following guidelines:

1. Inside information must not be disclosed to anyone other than corporate employees who have established their need to know.
2. If you possess material, non-public information about the Corporation, or about firms with which the Corporation is negotiating or competing, you may not sell or buy the Corporation's securities or the securities of those firms, nor disclose such information to persons outside the Corporation until the information has been effectively disclosed to the public.
3. Individuals who are damaged because they purchased, held, or sold the Corporation's securities at a time when employees with material, non-public information about the Corporation are purchasing or selling such securities may be able to recover their losses from such employees. For liability purposes, the person to whom the employee passes on the material, non-public information as a "tip" may be regarded as standing in the shoes of the "tipping" employee.
4. The Insider Trading Sanctions Act of 1984 permits the courts to impose fines triple the amount of profit gained or loss avoided from conduct that violates the securities laws and would apply to giving material, non-public information to outside parties ("tipping"). The law also provides a maximum fine of \$100,000 for securities fraud (which includes misuse of material, non-public information), market manipulation, and other violations.
5. Inquiries from financial analysts and others affiliated with the financial and investment communities should be answered only by the Corporation's Chairperson of the Board, President, Vice President-Finance, or their designees.

The securities laws also prohibit all officers, direc-

tors, employees, and agents of the Corporation from making any payments to officials of foreign governments, directly or indirectly, including using agents or intermediaries, with a view toward influencing an action or decision. No such payments are to be made under any circumstances.

C. Disclosure of Corporation Information

The Corporation's trade secret, financial, and administrative information is a valuable, intangible property asset. Protection of this information is vital to our continued growth and our ability to compete. Under our country's laws and those of most other countries, this type of information is treated as intellectual property, usually in the form of information, knowledge, or know-how, the possession of which gives the owner some advantage over competitors who do not possess it. To be protected under law, such information must not be generally or publicly known or must be patented or copyrighted if publicly disclosed. The Corporation's intellectual property assets are not always of a technical nature. Typical of such information are:

1. Corporate business, research, and new product plans.
2. Operating or marketing plans.
3. Program and product sales profits, and any unpublished financial or pricing information.
4. Designs, efficiencies and capacities of corporate production facilities, methods, and systems.
5. Employee, customer, and vendor lists.
6. Detailed information regarding customer requirements, preferences and plans, except where such information is publicly available.

This list, while obviously not complete, suggests the wide scope and variety of corporate information that must be safeguarded. Special safeguards should be observed for organization trade secret, financial, or administrative information. Such information is usually marked with a notice that imposes restrictions on the need to know within the Corporation. However, most of what we know about our own jobs and the jobs of others, even without these classifications, should remain in the plant or office when we finish the day's work. If an employee works from home, corporate or customer data should remain in a dedicated space or secured on a laptop used for remote operations. If we leave the employ of the Corporation, our legal obligation is to protect the

Corporation's intellectual property until it becomes clear what it has become publicly available or the Corporation no longer considers it necessary to restrict its use. We should remember also that correspondence, printed matter, documents or records of any kind, specific process knowledge, procedures, and special corporate ways of doing things are all the property of and must remain at the Corporation.

D. Political Contributions

No funds or assets of the Corporation may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the Corporation for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. The Corporation also cannot be involved with any committee or other organization that raises funds for political purposes. This rule applies both inside and outside the United States, except in those cases permitted by law and expressly authorized by the Board of Directors of Don Selvy Enterprises, Inc..

Following are examples of prohibited activities:

1. Contributions by an employee that are reimbursed through expense accounts or in other ways.
2. Purchase by the organization of tickets for political fundraising events.
3. Contributions in kind, such as lending employees to political parties or using Corporation assets in political campaigns.
4. Indirect contributions by the Corporation through suppliers, customers, or agents.

E. Government Officials

In the United States and in foreign countries, the organization is legally prohibited from offering, promising, or bestowing money, gifts, loans, rewards, services, use of facilities, lavish or extensive entertainment, or other favors to a government official or employee with a view toward influencing or inducing such official or employee to use his/her influence to affect an action or decision. You must refrain from such acts. This includes any employee of a Federal, state, or local government agency.

No employee of Don Selvy Enterprises, Inc. will offer, give, or promise to offer or give, directly or

indirectly, any money, gratuities, or other thing of value to any U.S. government employee with current or possible responsibility on an award of the organization. A gratuity includes any gift, favor, entertainment, or other item having monetary value of over \$10 per event or presentation. This phrase includes services, conference fees, vendor promotional training, transportation, lodging and meals, as well as discounts not available to the general public and loans extended to anyone other than a bank or financial institution.

If you have international responsibilities, you must become familiar with the Foreign Corrupt Practices Act of 1977, which imposes a fine of up to \$1 million on the organization if it makes direct payments to any foreign government official to influence his/her actions or decisions or to induce him/her to use his/her influence to help the organization. Anyone who willfully violates the Act may be fined as much as \$10,000 and imprisoned up to five years.

The provisions of this code apply fully to anyone who acts for the organization. For example, you may not allow an agent to act on behalf of the Corporation. If you know or have reason to believe that the agent would disregard the code or any law in performing his duties, bring it to the attention of the supervisor, who may seek legal counsel to resolve the matter.

F. Commercial Bribery

You are not allowed to make a payment either directly or indirectly or as a kickback to influence someone else, nor are you allowed to accept anything of value from someone who wants to do business with the Corporation. With the exception of government officials acting on a procurement, inexpensive advertising and promotional items are not considered to have "value," and an occasional business meal may be accepted or given if it has a value of under \$25.

In some business relationships outside the government, an occasional gift is appropriate.

The Corporation strongly discourages any gifts to any individual, but in the event a gift is proposed to be made, approval must be secured in advance from the cognizant officer of the operating area involved. However, you may only accept inexpensive gifts of an advertising and promotional nature. Gifts which do not fit this category must be returned. If the return of a gift is not practicable because of its nature, it may be given to a charitable institution and the giver informed of its disposition.

You may neither give nor receive any lavish or expensive entertainment, but occasional normal and customary social business amenities are permitted.

If you are asked to make or accept a payment or gift in any form prohibited by this code, report the matter to your supervisor immediately.

G. Record Keeping

To provide an accurate and auditable record of all financial transactions, Corporation books, records, and accounts must be maintained in conformity with generally accepted accounting principles and the standards established by the Foreign Corrupt Practices Act of 1977. You are responsible for safeguarding Corporation assets under your control and for maintaining an auditable record of financial transactions.

Further, the Corporation specifically requires that:

1. No funds or accounts may be established or maintained for purposes that are not fully and accurately described on the books and records of the Corporation.
2. Receipts and disbursements must be fully and accurately described on the books and records of the Corporation.
3. No false entries may be made on the books or records nor any false or misleading reports issued.
4. Payments may be made only to the contracting party or a valid assigned and only for the actual services rendered or products delivered. No false or fictitious invoices may be paid.

If you have reason to believe that the Corporation's books and records are not in accord with the foregoing requirements, report the matter to the President of Don Selvy Enterprises, Inc.

H. Antitrust

1. Sherman Antitrust - Essence of the Law. The Sherman Antitrust Act is the most important of the antitrust laws. It prohibits and makes unlawful any contract, combination, or conspiracy in restraint of trade (e.g., rigged bids). Most cases in which individuals have been subjected to criminal prosecutions resulting in fines and imprisonment have arisen under this law. The Sherman Antitrust Act covers any contract, agreement, understanding, arrangement,

plan, or scheme, written or unwritten, formal or informal, expressed or inferred from conduct or circumstances, with any competitor or the employee or representative of any competitor, with respect to such matters as: (a) prices; (b) terms and conditions of sale or credit; (c) allocation or division of territories, sales, customers or jobs; (d) limitations on production or distribution; or (e) group boycotts or concerted refusals to deal with customers. All are examples of so-called "per se" violations, which are violations in and of themselves and for this there is no justification or defense.

The Act also prohibits the use of trade relations and reciprocity in relations with suppliers. It does not prohibit the Corporation from purchasing products from companies that purchase from us, but it does prohibit any understanding or agreement that purchases by one party are conditional upon purchases by the other.

Guidelines for Compliance. In the normal course of business, some communication with employees and representatives of competitors is necessary and proper. However, such communications must be kept to a minimum, and you must be careful that they do not form the basis for misinterpretation or for inferences of illegal activity. You may not communicate with any competitors or their employees or representatives about: (a) prices to be charged; (b) terms and conditions of sale or credit other than in arms-length negotiations; (c) allocation or division of territories, sales, customers, or jobs; (d) limitations on production or distribution; (e) boycotts or refusals to deal with customers; or (f) any similar matters. This prohibition is especially important if you attend trade association meetings.

You may not enter into any agreement, expressed or implied, with any purchaser or supplier to fix prices for resale of products purchased.

Concealment is prohibited. You do not have the authority, need, or reason to engage in any concealment activities if the policies, procedures, and instructions of this code are observed.

Laws prohibiting price-fixing (the Sherman Antitrust Act and similar state laws) are based on a faith in competition as the way to carry on business. Violations can subject the Corporation and employees involved to criminal action and severe criminal penalties. For example, the Sherman Act provides

finances of up to \$1 million for guilty Corporations, and punishment to individual violators by fines of up to \$100,000, imprisonment not to exceed three years, or both. Triple damages are also recoverable in civil actions by damaged parties.

2. Other Laws. Other Federal and state laws, such as the Clayton Act, Robinson-Patman Act, and Federal Trade Commission Act, contain various prohibitions and restrictions against price discrimination; exclusive dealing arrangements; "tying arrangements" (a seller requiring a buyer to take a product or service as a condition of purchase of another product); and unfair trade practices.

The antitrust laws also apply to corporate acquisitions and mergers, an appropriate Legal Counsel should be consulted at an early stage of consideration of any proposed acquisition.

In order to comply with the notification requirements of Federal legislation known as the Hart-Scott-Rodino Act, an appropriate Legal Counsel should be advised prior to the commencement of any formal negotiations.

