

Employee Handbook

First Choice Security

September 21, 1997

FIRST CHOICE SECURITY & INVESTIGATIONS EMPLOYEE HANDBOOK

Handbook Interpretation

The purpose of this handbook is to provide employees of FIRST CHOICE SECURITY with general information regarding the guidelines that the Company attempts to follow in most cases. Neither this handbook nor any provisions of this handbook is an employment contract or any other type of contract. The personnel guidelines in this handbook supersede and replace all prior published or unpublished policies, guidelines, handbooks or other publications related to personnel matters.

The information provided herein should be helpful in familiarizing employees with Company policies. This handbook, however, cannot anticipate every situation or answer every question about employment. The guidelines set forth in this handbook may not apply in every situation. The Company must demonstrate flexibility in the administration of these guidelines and reserves the right to change or revise these guidelines without notice when such action is deemed necessary by management.

FIRST CHOICE SECURITY maintains a dedicated interest in the well-being of our employees and we acknowledge that you are our most important asset. Therefore, your safety and health are a prime concern.

Remember, you are not a Police Officer; although you have similar responsibilities, you must be held to a higher standard than the citizens we serve.

TABLE OF CONTENTS

<u>HANDBOOK INTERPRETATION</u>	2
<u>EMPLOYMENT POLICIES</u>	5
EMPLOYMENT STATUS	5
EMPLOYMENT PRACTICES	6
JOB DESCRIPTIONS	6
EQUAL OPPORTUNITY	6
SEXUAL HARASSMENT	7
ADJUSTMENT PERIOD FOR NEW EMPLOYEES AND PROMOTIONS	8
PERSONNEL RECORDS	9
EMPLOYEE ETHICS	9
<u>WAGE AND SALARY ADMINISTRATION</u>	11
WAGE AND SALARY EVALUATION POLICY	11
PAYDAY PERIODS AND PAY DAYS	11
PAYROLL DEDUCTIONS	11
ANNIVERSARY DATES CHANGE	11
INSTEP PAY RAISES	11
BONUS	12
<u>EMPLOYEE BENEFITS AND SERVICES</u>	13
VACATION	13
SICK LEAVE	14
LEAVE OF ABSENCE WITH PAY	15
UNPAID PERSONAL TIME OFF	16
LEAVE OF ABSENCE WITHOUT PAY	16
LOANS	17
<u>HOURS OF WORK, PAYROLL AND WORK PRACTICES</u>	19
PAYDAYS	19
STATE LICENSE(S)/REGISTRATION(S) AND COMPANY ID CARD	19
LUNCH AND REST PERIODS	19
OVERTIME	19

TRAVEL/PAY AGREEMENT	20
TIME CARDS	20
SMOKING	21
TELEPHONE USE	21
SOLICITATION AND DISTRIBUTION OF MATERIAL	21
<u>STANDARDS OF CONDUCT AND EMPLOYEE DISCIPLINE</u>	<u>23</u>
REIMBURSEMENT	24
COMPLAINTS	25
CONFLICT OF INTEREST	26
ATTENDANCE STANDARDS	26
TARDINESS	27
CONFIDENTIALITY	28
GRIEVANCE PROCEDURE	28
<u>TRAINING AND DEVELOPMENT</u>	<u>31</u>
ORIENTATION	31
PERFORMANCE APPRAISAL	31
PROMOTION: JOB POSTING	31
TRAINING	31
COMPANY LIBRARY	32
TUITION REIMBURSEMENT	32
SAFETY AND HEALTH	32
INDUSTRIAL (ON THE JOB) EMPLOYEE INJURY	32
NON-INDUSTRIAL EMPLOYEE ILLNESS/INJURY	33
EMPLOYEE DRUG SCREENS	33
<u>SEPARATION</u>	<u>35</u>
RESIGNATION	35
LETTER OF RECOMMENDATION	35
FINAL PAYCHECK	35
REDUCTION IN FORCE AND RECALL	35
<u>HANDBOOK RECEIPT AND ACKNOWLEDGMENT</u>	<u>38</u>

EMPLOYMENT POLICIES

EMPLOYMENT STATUS

1. Exempt - Employees whose positions meet specific tests established by the Fair Labor Standards Act (FLSA) and are exempt from overtime pay requirements.
2. Non-Exempt - Employees whose positions do not meet FLSA exemption tests and who are paid one and one-half time their regular rate of pay for hours worked in excess of 40 hours per week.
3. Full-time - Employees scheduled to work a minimum of 36 hours per week.