International operations, practices and transactions that directly or indirectly affect the commerce of the United States come within the purview of the U.S. antitrust laws. In addition, international operations, practices and transactions may be subject to foreign antitrust laws, either of the country involved or of a multinational organization such as the European Economic Community.

3. Available Legal Assistance. If you have any questions about the laws themselves or their application, you should contact the Officers of Don Selvy Enterprise, Inc. to coordinate Legal Counsel for advice and assistance before taking any action that might violate these policies or the law.

205 Employee Conflict of Interest

A. General

You have a primary business responsibility to the Corporation and are expected to avoid any activity that may interfere, or have the appearance of interfering, with the performance of this responsibility. Similarly, you may not use nor disclose confidential or proprietary information in any outside activity.

A conflict of interest exists if certain of your outside business or other interests may adversely affect your

motivation or performance.

How can you tell if you have a conflict of interest? The test criteria include not only whether you actually are improperly influenced but also whether the situation lends itself to improperly influencing you. Even if you are the most conscientious person, a conflicting interest may unconsciously influence you, and the mere existence of that interest may cause the propriety of your acts to be questioned.

If you take inventory of your outside interests, it should be possible to determine whether you actually are improperly influenced, but also whether the situation lends itself to improperly influencing you.

B. Investments

For the purpose of this policy, competitors, vendors, and customers are classified as either "publicly owned" or "non-publicly owned." A publicly owned Corporation has its securities listed for trading on a national securities exchange, such as the New York Stock Exchange, American Stock Exchange, or an over-the-counter market. All others are non-publicly owned.

You must disclose any financial interests in non-publicly owned competitors of the organization to the President of Don Selvy Enterprises, Inc. Based upon this information the employee's duties and responsibilities concerning negotiations may be modified to avoid any conflict of interest. You may own securities of any publicly owned competitor if the holdings do not exceed one-tenth of one percent of the competitor's outstanding securities. There is a corollary to this rule: you are also limited in such an investment to a maximum of ten percent of your own total assets since that could be a substantial investment in a large company. However, as a general rule, we discourage investments in companies in our industry with which we have or may have business relationships in the future.

If your job makes it possible to influence in any way the Corporation's relationship with a non-publicly owned actual or potential vendor or customer, your financial interest in that firm will impact your duties and responsibilities regarding business conducted with that firm.

Further, you may not have any financial interest in any publicly owned actual or potential vendor or customer if the business between the Corporation and that firm is substantial, which means business that could dramatically affect the earnings of the vendor or customer. If the

company is small, almost any Corporation business with it would be substantial. However, you may have a financial interest if the business between Don Selvy Enterprises, Inc. and the other company is not substantial, subject to the one-tenth-of-one percent/ten percent rules defined above.

If your duties are totally removed from possible influence upon negotiations or other business dealings between the Corporation and other companies, you may hold a financial interest in a non-publicly owned vendor or customer under one condition: that you disclose such holdings to the President of Don Selvy Enterprises Inc. for confirmation that no conflict of interest exists.

This code does not prohibit you from investing in the Corporation's Investment Plan or in mutual funds, even though such programs may own securities of the Corporation's competitors, vendors, or customers.

C. Outside Activities

You may not serve as a consultant to, or as a director, officer, or part-time employee of a company that competes or deals with the Corporation or that seeks to do so, unless you have obtained the prior express consent of your supervisor. Even if you receive no pay from the other company and have no direct or indirect contact with it in your job, this conflict of interest exists because you may inadvertently disclose proprietary information to the other company or benefit it through your Corporation contacts and general knowledge of how the Corporation operates.

You may also have a conflict of interest if your outside activities which in and of themselves may not be conflicts of interest are so demanding on your time that they interfere with your job performance.

D. Employment of Current and Former U.S. Government Employees

To ensure the utmost propriety in relations with government personnel (civilian and military), the Corporation's Policy on Restrictions on Employment of Current and Former U.S. Government Employees must be strictly followed. This directive established the policy for the recruiting and hiring of current or former employees of the U.S. government, both civilian and military, and establishes the post-employment restrictions on such employees. As provided in this policy, employment discussions may not be held with a current U.S. government employee until he or she has obtained a recusal from his or her current contract responsibilities related to Don Selvy Enterprises, Inc. and provided a copy of this statement to the Corporation. Federal laws and

regulations and this policy directive establish a number of post-employment restrictions on former government employees: all employees are expected to strictly comply with the restrictions which apply to them. It is your responsibility to determine your obligations, if any, under such regulations.

E. Responsibility of Employees' Relatives

Since everyone tends to identify his or her interests with those of members of his immediate family, you should keep such family members from doing anything that would be improper for you as an employee to do. In addition, it is a good general rule not to discuss the Corporation's business with anyone, including relatives, who are not the Corporation's employees. Members of your immediate family should be asked not to discuss corporate business in the presence of others.

F. Corporate Assistance

You should review your personal and job situations and eliminate any possible conflicts of interest that exist. Discuss possible conflicts of interest with your supervisor.

G. Employee's Duty to Report Conflicts of Interest

It is your duty to report to your supervisor any known conflicts of interest within the organization. Further, you should report any instances that come to your attention where non-corporate personnel misrepresent themselves and organization officials or employees.

211 Fraud Policy

Don Selvy Enterprises, Inc. considers acts of malfeasance, fraud, misrepresentation, or defalcation committed by its staff members to be reprehensible and, in response, will take all disciplinary or other action that the organization deems appropriate. Malfeasance may include falsifying time sheets or documents, abuse of sick time, theft, etc. Defalcation includes the misuse or stealing of funds or other organization resources. Any questions should be directed to the President of Don Selvy Enterprises, Inc.

212 Open Door Policy

At DSE, Inc. we want to maintain a positive and pleasant environment for all of our employees. To help us meet this goal, DSE, Inc. has an open-door policy, by which employees are encouraged to report work-related concerns.

If something about your job is bothering you, or if you

have a question, concern, idea, or problem related to your work, please discuss it with your immediate supervisor as soon as possible. If for any reason you don't feel comfortable bringing the matter to your supervisor, feel free to raise the issue with any company officer.

We encourage you to come forward and make your concerns known to the company. We can't solve the problem if we don't know about it.

227 Equal Opportunity, Working Conditions and Environment

It is the Corporation's policy that all employment practices, including recruiting, hiring, transfers, promotions, compensation, benefits and termination practices, will be on the basis of job performance and without regard to race, creed, color, religion, national origin, gender, sex or age. This policy also applies to qualified disabled veterans, persons with physical or mental handicaps, and veterans of the Vietnam era. Participation in Corporation-administered training, education, tuition reimbursement, social and recreational programs will be offered on the same basis of equal opportunity to all employees. Safe and healthful working conditions will be provided employees at all locations. There will be compliance with all applicable Federal, state, and local regulations on matters relating to the protection of the environment.

228 Harassment Policy & Reporting

DSE, Inc. will not tolerate harassment of any of our employees. Any form of harassment related to an individual's sex, race, color, religion, national origin, sexual orientation, marital status, age, disability, genetic information, gender identity or other protected status is a violation of this policy. For purposes of this policy, the term harassment includes slurs and any other offensive remarks, gestures, or jokes, and any offensive verbal, graphic, or physical conduct. Harassment may include sexual advances, requests for sexual favors, unwelcome or offensive touching and other verbal, graphic or physical conduct of a sexual nature. Unlawful harassment, intimidation and discrimination of any type will not be tolerated, regardless of whether it is perpetrated by an employee or a non-employee (e.g. vendor or customer). Violations of this policy will result in appropriate disciplinary action up to and including termination.

We cannot help to resolve a discrimination or harassment problem, however, unless we know about it. Therefore, it is your responsibility to bring those kinds of issues to our

attention so that we can take whatever steps are necessary to correct the problem. Every employee with questions or concerns about any type of discrimination or harassment in the workplace is encouraged to bring these issues to the attention of his or her supervisor or, if that is inappropriate under the circumstances, to the Human Resources Department.

Retaliation in any form against complainants, individuals who report the possible existence of discrimination or harassment, or witnesses who cooperate in the investigation of complaints, is unlawful and will not be tolerated. Employees can be confident that they can raise concerns and make reports about inappropriate behavior that is directed toward themselves or others without fear of retaliation. DSE, Inc. expects that employees will cooperate fully with any investigation of possible discrimination or harassment. Any person guilty of violating DSE, Inc.'s policies against discrimination or harassment, or who refuses to cooperate fully and honestly in any investigation of allegations of discrimination or harassment, will be subject to appropriate disciplinary action, up to and including termination of employment.

229 Current & Former Government Employees, Restrictions on Employment of

- A. For up to two years from the last date a former government official or employee participated personally and substantially in the conduct of a procurement, the former government official may not participate in any negotiations leading to the award, modification, or extension of a contract for such procurement or participate personally and substantially in the performance of such contract.
- B. Before engaging in any discussions regarding employment with Don Selvy Enterprises, Inc., a current U.S. government employee with procurement officer responsibilities, as defined in FAR 3.104, will obtain a recusal from his/her current responsibilities and provide a copy to Don Selvy Enterprises, Inc..
- C. Before hiring all former procurement officials of the U.S. government, either Don Selvy Enterprises, Inc. or the affected former procurement official will receive an ethics advisory opinion regarding any post-employment restrictions.

241 Use of Company Assets

- A. No employee of Don Selvy Enterprises, Inc. may use any Corporation property, equipment, material or supplies for

personal use without the prior approval of the President of Don Selvy Enterprises, Inc..

- B. Any such uses of Corporation assets for personal purposes may be reportable to the Internal Revenue Service.

243 Use of Company Credit Cards

- A. Credit cards assigned to employees who travel will only be used for company-related expenditures.
- B. Monthly credit card statements will be received and paid by the Bel Air Office.
- C. Employees using the company credit card shall provide all credit card receipts with the expense report, or at the time of expenditure to support monthly reconciliation of the credit card bill by the Bel Air Office.

247 At Will Employment

All employees of DSE Inc. are employed at-will. This means that the employment relationship can be terminated at any time, and for any reason or no reason at all, so long as the termination is not in violation of applicable federal and state laws. This Employee Manual, and the policies contained herein, does not create an express or implied contract of employment for any duration of time between DSE, Inc. and its employees.

900 COMPENSATION POLICIES

913 Labor Distribution Reporting

- A. The hours of work are eight (8) hours, from 8:00 A.M. to 5:00 P.M., with a one-hour lunch break, each workday. This may be modified based upon customer preference and approval by your Supervisor and/or the President of Don Selvy Enterprises, Inc..
- B. DSE total labor cost accounting requires documentation of a minimum of 80 hours for each 2-week payroll period for each full-time exempt employee. If not addressed by a combination of direct, sick, overhead, or G&A labor, shortfalls in 80 hours in any given payroll period will be addressed using employee Paid Time Off (PTO) allocations. If sufficient PTO is not available, DSE will coordinate mitigation that may include termination of the employee.

- C. Charges to awards for salaries and wages, whether treated as direct costs or indirect costs, will be based on documented payrolls approved by a responsible supervisory official. The distribution of time worked must be supported by labor distribution reports.
- D. Labor distribution reports will be prepared and controlled according to the following minimum standards:
 - 1. Employees, including subcontracted employees performing in-house work, are responsible for preparing their own timecards/time sheets.
 - a. Employees should be provided clear instructions of the work to be performed and the activity to be charged.
 - b. Time sheet data should be entered into the Don Selvy Enterprises, Inc. Web-based time tracking system.
 - c. Time sheets data should be entered as work is performed, but no less often than daily.
 - 2. Time sheets data will be electronically submitted daily by employees for approval.
 - 3. Once an employee submits timesheet data for approval, the timesheet data is locked pending the approval. No changes can be made by the employee. All timesheet data is approved by your Supervisor and/or the President of Don Selvy Enterprises, Inc. After approval and after timesheet data is loaded into the Accounting System, if corrections are required, an explanation must be provided.
 - 4. New employees are to be fully indoctrinated on the Time sheet tracking system and time sheet data entry. Employees must be made aware of their individual responsibility for accurate time sheet preparation.

929 Workers at Home

- A. With the prior approval of the President of Don Selvy Enterprises, Inc., employees may work at home on an interim or permanent basis. Employees will be authorized such venue arrangements on an exceptional basis where attendance at the Company's facility is a physical or commuting hardship or the employee's duties do not require extensive interaction with other employees.
- B. At the supervisor's discretion, employees authorized to work at home will have precise descriptions of the

specific tasks to be performed along with expected completion dates. Their performance in completing assigned tasks will be continually reviewed.

- C. Workers-at-home will be expected to attend periodic meetings at the Company's facility to allow the employee and supervisor to review work progress, assign new tasks, and evaluate work performed.
- D. Workers-at-home employees will work a mutually agreeable set of core hours to allow management to have access to the employee at designated times.
- E. Workers-at-home will be required to submit timesheet data in accordance with the Company-wide timekeeping policy.

940 Recruiting Bonuses

Flexibility assembling compensation packages, attracting new talent, and addressing individual considerations for new employees is critical for DSE to fill unique customer requirements. The following recruiting bonus is available as part of DSE recruiting costs.

Employee Finder's Fee. Employees that provide resumes, contact information, and facilitate introductions to qualified candidates that ultimately are hired by DSE will receive a \$500 bonus as a "finder's fee". To be eligible for the finder's fee, the employee shall provide documentation consisting of the resume, contact information and evidence that the employee contributed to identification of the candidate consisting of e-mails or other communication to the employee's supervisor or regional manager. The finder's fee will be awarded by the President of DSE upon receipt of documentation, confirmation of the candidate as a hire for the position, and concurrence that the employee submission was material to the hiring (i.e., it was not a duplication of a hire already in progress).

943 Paid Time Off (PTO) Policy

- A. Paid Time Off (PTO) is a pool of compensated hours for vacation time and personal time that meets the "sick and safe leave" requirements as defined by the Maryland Healthy Working Families Act. Calculation of Paid Time Off (PTO) is based on a calendar year beginning on January 1 and ending on December 31.
- B. PTO may be referenced as PTO or as "Vacation Time" in this and other documents.

- C. PTO is determined based on years of experience in the specific industry supported by the contract on which the employee is performing. Employees with industry experience other than years performed specifically at DSE must have industry experience documented by a current resume demonstrating relevant experience correlating to the specific labor category on which the employee performs on a DSE contract. PTO allocations for new employees will be determined at the time of hire.
- D. Relevant experience from positions prior to DSE employment is weighted to determine an equivalent experience rating (EER) to be used for PTO allocation expressed in years and months valid as of the hiring date.
- E. Weighting for EER determined solely by DSE management and approved by the President of DSE based on an analysis of employee resumes. Weighting values may be changed without notice by the DSE President based on prevailing business conditions, contractual limitations, or the competitive environment in the industry. Such changes shall be made company wide as a policy change and shall not target individuals.
- F. EER weightings are as follow:
1. Work in the same labor category for a current customer performing the same responsibilities shall be weighted at 100%.
 2. Support to current customers in another labor category or responsibility shall be weighted at 50%.
 3. Support to another industry or branch of the current industry with responsibilities similar to current DSE contract work shall be weighted at 25%.
 4. Experience that cannot be allocated to an EER weighting category will not be used in calculation of PTO allocations.
- G. EER will be updated annually based on experience in the previous year.
- H. Full-time employees (30 or more hours per week) with less than five (5) years of EER will be entitled to receive eighty (80) hours of PTO at the normal rate of compensation
- I. Full-time employees with five (5) to nine (9) years of EER will be entitled to receive one hundred twenty (120) hours of PTO at the normal rate of compensation.

At the beginning of each calendar year, when PTO is allocated for the year, each employee's hire date will be reviewed to determine if they will reach the milestone of 5 years EER within the calendar year. The extra 40 hours, beyond the base allocation, of PTO will be prorated for employees reaching the 5-year milestone during the calendar year using the table below.

| <u>Start Date</u> | <u>PTO Hours</u> |
|-------------------|------------------|
| January | 40 hours |
| February | 37 hours |
| March | 33 hours |
| April | 30 hours |
| May | 27 hours |
| June | 23 hours |
| July | 20 hours |
| August | 17 hours |
| September | 13 hours |
| October | 10 hours |
| November | 7 hours |
| December | 3 hours |

The additional hours for the prorated year will be available to the employee on January 1st (they are not withheld pending the anniversary date).

- J. Full-time employees with ten (10) or more years of EER will be entitled to receive on hundred sixty (160) hours of PTO at the normal rate of compensation.

At the beginning of each calendar year, when PTO is allocated for the year, each employee's hire date will be reviewed to determine if they will reach the milestone of 10 years EER within the calendar year. The extra 40 hours, beyond the 5 years allocation, of PTO will be prorated for employees reaching the 10-year milestone during the calendar year using the table below.

| <u>Start Date</u> | <u>PTO Hours</u> |
|-------------------|------------------|
| January | 40 hours |
| February | 37 hours |
| March | 33 hours |
| April | 30 hours |
| May | 27 hours |
| June | 23 hours |
| July | 20 hours |
| August | 17 hours |
| September | 13 hours |
| October | 10 hours |
| November | 7 hours |
| December | 3 hours |

The additional hours for the prorated year will be

available to the employee on January 1st (they are not withheld pending the anniversary date).

- K. Employees intending to take PTO will notify their supervisors (and administrator) sufficiently in advance of when time off is to be taken to permit work schedules to be met. PTO must be entered into timesheet database prior to leaving on PTO.
- L. PTO hours will be prorated for new employees where the employee's start date is after January 31st.

| <u>Start Date</u> | <u>PTO Hours</u> |
|-------------------|------------------|
| January | 80 hours |
| February | 73 hours |
| March | 67 hours |
| April | 60 hours |
| May | 53 hours |
| June | 47 hours |
| July | 40 hours |
| August | 33 hours |
| September | 27 hours |
| October | 20 hours |
| November | 13 hours |
| December | 7 hours |

- M. The DSE PTO policy is compliant with the "sick and safe leave" requirements of the Maryland Healthy Working Families Act. In accordance with the act, an employee is allowed to use earned sick and safe leave (PTO) under the following conditions:
 - 1. To care for or treat the employee's mental or physical illness, injury, or condition.
 - 2. To obtain preventative medical care for the employee or the employee's family member.
 - 3. To care for a family member with a mental or physical illness, injury, or condition.
 - 4. For maternity or paternity leave.
 - 5. The absence from work is necessary due to domestic violence, sexual assault, or stalking committed against the employee or the employee's family member and the leave is being used: (a) to obtain medical or mental health attention; (b) to obtain services from a victim services organization; (c) for legal services or proceedings; or (d) because the employee has temporarily relocated as a result of the domestic violence, sexual assault, or stalking.

6. A family member includes a spouse, child, parent, grandparent, grandchild, or sibling.
 7. Employees are permitted to use earned sick and safe leave in increments. Employees are required to give notice of the need to use earned sick and safe leave when it is foreseeable. DSE may deny leave in certain circumstances.
- N. In addition to "sick and safe leave" requirements, DSE employees may use the annual allocation of PTO for vacation and personal time.
- O. Vacation Purchase: Employees may purchase up to 40 hours of vacation through payroll deductions. This equates to "LWOP", Leave Without Pay, but smooths out the financial impact for the employee. Employee must use normal vacation first before they can use purchased vacation hours. Sign up is in the fall for the next calendar year. If the employee uses all normal vacation and purchased vacation hours but leaves before the end of the calendar year the amounts not yet deducted will be deducted from their final paycheck.

945 Unused PTO, Disposition of

- A. Each employee's earned but untaken PTO leave accumulated at year-end may be carried over to the next year up to an amount that will not cause the new year PTO allocation to exceed the standard allocation plus 40 hours. After rollover, any remaining PTO will be paid out at a rate consistent with salary to a maximum of 40 hours. Any excess PTO above the payout amount will be forfeited.
- B. Unused carried over PTO will be paid out upon employee termination.
- C. Unused annual PTO for the current calendar year will be paid out upon termination at a prorated rate. The prorated rate for reimbursement shall be the annual PTO allocation divided by 52 weeks, times the weeks of employment in the calendar, minus PTO days already taken in the calendar year.