Any employee who fails to meet this standard of hours or worked three (3) or more pay periods within a three (3) month period will be ineligible for full-time status.

In order to re-qualify for full-time status the employee must maintain full-time hours for a three (3) month period.
4. Part-time (Reserves) - Employees scheduled to work less than 36 hours per week. Part-time employees are not eligible for Company benefits.
5. Regular - Employees who have completed the adjustment period and are employed for an indefinite length of time.
6. Adjustment - New employees with less than or up to and including six (6) months of continuous service.
7. Temporary - Employees holding jobs of limited duration arising out of special projects, special skill requirements, abnormal work loads or emergencies. An employee will not change from temporary status to another status unless specifically informed of such change in writing by management. Temporary employees are not eligible for Company benefits.
8. Re-hired - Employees who are re-hired following a break in service in excess of six (6) months for other than an approved leave of absence must serve a new adjustment period whether or not such a period was previously completed. Such employees are considered new employees from the effective date of their re-employment, including those determining benefits. Re-hired employees will participate in the drug screening process.
9. PRN (on call) - Employees who are employed for the purpose of filling in on an emergency basis, such as illness or injury. They have no set schedule. PRN employees are not eligible for Company benefits unless they meet the criteria for hours worked.

Only Regular, Full-time and Exempt employees are eligible for Company benefits.

Since all employees are hired for an unspecified duration, these classifications do not guarantee employment for any specific length of time. Employment is at the mutual consent of the employee and the Company. Accordingly, either the employee or Company can terminate the employment relationship at will, at any time, with or without cause or advance notice. Receipt of a two (2) week advance notice from an employee wishing to terminate employment is appreciated.

EMPLOYMENT PRACTICES

The Business Administrator is responsible for monitoring all employment practices and ensuring compliance with Company policy and all state and federal regulations.

Although FIRST CHOICE SECURITY is an “at-will” employer, the Company must comply with the following:

- Title VII of the Civil Rights Act of 1964
- The Equal Pay Act of 1963
- Age Discrimination in Employment Act to 1967
- Title I of the Americans with Disabilities Act of 1990
- Civil Rights Act of 1991
- The Family and Medical Leave Act

You have the responsibility of notifying your immediate supervisor or designate of any alleged action that may be discriminatory in nature. The Company will investigate any allegations of possible discrimination made by applicants or employees.

JOB DESCRIPTIONS

Job descriptions are established for all positions with this Company. A copy of your job description(s) was made available and signed by you during the hiring process. Job descriptions are available for review, at the office during normal business hours.

EQUAL OPPORTUNITY

It is the policy of FIRST CHOICE SECURITY to offer equal employment and advancement opportunities to qualified individuals without regard to race, color, sex, religion, ancestry, national origin, age, marital status or disability. All decisions made with respect to recruitment, hiring, promotion, discharge, transfer, job location, training, work assignment, pay, fringe benefits, and related employment decisions for all job classifications will be based solely on individual qualifications related to the requirements of the position.

In addition, FIRST CHOICE SECURITY will not permit the use of racial, religious, age-related, ethnic, or sexual epithets, innuendoes, slurs or jokes within its facilities whether they be verbal, physical or visual. Epithets, innuendoes, slurs or jokes related to membership in any of the above listed categories is prohibited. All employees shall conduct themselves in a professional manner. Any employee who violates the above policy and our commitment to equal employment opportunity is subject to immediate discharge.

Any employee who has any questions regarding FIRST CHOICE SECURITY'S Equal Employment Opportunity Policy or who feels that the policy has been violated or who feels that he, she or another individual has been discriminated against, harassed or treated unfairly as a result of being in any of the categories enumerated above, is required to bring the matter directly to the attention of his/her immediate supervisor, Watch Commander, or management.

See also: POLICY 1-94

SEXUAL HARASSMENT

It is the policy of FIRST CHOICE SECURITY to make every reasonable effort to ensure that its employees are allowed to work in an environment free of any form of sexual harassment.

Sexual harassment exists whenever an individual believes that:

- submission to sexual conduct is a condition of employment,
- submission to or rejection of sexual conduct is used as the basis of employment decisions, or
- sexual conduct substantially interferes with the individual's work performance or creates an intimidating, hostile, or offensive environment.