946 Excess PTO Utilization and Fixed Costs

- A. At termination, employee PTO balances are completed on a pro-rated basis from the termination date. Excess PTO taken that exceeds the prorated amount will be reimbursed to the company using annual salary as a basis for deductions from the final payroll.

- B. DSE property that is not returned at termination will be reimbursed to the company via payroll deduction on the final payroll transaction.

A signed acceptance of this policy will be included on the Employee Manual signature sheet.

949 Sick Leave

- A. In addition to PTO, each employee of Don Selvy Enterprises, Inc. earns a sick leave credit of twenty-four (24) hours each calendar year. "Sick leave" addressed in this section may be used to meet "sick and safe leave" requirements of the Maryland Healthy Working Families Act discussed in section 943 (PTO) of this document. Employees may also use PTO for sick leave. Sick leave is reserved for bona-fide illness, injury, or conditions (defined in the "sick and safe leave" requirements of the Maryland Healthy Working Families Act) that prevent employee normal labor practices. Sick leave is not personal time off and shall not be used for vacation, personal business, or travel. If it is determined sick leave was improperly used for vacation, personal business, or travel, DSE may draw time from the PTO account to address the improperly charged time. If remaining PTO is insufficient to cover the required time, DSE may take disciplinary actions up to and including termination.
- B. At the end of each year, any unused sick leave will be forfeited.
- C. Sick leave hours will be prorated for new employees whose start date is after January 1st. Employee whose start date falls within January 1st - June 30th will receive 24 hours of sick leave. Employees with a start date after June 30th will receive 16 hours of sick leave.
- D. Sick leave requires approval from a supervisor. If the supervisor cannot be contacted prior to taking sick leave (due to the nature of the illness, injury, or condition) the supervisor should be contacted as soon as practical to permit proper labor accounting of the category and to document use of this benefit. If sick leave is used for vacation, leisure or personal business and is subsequently disapproved, the inappropriately charged time will be deducted from the employee's annual PTO balance.
- E. Employees that are absent for 3 or more consecutive days due to illness are required to provide acceptable documentation to DSE from a medical professional (doctor, hospital, clinic, etc.) releasing the employee for work. Failure to provide such documentation will render the

employee unqualified to perform contractual responsibilities and will be placed in PTO status until documentation is received. If sufficient PTO hours are not available, disciplinary action up to and including termination will be applied.

F. Sick leave is issued on an "as required" basis and does not accrue, "roll-over" multiple years, or receive a payout at the end of each year or at the termination of employment.

950 Bereavement Policy

DSE will provide Bereavement Leave up to 3 consecutive days (24 labor hours) to employees who wish to take time off due to the death of an immediate family member. Unless there is an unusual business need or staffing requirement, the DSE management team will grant Bereavement Leave upon notification of the requirement by the employee. These 3 days do not count against annual PTO time allocations. If necessary, employees may add additional days from the Sick Leave or PTO accounts to extend the period beyond 3 days, but such sick or PTO time will count against the annual allotment.

Bereavement leave is issued on an "as required" basis and does not accrue, "roll-over" multiple years, or receive a payout at the end of each year or at the termination of employment.

For this benefit, "immediate family member" is defined to mean the employee's spouse, child, father, father-in-law, mother, mother-in-law, son-in-law, daughter-in-law, brother, sister, stepfather, stepmother, stepbrother, stepsister, stepson, stepdaughter, grandmother, or grandfather.

To be eligible for bereavement leave, the employee generally must attend the funeral of the deceased relative and provide documentation (death certificate, program from funeral service, funeral home announcement or obituary).

951 Military Leave and Jury Duty

In addition to PTO and sick leave, each employee may use up to 80 hours for jury duty and military leave. If military requirement necessitates more leave, special arrangements can be made at the discretion of the President of Don Selvy Enterprises, Inc.

952 Voting Allowance

Although there is no federal law requiring time off to vote, in Maryland the law is as follows: Time off for voting is available only to employees who are registered voters who do not otherwise have two hours of continuous off-duty time during the time the polls are open to vote. In these circumstances, the employee must inform their supervisor in advance of their intention to use such leave. Employees must also provide proof that they have voted. A form indicating that an individual has voted may be obtained from the election judges upon request.

DSE, Inc. will honor this process as long as prior approval is granted from your supervisor based on customer needs.

953 Pandemic Vaccination and COVID Leave

A. In addition to PTO and sick leave, each employee may use up to 16 hours for recovery associated with vaccination for the COVID-19 virus. To use this benefit, the employee shall provide documentation that the vaccination was received. This benefit is intended to address physiological effects immediately following vaccination. For COVID-19 vaccinations with a one-dose regimen, employees may take up to 8 hours of vaccination leave within the period encompassing 48 hours after receipt of the vaccination. For vaccines with a two-shot regimen, a similar 8-hour period may be taken following the second shot to total no more than 16 hours of total vaccination leave associated with COVID-19 in a calendar year.

This benefit is solely provided in response to the COVID-19 pandemic and may not be applied to any other vaccination. This benefit is available until March 31, 2022 after which time it will be terminated in its entirety. These hours do not accrue, "roll-over" multiple years, or receive a payout at the end of each year or at the termination of employment.

B. In response to the COVID-19 pandemic, DSE provides up to 80 hours of COVID Sick Leave. This sick leave does not draw against regular sick leave or employee PTO balances. This benefit terminates SEPTEMBER 30, 2021. To use this, the employee shall contact the supervisor upon diagnosis of COVID and the supervisor will coordinate opening up the category on the timesheet. If employees are bed-ridden and cannot do so immediately, this can be updated upon recovery.

1. These procedures are ONLY for Coronavirus cases.

2. The employee must not be able to work.

954 Administrative Leave Due to Weather-Related or Other Closures

- A. When the U.S. Government or, in areas without a major U.S. Government installation, other major businesses or organizations in the same geographic location suspends operations in the area due to the weather, employees of Don Selvy Enterprises, Inc. may be dismissed for the remainder of the day. DSE contracts prohibit charging such time as direct labor. Employees may attain required hours through use of teleworking (with DSE and customer approval) or use PTO time that will draw against the annual allocation of the employee's PTO.
- B. In instances of utility or other justifiable interruptions affecting the production of the facility, employees of Don Selvy Enterprises, Inc., will treat these in the same manner as a weather-related closure.

957 Holiday Policy

Don Selvy Enterprises, Inc. will observe the same holidays as the U.S. government. Holidays are categorized as 7 paid national holidays (New Year's Day, Memorial Day, Juneteenth, Independence Day, Labor Day, Thanksgiving and Christmas) and 4 paid personal holidays (to compensate for Martin Luther King Day, President's Day, Columbus Day, and Veteran's Day). Paid personal days (also designated as "floating holidays") do not need to be taken on the listed holidays. Paid national holidays must be taken on those listed above as paid national holidays.

Floating holidays may not be taken prior to the calendar date of the holiday but may be "floated" to subsequent dates. For example, Veterans Day occurs in November and may not be "floated" to January - but it may be taken in the remaining calendar dates in November or in December.

Unused holiday time does not accrue, "roll-over" multiple years, or receive a payout at the end of each year or at the termination of employment.

959 Job Related Employee Training

All full-time employees are entitled to be reimbursed for all job-related educational courses or seminars at the discretion of the President of Don Selvy Enterprise, Inc.

960 Professional Development and Tuition Reimbursement Policy

All full-time eligible employees may be considered for these types of education assistance programs.

This policy has 2 components for consideration:

1. Professional Development. Funds professional training not associated with a degree program. (See DSE Professional Development and Tuition Reimbursement Policy for additional details.)
2. Tuition Reimbursement. Associated with accredited programs. (See DSE Professional Development and Tuition Reimbursement Policy for additional details.)

Eligibility requirements for both components (See DSE Professional Development and Tuition Reimbursement Policy for additional details. DSE application must be completed):

- A. Must be DSE employee for 90 days or more before start of course.
- B. Supervisor/Manager/DSE President approval.
- C. Must remain active on DSE payroll through course completion.
- D. Must complete course outside normal work hours. Customer directed training will be completed through contract provisions.

961 Employee Accident and Health Policies

The accident and health plan of Don Selvy Enterprises, Inc. is presented next:

1. Medical Insurance. DSE will acquire coverage for you and your eligible dependents. DSE will pay 100% of the premium for the employee and 50% of the premium for eligible dependents. DSE also covers payments towards the deductible through an HRA Reimbursement plan.
2. Dental coverage will be provided. DSE will pay the premium for the employee and 50% of the premium for your eligible dependents.
3. AFLAC Supplemental Insurance: Full-time employees have the option to purchase supplemental insurance through AFLAC at their own cost for a variety of insurance plans. See plan information for details and other employee paid benefits offered.

4. FSA Plan: DSE provides a flexible spending account (FSA) to all full-time employees with \$500 annual DSE seed money. The FSA will be updated by you depending on if you want to contribute additional tax-sheltered funds for anticipated medical/dental/vision expenses.
5. Life Insurance. DSE will acquire coverage and pay the premium for level term life insurance at the nearest increment equal to or above your salary subject to the terms of the insurance carrier selected by the corporation.
6. Short Term Disability Insurance. Short Term Disability Insurance will be provided to pay 50% of salary to a maximum of \$1,000 per week for the period between 30 and 90 days of disability. Refer to plan policy for details.
 - 6a. If an employee is on STD or LTD and has dependent coverage for medical/dental insurance, employee is required to pay their portion of the dependent premium directly to DSE on a bi-weekly basis. Failure to pay the premium will result in termination of the dependent coverage portion of the insurance. DSE will continue to pay the premium for the employee for the duration of the disability.
7. Long Term Disability Insurance. Employees will be provided Long Term Disability Insurance. Commencing after 90 days of disability (At completion of STD), Long Term Disability payments will be made. Premium's payments are fully covered by DSE. Refer to plan policy for details.
8. Social Security: Payroll deduction required by law and matched dollar-for-dollar by the Corporation; provides for benefits for retirement, permanent or temporary disability, death, Medicare. Payments are credited to each employee's account by number; therefore, it is imperative that the correct Social Security numbers be kept on file.
9. Worker's Compensation: Cost of protection paid fully by the Corporation; provides for possible benefits which may be available when illness, accidental injury, or death is job-related.
10. Unemployment Insurance: Cost of protection is borne fully by the Corporation; provides for possible weekly benefits in case of unemployment.

969 SIMPLE IRA Plan

SIMPLE IRA. The employee may contribute the federally allowable amount per year pre-tax to the company provided plan. Don Selvy Enterprises Inc. will match contribution in accordance with Federal law. All employees are fully vested upon initial contribution to the plan.

Employees may enter the plan within 30 days of hire date, Jan 1, and July 1 of subsequent years.

1000 PURCHASING POLICIES

1001 Policies for Purchases

Employee Purchase under \$100 do not need prior approval. A receipt for the purchase must be provided at time of purchase.

Employee Purchase \$100 or over require approval by the President of Don Selvy Enterprises, Inc. A receipt for the purchase must be provided at time of purchase.

Currently, Don Selvy Enterprises Inc. has not had a requirement for large purchases. The Corporation recognizes the requirement for Purchasing Policies to be developed prior to performance on a contract that requires large purchases.

1100 TRAVEL POLICIES

1101 Mode of Transportation

The mode of transportation selected for travel must take into consideration:

1. The total cost to Don Selvy Enterprises, Inc. and/or its customers including per diem, overtime, lost work time, actual transportation cost, total distance of travel, number of locations visited, the number of travelers, and energy conservation.
2. Travel by common carrier (air, rail, bus) is considered the most advantageous method to travel. Other methods of transportation may be advantageous only when the use of common carrier transportation would interfere with the performance of business or impose an undue hardship upon the traveler, or when the total cost by common carrier exceeds the cost by another method of transportation.

1103 Business Class Travel

- A. Unless approved in writing in the contract or contract modification, or in a blanket advance agreement by the Contracting Officer, the incremental cost of business class travel is unallowable on airline travel reimbursed by the U.S. government as a direct cost or an indirect cost.
- B. In justifying the additional cost of business class travel in excess of the lowest customary standard coach fare, a prospective traveler must be able to demonstrate to the Contracting Officer that the travel is beyond "normal business hours," there is a 14-hour flight duration including stopovers, but not stayovers, and it involves international travel.
- C. Otherwise, the incremental cost of a greater-than-coach class fare will not be allowable and must be approved before authorizing such travel by the President of Don Selvy Enterprises, Inc..

1105 Return of Unused, Partially Used and Exchanged Tickets

- A. All employees with unused or partially used tickets purchased on the traveler's behalf by Don Selvy Enterprises, Inc. must return the ticket soon after the ticket is no longer in use.
- B. Tickets exchanged by the carrier and purchased by Don Selvy Enterprises, Inc., or using a Company credit card with the airline refund application or receipt, will be returned as soon as possible.

1107 Travel Time Policy

Employees traveling out-of-the-area should not be required to schedule their travel to commence before 6:00 A.M. or to be completed after 9:00 P.M. If so, employees can adjust their prior or subsequent workday to accommodate for the use of personal time beyond these hours.

1109 Fly America Act Compliance

- A. An international traveler must use a U.S. flag air carrier or a non-U.S. flag air carrier under a code share arrangement for reimbursement for each international travel, according to 49 U.S.C. 1517, as amended by Section 21 of PL 96-192. When flying a non-U.S. flag air carrier under a code share arrangement, the ticket must still identify the U.S. flag air carrier's designator code and flight number.

B. U.S. flag air carrier service is deemed unavailable when:

1. The U.S. flag air carrier does not fly to the traveler's destination.
2. Use of the U.S. flag air carrier or non-U.S. flag air carrier under a code share arrangement would extend travel time, including delay at origin, by 24 hours or more; and
3. U.S. flag air carrier service or non-U.S. flag air carrier service under a code share arrangement is deemed unavailable when connecting service at an overseas interchange point would require a connecting time of four hours or more.

C. If a U.S. flag air carrier does not offer nonstop or direct service, travelers must use a U.S. flag air carrier on every portion of the route it provides service unless such use would increase the number of aircraft changes by two or more, extend travel time by six hours or more, or require a connecting time of four hours or more at an overseas interchange point.

1111 Maximum Lodging and Subsistence Reimbursement

All organization employees working on government contracts and subcontracts should limit their lodging, subsistence, and incidental expenses to not exceed the maximum per diem rate for the designated area. This amount should exclude the cost of lodging taxes and clothing laundry and pressing charges (with a minimum of four consecutive nights lodging) which may be charged separately as a reimbursable miscellaneous expense.

1113 Reimbursement for Excess Travel Expenses

A. For reasonable and allowable employee travel expenses up to 300% of the maximum GTR/JTR per diem rate for the area, employees will request approval in writing from the President of Don Selvy Enterprises, Inc. provided the justification is for special or unusual situations.

B. Special or unusual situations are determined to apply when:

1. A government representative requests a Don Selvy Enterprises, Inc. employee to travel on such short notice that lower cost lodging is not readily available.
2. A Don Selvy Enterprises, Inc. employee attends a

conference or seminar at a higher priced hotel or motel; but in order to facilitate interaction or communication with other conference or seminar attendees, there is a benefit in incurring the additional lodging cost.

3. Travel to an area is at a peak travel period so that lower cost lodging is not available, which is documented with a list of hotels contacted.

C. Blanket prior approvals for reimbursement of excess travel expenses are not authorized.

D. If it becomes necessary to exercise this authority repetitively or on a continuing basis in a particular area, Don Selvy Enterprises, Inc. will obtain advance approval from the Contracting Officer.

1115 Receipts for Travel Expenses

In accordance with rules promulgated by the Internal Revenue Service, all employees required to account for their actual travel expenditures are required to have sufficient documentation to establish the amount, date, place, and essential character of travel expenditures of \$75 or more.

1117 Lodging with Friend(s) or Relative(s)

A. Employees may be reimbursed for additional, reasonable costs the host incurs in accommodating them only if they are able to substantiate the costs.

B. A traveler using a friend's or relative's lodging will not be reimbursed for the cost of comparable conventional lodging in the area or at a flat amount.

1119 Conference Lodging Allowance

A. Employees attending a conference, meeting, retreat, seminar, symposium, or an event that involves attendee travel, and staying overnight, may receive a conference lodging allowance at a pre-determined maximum allowance of up to 25 percent greater than the applicable locality lodging portion of the per diem rate.

B. Under this reimbursement method, such employees will be reimbursed the actual amount incurred for lodging up to the conference lodging allowance.

1121 Travel Expense Reimbursement for Employees with a Disability or Special Need

- A. All costs to reasonably accommodate an employee with disabilities in accordance with the Rehabilitation Act of 1973 should be reimbursed provided they are necessary. With respect to an employee with disabilities, a "disability" means:
1. Having a physical or mental impairment that substantially limits one or more major life activities.
 2. Having a record of such an impairment.
 3. Being regarded as having such an impairment.
 4. Does not include an individual who is currently engaged in the illegal use of drugs, when the covered entity acts on the basis of such use.
- B. An employee with a special need should be treated the same as an employee with a disability. Such physical characteristics of special need could include, but are not limited to, the weight or height of the traveler.

1123 Out-of-Area Travel Authorization

- A. When authorizing out-of-area travel, the following factors should be considered:
1. The need for the travel.
 2. The use of travel substitutes (e.g., mail, teleconferencing, email, etc.).
 3. The most cost-effective routing and means of completing travel.
 4. The employee's travel plans, including plans to take leave in conjunction with travel.
- B. All travel out-of-the-area is to be approved by the Employee's Supervisor before any travel arrangements are secured.
- C. In addition, authorization must also be obtained for:
1. Use of premium-class service on common carrier transportation.
 2. Use of a foreign air carrier.

- 3. Payment of actual travel expenses.
 - 4. Travel expenses related to travel to a foreign country.
- D. Travel authorizations should be documented for the justification and approval of the necessity of each trip, its duration and the number of travelers involved.

1125 Ownership of Frequent Traveler Bonuses

Frequent flyer and other bonuses will become the property of the traveler based on the individual's independent contract between the employee and the provider (hotel, airline, etc.). For benefits associated with a specific credit card, if the employee uses their own credit card, they will retain the applicable credit card incentives. If purchases are made using DSE credit cards, frequent traveler incentives are retained by DSE.

1127 Expense Advances and Their Liquidation

- A. Don Selvy Enterprises, Inc. will make an expense advance, upon employee request, but all advances must be accounted for with the submission of the expense report.
- B. All advances, whether for travel or salary, not liquidated within sixty (60) days of being incurred will be taxed for the sake of payroll tax withholding, FICA and FUTA.

1131 Use of Corporate/Personal Credit Cards for Travel

- A. All travelers with assigned corporate credit cards will use these credit cards for all necessary business-related travel expenses unless the employee voluntarily chooses to use a personal credit card for individual accounting purposes.
- B. For those travelers not assigned a corporate credit card, should either request a travel advance or use their personal credit card for business-related travel expenses.

1133 Employee Vehicle Mileage Reimbursement

- A. All employees who do not itemize their actual costs for use of their own vehicle in business-related travel will be reimbursed at the standard mileage rate as determined by the General Services Administration. In addition, parking fees and tolls paid are reimbursable.
- B. All employees requesting such mileage reimbursement will be required to document the destination of each trip, its

purpose and the miles driven on the expense report.

1139 Saturday Night Layover

To the extent it doesn't conflict with an employee's duties, employees are encouraged to avail themselves of a discounted airline fare by staying over a Saturday night provided there is a net saving to Don Selvy Enterprises, Inc. taking into consideration the additional cost of allowable hotel expenses and subsistence.