Sexual harassment charges can result from "normal social activities." Under certain circumstances, behavior that is frequently considered acceptable social behavior has resulted in claims. This includes but is not limited to:

- a. asking a person for a date,
- b. making comments about the appearance of a member of the opposite sex(s),
- c. using vulgar language,
- d. telling "dirty" jokes,
- e. "joking" about areas related to sex, or
- f. being too attentive to another individual.

The best way to prevent involvement in a sexual harassment claim is to avoid all activities that could possibly be perceived as sexual harassment. Remember, it is not your opinion of what constitutes sexual harassment that counts - it is the opinion of the other parties involved.

See also: POLICY 2-94

It is against Company policy for any employee to subject another individual (either an employee, client, client employee, visitor, etc.) to any form of sexual harassment, either verbal or physical, while involved in work related activities. It is also against Company policy for a supervisor or manager to knowingly allow any employee to be sexually harassed by a coworker, client, client employee, etc. The Company will take disciplinary action, up to and including termination, against any employee who violates this policy.

Any employee who believes that he or she is the victim of sexual harassment has the right to make a complaint to management without the fear of reprisal. Sexual harassment from a coworker or other party within the control of the Company should be reported to the employee's supervisor. Sexual harassment by a supervisor should be reported to the supervisor's superior. Employees are authorized and encouraged to report sexual harassment directly to the supervisor of the individual involved in the harassment.

A confidential investigation will be conducted on all complaints of sexual harassment. An employee under investigation for alleged sexual harassment of a serious nature may be placed on an unpaid leave of absence pending the final outcome of the investigation.

See also: POLICY 8-94

ADJUSTMENT PERIOD FOR NEW EMPLOYEES AND PROMOTIONS

The adjustment period will be a minimum of six (6) months. During this period, your performance will be continuously evaluated to insure that you understand and perform the responsibilities and duties of your position. Additionally, during adjustment you are not entitled to Company benefits, unless indicated otherwise. At any time during this period, you or the Company may decide that the employment relationship is not satisfactory. In this case, the relationship may be terminated with or without cause.

Regarding promotions, all of the above is applied, with the exception that an employee may be reinstated to the position from which the promotion was made, if:

- the position is available,
- the employee wishes to return to that position, and
- it is in the best interest of the Company.

Upon completion of the adjustment period, the employee becomes a Regular employee in that position, but it must be noted that all employees, regardless of tenure, must maintain Company standards for performance and behavior. Additionally, upon successfully completing adjustment an employee is now entitled to all Company benefits. In the same manner, employees who have completed the adjustment period are not guaranteed any specific length of employment. At any time, the employee or the Company is free to terminate the relationship with or without cause.

PERSONNEL RECORDS

FIRST CHOICE SECURITY maintains a confidential personnel record on each employee. They are the business records and the exclusive property of FIRST CHOICE SECURITY. Important events from each employee's history with the Company will be recorded and kept in the employee's personnel file. Performance reviews, change of status records, commendations, disciplinary warnings and educational records are examples of records maintained. As an employee, your personnel file is available for review in the office during normal business hours. Contact the office to make an appointment. Personnel records will not leave the office.

Each employee will be responsible for notifying the office of changes in address, telephone number, marital status or dependents. This responsibility includes employees on lay-off status and leave of absence.

All applicants for employment and employees hired after November 6, 1986 shall be required to present and permit copying of documentation which verifies identity and authorization to work, as required under federal law.

Access to personnel files is restricted to authorized personnel. Thus, requests for information regarding an employee such as verification of employment, etc. must be in writing, signed by the employee and directed to the office. No verbal information will be given.

EMPLOYEE ETHICS

Employees are required to maintain and preserve an ethical working relationship between themselves, co-workers, clients and their employees.

The acceptance of gratuities or favors by employees from clients is strictly prohibited unless pre-approved by management.

All employees play a vital part in creating favorable attitudes in the community towards our Company. FIRST CHOICE SECURITY'S reputation is often represented by the organization's efficiency and the courtesy of our employees. Clients and others will be quick to recognize inefficiency or indifference and often are ready to criticize even when it is not warranted. Therefore, all employees are urged to observe the following guidelines.

Be patient with all requests and demands.

AND

Be courteous and respectful not only to the clients, employees and their visitors, but also to fellow employees.

AND

Keep supervisors informed of situations as they develop.

See also: Conflict of Interest

WAGE AND SALARY ADMINISTRATION

WAGE AND SALARY EVALUATION POLICY

Your wage/salary rate will be reviewed on, at least, an annual basis. More frequent reviews may occur based upon extraordinary achievement, promotion, demotion, transfer, termination or Company profitability. Reviews ***DO NOT*** guarantee or necessarily imply that wage/salary adjustments will occur. If an employee receives a wage change due to a promotion, demotion, transfer, etc. the date of change will become the employee's new wage evaluation date.

PAYDAY PERIODS AND PAY DAYS

See Paydays under Hours of Work, Payroll, and Work Practices.

PAYROLL DEDUCTIONS

Federal law requires that both employees and FIRST CHOICE SECURITY pay a percentage of the employee's gross pay to the Federal government, for social security and Medicaid.

Employees may also have deductions for withholding, benefit programs, employee loans, uniform hat and replacement cost for damage to equipment payroll deducted according to FIRST CHOICE SECURITY policy.

All deductions were authorized when you signed a deduction authorization form at the time of employment.

ANNIVERSARY DATES CHANGE

1. Upon promotion or demotion
2. If re-hired
3. Upon receipt of an incentive pay raise

INSTEP PAY RAISES

Persons who are hired, received no counseling and no problems with attendance or tardiness, may be eligible for pay increases on the following schedule. All increases after the first 90 days are by ***EMPLOYEE INITIATIVE ONLY.***

The first raise is automatic 90 days after the date hired, with the successful completion of the following: Report Writing, Basic Fire Prevention, Child Abuse, Infection Control and Bloodborne Pathogens unless the employee misses a shift or is tardy if either case, the clock resets from that date forward.

BONUS

ARREST AND CONVICTION - Any officer whose direct action leads to an arrest and conviction, other than his own, will receive a \$50.00 bonus. You must attend all court functions (if necessary) and still be employed by FIRST CHOICE SECURITY to receive this bonus.

RECRUITMENT - Any full-time, hourly employee who recommends an individual for employment must fill out a Recruitment Form with the recommended individual's name on it. The recommending employee will receive a \$50.00 bonus upon the completion of the recommended individual's six month adjustment period. You must still be employed with FIRST CHOICE SECURITY to receive this bonus.

PERFECT ATTENDANCE - Any full-time, hourly employee who has perfect attendance during the periods January 1 through June 30 and July 1 through December 31 will receive one day (8 hours) off with pay or (8 hours) pay, at the employee regular rate of pay, in recognition of his/her perfect attendance. The payment is not made at any overtime rate or will it move an employee into overtime pay status. The entire period must be worked. The starting of work during any period will not allow this bonus, for that period. Any form of unauthorized absence or tardiness will eliminate the employee for this bonus. Approved vacation and all other forms of approved time off count toward the perfect attendance bonus.

CONTRACT PROCUREMENT AWARD - A bonus of 5% of the first weeks billable hours, excluding sales tax, will be awarded to any employee who locates a new client for FIRST CHOICE SECURITY. This award is for new clients only, those who have never used our services. Employees may not receive more than one bonus in this category every six months. Employees awarded this bonus **MAY NOT** work at that post depending on the discretion of management.

EMPLOYEE BENEFITS AND SERVICES

The existence of these employee benefits and plans, in and of themselves, does not signify that an employee will be employed for the requisite length of time necessary to qualify for these benefits and programs nor that the Company will continue to provide such benefits and programs.

An employee may not be eligible for continued Company benefits if the hours worked fall below full-time status (minimum of 36 hours per week) three (3) or more times within a three (3) month period.

VACATION

Vacation eligibility is calculated from your date of employment, otherwise referred to as your anniversary date. You may utilize up to five (5) days of accrued vacation time after six (6) months from your first anniversary date. Vacation must be requested in writing at least 30 days in advance, the more notice the better.

0 to 3 years	.32 hours for each 8 HOURS worked
3 to 7 years	.47 hours for each 8 HOURS worked
7 to 15 years	.62 hours for each 8 HOURS worked
15 plus years	.72 hours for each 8 HOURS worked

Maximum vacation time accumulated cannot exceed the current year's accumulation plus five (5) days at any given time during the course of your employment unless authorized in writing by the Company's president or designate.

Vacation that has not been used upon termination of employment will be lost. Vacation will not be converted to cash or any other form of leave. Vacation time can not be accumulated in excess of four weeks.

HOLIDAYS

An employee is eligible for holiday pay following the completion of ninety (90) days of continuous employment, providing the holiday falls on the employee's normally scheduled work day.