1143 Allocation of Cost of Multiple Purpose Trips

- A. The cost of multiple purpose trips will be allocated in proportion to the actual time spent during normal business hours on each such activity.
- B. Unless adequately justified, the allocation of travel cost spent by the traveler should closely conform to the time spent by the traveler on each such activity.

1200 COMPLIANCE POLICIES

1201 Drug-Free Workplace

In accordance with FAR Clause 52.223-5, Certification Regarding a Drug-Free Workplace, Don Selvy Enterprises, Inc. certifies that it provides a drug-free workplace policy:

- A. It is the policy of Don Selvy Enterprises, Inc. to prohibit in the workplace the unlawful possession, use, dispensation, distribution, or manufacture of controlled substances. Violation of this policy will result in disciplinary action up to and including termination of employment. Depending upon the circumstances, other action, including notification of appropriate law enforcement agencies, may be taken against any violator of this policy. In accordance with the Drug-Free Workplace Act of 1988, as a condition of employment, staff members must comply with this policy and notify management within five (5) days of a conviction for any criminal drug violation occurring in the workplace. Failure to do so will result in immediate termination of employment. Any staff member arrested in connection with a criminal drug violation occurring in the workplace will be placed on personal leave of absence without pay and could face termination of employment pending the outcome of any legal investigation and conviction.
- B. At the present time, we do not require mandatory drug testing of staff members but may conduct random drug tests

when the safety of staff members may be in question. Such tests may be deemed necessary based on observed inconsistent or erratic behavior that constitutes a health or safety hazard to other employees or the personal safety of the employee displaying the behavior.

- C. Since the Drug-Free Workplace Act requires that companies be able to document the notification and receipt of its policy by each staff member, personnel will be asked to sign a statement and detach and return it for inclusion in their personnel file. In this way, we can fully document our compliance with the notification process.
- D. Don Selvy Enterprises, Inc. strongly supports the intent and purpose of the Drug-Free Workplace Act and encourages all staff members to fully comply with the provisions of the program. It is only with everyone's support that we can successfully implement this policy.

1202 COVID-19 SAFETY PROTOCOLS FOR FEDERAL CONTRACTORS

As a Federal Contractor, Don Selvy Enterprises, Inc. is required to comply with Executive Order 14042, Ensuring Adequate COVID Safety Protocols for Federal Contractors, dated September 9, 2021 (published in the Federal Register on September 14, 2021, 86 FR 50985. Don Selvy Enterprises, Inc. certifies that it complies with all guidance, including guidance conveyed through Frequently Asked Questions, as amended during the performance of contracts, for contractor or subcontractor workplace locations published by the Safer Federal Workforce Task Force (Task Force Guidance) at <https://www.saferfederalworkforce.gov/contractors/>. Specific Don Selvy Enterprises, Inc. policies enacting this directive are:

- A. COVID-19 vaccination is required for all covered contractor employees, except in limited circumstances where an employee is legally entitled to an accommodation.
- B. Compliance is required by individuals, including Don Selvy Enterprises, Inc. employees and visitors, with the Guidance related to masking and physical distancing while in covered Don Selvy Enterprises, Inc. workplaces.
- C. Designation of the President of Don Selvy Enterprises, Inc. to coordinate COVID-19 workplace safety efforts at Don Selvy Enterprises, Inc. workplaces. The President may delegate implementation to representatives at individual locations but retains authority for issuance of policies to be applied across all corporate activities.

Implementation of these requirements is governed by the following specific policies:

- A. All Don Selvy Enterprises, Inc. employees shall provide approved documentation indicating receipt of a full vaccination series (two shots for a two-shot series or a single shot for a single shot regimen or as designated by the FDA/CDC if requirements change) and completion of a 2 week period following the final vaccination prior to December 8, 2021. Failure to provide approved documentation of a signed vaccination record or completed documentation of qualification for a legally entitled accommodation, and completion of a 2 week period following the final vaccination, by December 8, 2021 shall be cause for immediate termination.
- B. Approved documentation of a signed vaccination record consists of a copy of the record of immunization from a health care provider or pharmacy, a copy of the COVID-19 Vaccination Record Card (CDC Form MLS-319813 r, published on September 3, 2020), a copy of medical records documenting the vaccination, a copy of immunization records from a public health or State immunization information system, or a copy of any other official documentation verifying vaccination with information on the vaccine name, date(s) of administration, and the name of health care professional or clinic site administering vaccine. Employees may show or provide to Don Selvy Enterprises, Inc. a digital copy of such records, including, for example, a digital photograph, scanned image, or PDF of such a record.
- C. Don Selvy Enterprises, Inc. shall retain a copy of the provided documentation separate from all other employee data and may provide summary information derived from this documentation to prime contractors or the government to comply with contracting requirements.
- D. Don Selvy Enterprises, Inc. (DSE) requires all individuals, including Don Selvy Enterprises, Inc. employees and visitors to comply with published CDC guidance for masking and physical distancing in DSE spaces, as discussed further in this Guidance.
- E. In areas of high or substantial community transmission (determined by the CDC posting of community transmission in the local area), fully vaccinated people must wear a mask in indoor settings, except for limited exceptions discussed in this Guidance. In areas of low or moderate community transmission, fully vaccinated people do not need to wear a mask. Fully vaccinated individuals do not need to physically distance regardless of the level of transmission in the area.

- F. Individuals who are not fully vaccinated must wear a mask indoors and in certain outdoor settings (see below) regardless of the level of community transmission in the area.
- G. To the extent practicable, individuals who are not fully vaccinated should always maintain a distance of at least six feet from others, including in offices, conference rooms, and all other communal and workspaces.
- H. DSE requires individuals in DSE workplaces who are required to wear a mask to:
1. Wear appropriate masks consistently and correctly (over mouth and nose).
 2. Wear appropriate masks in any common areas or shared workspaces (including open floorplan office space, cubicle embankments, and conference rooms).
 3. For individuals who are not fully vaccinated, wear a mask in crowded outdoor settings owned or operated by DSE or during outdoor activities sponsored or administered by DSE, Inc. that involve sustained close contact with other people who are not fully vaccinated, consistent with CDC guidance.
- I. DSE will develop accommodations to DSE employees who communicate to DSE that they cannot wear a mask because of a disability (which would include medical conditions) or because of a sincerely held religious belief, practice, or observance. DSE will review and consider what, if any, accommodations it must offer. DSE uses the government SECNAV 12306-1 form for requests to ensure compliance with government policy. Accommodation requests must be initiated by the employee using a completed SECNAV 12306-1 and Annex 2 to this manual submitted to a DSE supervisor. Submission of an accommodation request does not absolve employees of responsibility for complete compliance with this policy by the December 8 full compliance deadline. If accommodation requests are not submitted in time to permit receipt of a vaccine if the accommodation is determined invalid, the employee remains subject to a requirement for full vaccination by December 8 or will face termination. If an accommodation is granted, it will be documented within DSE vaccination record files and DSE will coordinate with prime contractor or government customers to obtain approval for accommodations for performance on the relevant contract. If the government/prime contractor cannot provide suitable accommodation to permit performance on the contract, DSE will initiate termination

due to lack of a funded position. Complete religious accommodation request procedures are included in Annex 2.

- J. DSE permits exceptions to mask wearing and/or physical distancing requirements consistent with CDC guidelines, for example, when an individual is alone in an office with floor to ceiling walls and a closed door, or for a limited time when eating or drinking and maintaining appropriate distancing.
- K. DSE permits exceptions for DSE employees engaging in activities in which a mask may get wet; high intensity activities where DSE employees are unable to wear a mask because of difficulty breathing; or activities for which wearing a mask would create a risk to workplace health, safety, or job duty as determined by a workplace risk assessment. Any such exceptions will be approved in writing signed by the President of DSE to ensure compliance in DSE workplaces, as discussed further below.
- L. Masked individuals may be asked to lower their masks briefly for identification purposes in compliance with safety and security requirements.
- M. DSE will check the CDC COVID-19 Data Tracker County View website for community transmission information in all areas where DSE has a workplace at least weekly (Updates e-mailed to employees weekly) to determine proper workplace safety protocols. When the level of community transmission in the area of a DSE workplace increases from low or moderate to substantial or high, DSE will put in place more protective workplace safety protocols consistent with published guidelines. However, when the level of community transmission in the area of a DSE workplace is reduced from high or substantial to moderate or low, the level of community transmission must remain at that lower level for at least two consecutive weeks before DSE will utilize those protocols recommended for areas of moderate or low community transmission.
- N. Safety protocols in effect at DSE workplaces will be posted in the workplace and updated as community transmission guidelines are modified.
- O. Since DSE is statutorily required in Executive Order 14042 to comply with an undefined set of future changes described as "all guidance, including guidance conveyed through Frequently Asked Questions, as amended during the performance of contracts", DSE will amend these procedures periodically for future requirements by the FDA/CDC, executive directives, or changes to Federal Acquisition Regulation (FAR) changes in the matter of doses and full vaccination status.

ANNEXES

ANNEX 1 DSE Professional Development and Tuition Reimbursement Policy

Summary

This policy has 2 parts:

1. Professional Development - Funds professional training not associated with a degree program. Includes:
 - a. Professional exams (e.g., PMP, SHRM-CP/SCP, Six Sigma, CPA) and exam preparation courses.
 - b. Certificate programs and credentials.
 - c. Courses offered by an accredited institution, including e-learning.
 - d. Workshops, seminars, and conferences.
 - e. Membership in professional organizations.
2. Tuition Reimbursement - Associated with accredited degree programs

Eligibility for both programs:

1. DSE employee for 90 days of more before start of course
2. Supervisor/Manager/DSE President Approval
3. Must remain on active payroll through completion of each course.
4. Must be outside normal work hours (customer directed training will be completed through contract provisions).

Professional Development Program:

1. Usually prepaid to training provider.
2. Course must be directly related to DSE work.
3. Funds directly from DSE to training provider (no reimbursement to employee)
4. Submit completion documentation within 60 days

Tuition Reimbursement:

1. Reimbursement to employee after course completion each term.
2. Course part of approved undergraduate or graduate degree program (individual course may not be related to DSE work, but the overall degree program must be related to DSE work)
3. Curriculum evaluated at each course approval
4. Must provide course documentation completion within 60 days of course completion to receive reimbursement
5. Costs reimbursed by other sources (scholarship, GI Bill) are ineligible for reimbursement under this policy
6. Covers exams, tuition, fees directly related to the course, and books required by the course.

Policy

1.0 Purpose:

It is the policy of Don Selvy Enterprises, Inc (DSE) that the skills and knowledge of its employees are critical to the success of the organization. The DSE Professional Development and Tuition Reimbursement Program encourages personal development through formal education so that employees can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within DSE. Education Assistance is not an entitlement but is a method for providing a mutual benefit to DSE and the employee.

DSE's policy consists of two components:

1. Professional Development (Section 3.1) - We recognize that for development purposes, employees may need to attend training seminars or workshops conducted off-site or join professional associations that will enable them to remain abreast of best practices in their respective fields. In support of this program, we offer a Professional Development benefit of up to \$3,500 per calendar year to full-time employees who have been employed by DSE for over ninety days. The Professional Development benefit can be used for costs associated with:
 - a. Professional exams (e.g., PMP, SHRM-CP/SCP, Six Sigma, CPA) and exam preparation courses.
 - b. Certificate programs and credentials.
 - c. Courses offered by an accredited institution, including e-learning.
 - d. Workshops, seminars, and conferences.

- e. Membership in professional organizations.
2. Tuition Reimbursement (Section 3.2) - DSE strongly encourages employees to pursue formal education to enhance knowledge and skills, thus improving potential for future opportunities. To support these objectives, DSE offers an education benefit of up to \$3,500 per calendar year to full-time employees who have been employed by DSE for over ninety days. The education benefit can be used for:
- a. Exams (e.g., SAT, GRE, GMAT) and exam preparation courses used for admission to a course of study. Costs of equivalency exams (CLEP or DAN TES) are excluded.
 - b. Job-related courses offered by accredited institution, including e-learning.
 - c. Related course expenses to include tuition, academic fees and books as discussed in section 3.3.

2.0 Eligibility:

This policy applies to all full-time (defined as equal to or greater than 30 hours per week) employees in good standing at DSE. Interpretation of acceptability of individual courses of instruction, degree programs and individual classes for approval to participate in the Professional Development and Tuition Reimbursement Program rests solely with DSE management with prior final approval from the President of DSE required prior to registration for instruction.

The DSE Professional Development and Tuition Reimbursement Program is tailored to employee development, business climate, funding availability, Federal Acquisition Regulations (FAR) constraints and management direction. DSE offers the Professional Development and Tuition Reimbursement Program at management discretion and will approve only job/degree related courses. The employee must submit an Educational Assistance form to their supervisor. Final approval will be given by the President of the company following review by the business management team. All approval steps must be complete prior to registration for the course. To maintain eligibility, employees must remain on the active payroll and be performing their job satisfactorily through completion of each course.

The DSE Professional Development and Tuition Reimbursement Program benefits both the employees and the company. While educational assistance is expected to enhance employees' performance and professional abilities, DSE cannot guarantee that participation in formal education will entitle the employee to automatic advancement, a different

job assignment, or pay increases. In addition, when education benefits are no longer in the company's best interest, upper management will terminate accordingly. Such instances may include, but are not limited to, layoffs, contact terminations, company financial performance and the competitive climate within the business area.

3.0 Procedures / Instructions:

The DSE Professional Development and Tuition Reimbursement Program may be extended only for pre-approved courses that are judged by the employee's management as mutually beneficial to the employee and DSE; that are seen to improve the employee's job-related skills; or that prepare the employee to compete for reasonably attainable, related positions within DSE. Coursework under an approved request must start no earlier than 90 days after the employee's date of hire. Any coursework initiated prior to an employee's eligibility date (90 days after DSE date of hire) or prior to management approvals will not qualify for advance payment or reimbursement.

Employees who do not remain on the active payroll throughout the completion of the course or who fail to meet the requirements set forth in this policy will be required to reimburse any costs advanced as set forth below unless the employee has been separated as the result of a layoff, release without prejudice, or transfer to another DSE business unit.

Approved courses taken under this program are to be scheduled outside of the employee's regular working hours. Courses taken at the request of the client, with the approval of the client to bill for hours spent in class, are not a part of this program and will be managed through the supervisor chain for the applicable contract.

Management will evaluate education requests that include learning through alternative methods, i.e., E-Learning, for the ability of that method to meet the established educational goals. Management reserves the right to redirect the employee to a more conventional learning environment if in its discretion DSE management deems it appropriate.

3.1 Professional Development

Prior to enrollment, employees who wish to have individual course work considered under the Professional Development Program, must submit an Educational Assistance form for approval to their supervisor including:

- a description of the course(s);

- the cost of the course(s); and,
- a written rationale for how the course(s) will improve their job-related skills or help prepare them to compete for a reasonably attainable, related position within DSE.

DSE will not pay for non-job-related course work under the Professional Development plan. Some non-job-related course work may be considered under the Tuition Reimbursement plan (Section 3.2 of this document) if it is part of an approved degree program.

Professional Development coursework typically requires pre-payment of expenses to the course provider. For Professional Development courses, DSE will provide payment directly to the training provider after approval through the full DSE management chain.

DSE requires employees to complete one calendar year of service following reimbursement of costs related to professional exams, certifications, attending a conference, workshop, and seminar or training course. Should the employee fail to complete a calendar year following expenditure of DSE funds, the employee will be required to reimburse DSE for the cost of the course as well as any related expenses paid by DSE. The amount owed will be prorated based on the amount of time elapsed after course completion and reimbursement. Submission of the Educational Assistance form and funds transactions under the Professional Development program constitutes acceptance of a contract between DSE and the employee authorizing DSE to withhold payroll payments to recoup costs of the expenses if the requisite one-year period is not completed.

At the conclusion of the approved development event, and if provided by the vendor, the employee must submit a certificate of completion or other documentation to be added to the employee's personnel file. Failure to provide documentation of successful course completion within 60 day of completion of the course shall be cause for recoupment of expenses via payroll withholding.

3.2 Tuition Reimbursement

Prior to enrollment in an undergraduate or graduate degree program, employees who wish to have that degree program considered under the Tuition Reimbursement Program, must submit an Educational Assistance form to their supervisor for approval. The following plan must be provided with the Educational Assistance form:

- A copy of the school/university's curriculum for the program

- An itemized tuition costs-and-fee schedule (usually obtained from the school's website or catalog or as a statement from the school)

An employee's education benefit application for the Tuition Reimbursement Program must be made and approval received prior to registration for the course. Payment for the course is made as a reimbursement after the course has been completed and passed. Once the course(s) has been completed and passed, the employee must complete one calendar year of service to DSE. Employees who fail to do so, will be required to reimburse DSE for the cost of the course as well as any related expenses paid by DSE. The amount owed will be prorated based on the amount of time elapsed after course completion and reimbursement. Submission of the Educational Assistance form and acceptance of tuition reimbursement constitutes acceptance of a contract between DSE and the employee authorizing DSE to withhold payroll payments to recoup costs of the reimbursement.

Employees who are enrolled in a degree program at the time of hire and who wish to have future coursework considered under the DSE Tuition Reimbursement Program, must submit an Educational Assistance form, including the items listed above after 90 days from hire. No courses taken or started prior to the period starting 90 days after the employee's hire date will be covered. The degree program must have a direct and immediate job-related connection within DSE in terms of DSE current contracts and the employee's career interests as approved by their supervisor. Relevancy as a job-related connection will be determined using criteria established by the labor category requirements of the employee's current position and the potential career change position. If the degree cannot be correlated to an educational requirement defined by education level (BS, MS, MBA, etc.) and course of instruction (business, engineering, etc.) defined by current contract labor categories, it is not eligible for the Tuition Reimbursement Program.

Employees who transfer between supervisors or who wish to change career paths within DSE while enrolled in a degree program must have their degree plan reviewed by their new supervisor (or their current supervisor for a career change) to ensure that the plan still meets the requirements for their position.

Review and approval of a degree plan will be used to determine that the employee's pursuit of the degree will be of mutual benefit to the employee and DSE. However, an approved degree plan does not constitute a financial commitment on the part of DSE for any period of time. Individual courses within an approved degree plan will

require additional pre-approval by the employee's management and human resources before taking the course.

DSE will not pay for degree programs that are unrelated to company career opportunities.

The employee is required to turn in an official transcript, grade report or certificate at the completion of each course or training event. If the corporate office does not receive this in a timely manner (within 60 days of completion of the course or training event), employees will not receive reimbursement for that course/training event and will be ineligible for future course or training reimbursement for 2 years from the completion date of the defaulted course. The employee will be required to repay 100% of the original educational assistance payment for the courses or training for which the corporate office did not receive a transcript, grade report or certificate.

Reimbursement will not be provided if the following instances occur:

- The employee withdraws from the course.
- The employee earns lower than a C in undergraduate course(s) or lower than a B in graduate level courses.
- The employee fails to provide documentation of completion within 60 days of course completion.

If a prepayment has been made by DSE for a course for which the employee withdrew or earned lower than a C for undergraduate or a B for graduate coursework, the employee will be required to reimburse DSE for 100% of the prepaid costs.

3.3 Advance Payment/Reimbursement

3.3.1 Eligible Costs

Advance payment or reimbursement payment is limited to two concurrent courses and a maximum of eight courses per year totaling less than the \$3500 annual Professional Development or Tuition Reimbursement limit. Professional Development funds may be provided in advance directly to the training provider. Reimbursement for any adjustment for tuition, registration, additional required textbooks (beyond those listed as a requirement of the course), and lab/tech fees will be determined after the course is completed. Fees or books not specifically classified by the school as tuition, registration, required course textbooks, or lab/tech fees related directly to the individual course will NOT be reimbursed or advanced.

3.3.2 Additional Sources of Financial Assistance

An employee who receives financial assistance for educational benefits from any other source(s), excluding personal loans, will not be eligible for payment advance or reimbursement under this program for that portion of eligible costs (e.g., Federal or State assistance, scholarship, GI bill, grants, awards, etc.).

3.3.3 Ineligible Costs

Other fees or charges that are not covered include but are not limited to: **meals, lodging, transportation**, course materials (beyond required textbooks), software **or equipment that may be retained by the employee after completion of a course**, student fees (other than approved lab fees related directly to the specific course), graduation fees, parking fees, administration fees, site fees, shipping fees for textbooks, medical insurance, health fees, facility fees, residency fees, application fees, **late payment fees**, equivalency exams (such as CLEP or DANTES) etc.

3.3.4 Payment

Advance payments and reimbursements will be forgiven at the rate of 1/12th per month for each month following course completion, based upon the criteria below. Accompanying receipts are required for reconciliation of advances and for reimbursement of costs. Unsubstantiated costs will not be reconciled or reimbursed.

3.3.5 Hardship Withdrawal

A hardship withdrawal must be approved by management and human resources. If a withdrawal is approved or forced by Company actions the employee may reenter the program as soon as possible. If a withdrawal is unapproved and/or unforced, the employee may not reapply for education assistance for one year from the date the course would have ended.

3.3.6 Professional Development Advance

If it is necessary to initiate payroll deduction to recoup expenses for a Professional Development expenses that were paid to a training provider, but the employee did not successfully complete the course, DSE will begin recouping the costs from the employee using payroll deduction within 60 days of the quarter/semester end. If payroll deduction becomes necessary, the deduction will continue, and no future courses or advance will be approved until the full payment is recovered. Reconciliation will not be accepted once payroll deduction has begun. If there are two instances of payroll deduction initiated within an eighteen (18) month

period, the employee will be ineligible to participate in the Professional Development Program for a period of two (2) years.

3.3.7 Tuition Reimbursement

Reimbursement will not be made if more than sixty (60) days have passed from the end of the quarter/semester without receipt of substantiation of eligible costs.

In the event an employee voluntarily leaves DSE or is terminated for cause prior to the tuition payment's forgiveness, DSE shall be entitled to recover remaining payments (total cost minus those already repaid via a prorated repayment plan) in lump sums sufficient to retire the debt in any remaining payroll transactions.

3.4 Income Tax

3.4.1 Withholdings

To the extent an employee determines that any portion of the educational assistance benefit is taxable to the employee, taxes will be automatically withheld in accord with applicable tax laws in effect at the time of payment. **Employees are responsible for determining and paying any additional taxes that may be assessed for any payments made to employees under this policy.**

3.4.2 Education assistance & Taxes

Education assistance for job-related graduate and undergraduate level courses is excluded from the employee's taxable income as defined below.

For example, if a supervisor instructs an employee to take a course, the course is generally considered job-related and is exempt from taxation.

However, a graduate level program of study is not viewed as job-related (the employee is not exempt from taxation) if his/her educational program:

1. Qualifies the employee for a new trade or profession, or

A change of duties is not a new trade or business if the new duties include the same general type of work as is involved in the individual's present job.

An MBA degree program taken by a person already in management is considered skill improvement and is deemed job-related. Furthermore, courses in management and administration taken by an engineer are considered job-related if the current job requires management, interpersonal and administrative skills to fulfill his/her

job responsibilities.

2. Enables the employee to meet the minimum educational requirements for his/her job.

Even though the employee is already performing the job, this does not establish that the minimum education requirements have been met.

If the employee has met the minimum education requirement for the present job and the requirements later change, courses taken to meet the new requirement are job-related.

The Internal Revenue Code of 1986, as amended, allows for certain exclusions from taxable income for courses as identified below.

1. **Undergraduate Program:** Up to \$5,250 in employee educational assistance per calendar year is excludable from taxable income. Amounts greater than \$5,250 are excludable only if job-related.
2. **Graduate Program:** For tax years beginning after December 31, 2001, up to \$5,250 in employee educational assistance per calendar year is excluded from taxable income. Amounts greater than \$5,250 are excludable only if job-related.

The amount of educational assistance provided by an employer and excludable by the employee cannot be used as the basis for Hope Scholarship Credit, the lifetime Learning Credit, or any other education benefit.

3.5 Limits

3.5.1 Course Limit

DSE limits the number of courses that are eligible for advancement or reimbursement to two concurrent courses and a maximum of eight courses per year. Employees will be advanced or reimbursed based on actual substantiated itemized cost of tuition, registration, lab fees directly related to the individual course, and required textbooks.

3.5.2 Approval Requirement

Undergraduate Courses(s)/Program: Supervisor, Regional Manager, and President

Graduate Course(s)/Program: Supervisor, Regional Manager, and President

Doctorate Degree Program: Supervisor, Regional Manager, and President

3.6 Administration

The employee is responsible for completing all required forms and obtaining all necessary approvals. Requests will not be processed until all required documents are received. If multiple courses are taken, all required documents must be submitted separately for each course. Any changes related to pre-approved courses must be reported to the supervisor and approved (i.e., course add/drop/change, change in course date(s), change in enrollment status, etc.).

The employee will be required to complete the Education Assistance Form. A fillable version can be found in the Employee section on the DSE website.

ANNEX 2 DSE COVID-19 Religious Accommodation Procedures

Summary

Executive Order 14043 mandates Coronavirus Disease 2019 (COVID-19) vaccination for all employees supporting Federal contracts, subject to exceptions as required by law. DSE is committed to providing equal employment opportunities (EEO) without regard to any protected status and a work environment that is free of unlawful harassment, discrimination, and retaliation. As such, DSE is committed to complying with all laws protecting employees' religious beliefs, practices, and observances under Title VII of the Civil Rights Act of 1964. When requested, DSE will provide an exception/religious accommodation for an employee's sincerely held religious beliefs, or practices and observances, that prohibit the employee from receiving a COVID-19 vaccine, provided the requested religious accommodation is reasonable and does not create an undue hardship for DSE. To be eligible for a possible exception, you must first establish that your refusal to be vaccinated is based upon a sincere belief that is religious in nature.

Philosophical, political, scientific, or sociological objections to immunization do not justify granting an exception or religious accommodation. An objection due to a personal preference is not a "religious belief" protected by Title VII of the Civil Rights Act of 1964. A request for an accommodation may not be granted if it is not reasonable, or if it creates an undue hardship. Even if an exception to the vaccination requirement is approved, an employee may still be required to wear a face mask, practice social distancing, and/or provide COVID-19 test

results according to DSE requirements and guidelines.

To request an exception/religious accommodation related to the DSE COVID-19 vaccination policy, please complete this document, and return it to your DSE supervisor. In addition, you are required to initiate SECNAV 12306-1 and provide it to your DSE supervisor to support contractual review. This information will be used by DSE to determine eligibility and potentially engage in the interactive discussion with you in the search for an effective religious accommodation. In order to qualify for the exception, employees are required to provide this completed document and a completed SECNAV 12306-1 form. During review, DSE may require additional supporting documentation.

Completing this document constitutes a declaration that the information you provide is, to the best of your knowledge and ability, true and correct. Any intentional misrepresentation to DSE may result in legal consequences, including removal from your assigned contract or termination from DSE. Failure to provide information needed for the processing of the religious accommodation request will impact DSE's ability to adequately understand the nature of your request, which can lead to denial of the religious accommodation request. Once DSE has enough information to make a determination, you will be notified as to the approval or denial of your request for exception/religious accommodation.

You will be asked to provide full and complete responses to all of the below questions. Please provide as much supporting documentation as you feel will be helpful to the DON in considering your request.

1. In your own words, please explain below why you are requesting a religious exception/religious accommodation to the COVID-19 vaccination requirement.
2. Name the religion and/or describe the religious principles that guide your objection to immunization.
3. How long have you held the belief underlying your objection? Please use length of time for your response using the number of months and/or years.
4. Do you have a religious objection to all immunizations?
 - a. If the answer is "no," please explain why your objection is limited to particular vaccines.

5. As an adult, have you ever received any vaccines against any other diseases (such as an influenza vaccine or a tetanus vaccine)?
 - a. If the answer is "yes," what vaccine have you most recently received and when, to the best of your recollection?
6. If there are any other medicines or products that you do not use because of the religious belief underlying your objection, please identify them.
7. Do you have any documentation to substantiate the fact that you are unable to be vaccinated due to a religious belief, observance, or practice? Please note that supporting materials may be requested during the processing of your religious accommodation request.
8. Please provide any additional information that you think may be helpful in reviewing your request.

You will be asked to complete an acknowledgement as shown below.

Acknowledgement

I verify that the information I am submitting in support of my request for an accommodation is complete and accurate to the best of my knowledge.

Employee Name: _____

Date of Request: _____

Employee Signature: _____

This information is being collected in order to comply with Executive Order 14043, Requiring Coronavirus Disease 2019 Vaccination for Federal Contractors (September 9, 2021). The information is maintained, used, and protected in accordance with the Privacy Act of 1974, and the applicable systems of records associated with this collection.

EMPLOYEE MANUAL ACCEPTANCE PAGE

Please read and initial the following statements. Your initial represents your understanding and agreement with the statement.

_____ I have received a copy of the DSE Employee Policies Manual.

_____ I have read and understand the requirements and expectations outlined in this manual.

_____ I acknowledge employment with DSE in an "at will" status.

_____ I understand that the information within this document is confidential intellectual property of DSE, Inc. and may not be shared or distributed in any way nor may it be discussed with anyone who is not a DSE, Inc. employee.

_____ I understand that this Employee Policies Manual is for general information and guidelines. It does not confer any contractual rights as stated in Section 109 of this manual.

_____ I understand by signing this acceptance page I have read and understood Section 946 in this Employee Manual. I am giving express written authorization for DSE, Inc. to deduct reimbursements due to DSE, Inc. for, but not limited to, excess PTO utilized and/or DSE, Inc. property not returned.

Print Name: _____

Signature: _____

Date: _____

A copy of this page will be kept in the employee's personnel file.