Company Holidays: New Years Day, Memorial Day, Independence Day, Martin Luther King Birthday, Labor Day, Thanksgiving Day, Christmas Day and one (1) floating holiday

Part-time employees who do not work on the holiday will not receive holiday pay. Part-time employees who work a holiday will receive holiday pay provided all other conditions mentioned in this section are met.

One floating holiday has been established. This is to allow an eligible employee to take off a day for his/her birthday. Scheduling of this holiday will be the responsibility of the employee. The day off must be within one week prior to and one week following the employee's birthday. This day will not be accumulated nor paid at termination.

To be eligible for holiday pay, an employee must work the last regularly scheduled work day preceding the holiday and the first regularly scheduled work day following the holiday, unless the absence is approved prior to the day preceding the holiday by his supervisor and management. If ample proof is submitted which substantiates the absence, holiday pay may be allowed. The Company retains the right to make determinations on a case by case basis.

Because our clients require constant coverage, employees will work holidays as needed. These employees, as well as other non-exempt employees required to work on a scheduled holiday, will be paid 2 times their regular rate for those hours actually worked. An exempt employee required to work on a holiday will be given another day off at a mutually convenient time for the employee and the Company.

SICK LEAVE

If you are full-time hourly or salaried employee, you are eligible for a maximum of four (4) paid sick days per year. You are not eligible to utilize paid sick leave until after the completion of the adjustment period. Sick leave will not accrue when you are on requested leave of absence or worker's compensation leave.

You will be required to use accrued sick leave for excused medical absences resulting from your illness or injury, or for the serious health condition of immediate family covered by the Family Medical Leave Act (FMLA) policy. The Company at all times retains the right to require medical certification of the reason for your absence before sick leave pay is authorized.

In the event you are absent from work due to illness or injury and you do not have sufficient sick leave accrued, any other accrued time off available (i.e. vacation) will be applied. In the event you are off from work, and you have no time accrued, you will be placed in unpaid leave of absence status.

If you are absent for more than three (3) consecutive days, you shall, at the Company's discretion, be required to present a letter from a physician explaining the reason for the absence and certifying you are able to return to work.

LEAVE OF ABSENCE WITH PAY

Requests for leave of absence with pay must be submitted in writing through your supervisor. If an extension of leave of absence is needed, status will be changed from leave of absence with pay to leave of absence without pay. Reinstatement will be conducted according to Company policy. Possible reasons for leave of absence requests which would be approved:

Bereavement Leave - If you are a regular salaried, hourly full-time employee you are eligible for bereavement leave after the first 90 days of employment.

In the event of death in your immediate family, you will be granted up to two (2) working days, with pay, to handle family affairs and attend the funeral. "Immediate family" is defined as: father, mother, brother, sister, spouse, child, mother-in-law and father-in-law. Until successful completion of adjustment, determination will be made on a case by case basis.

The Company may request verification of the need for bereavement leave including a newspaper notice, "in-memory" card or other appropriate verification.

Jury Duty - The Company recognizes the obligation of its employees to serve the Judicial system, without interference from work, when summoned for jury duty. When called upon for jury duty, you will be granted time off for the dates of actual jury duty. Once summoned, you should inform your immediate supervisor of the jury duty commitment. If you are called for jury duty and you perform actual jury duty for only one-half (1/2) day, you are obligated to report to work after being dismissed for the day.

Pay Issues - If you are full-time hourly employee, you will be paid the difference between the court reimbursement for actual jury duty performed and your regular wages based upon an eight hour day, provided the court reimbursement is lower.

Documentation from the court must be submitted to substantiate the amount paid. Payment will be made at your straight time hourly rate. Mileage will not be included when computing wages owed to you.

If you are a salaried exempt employee, you will receive your daily salary rate of pay for any day in which you both perform work and serve on a jury. If no work is performed during a given week, you will be reimbursed only the difference between the court reimbursement for actual jury duty performed and your regular weekly salary.

Length of Jury Duty Commitment - The Company will reimburse an employee on jury duty as set forth above for a maximum of thirty (30) calendar days. If you are obligated to continue jury duty after thirty days, you will do so without pay. If your absence from work due to jury duty exceeds ninety (90) calendar days, the Company reserves the right, based on the needs of the organization, to determine if you should be replaced

either temporarily or permanently during the leave from work. If it is determined that your position must be filled permanently, the Company will, upon your completion of jury duty and return to work, place you in a position similar in status and with compensation at the same rate you were receiving before jury duty.

UNPAID PERSONAL TIME OFF

It is the policy of the Company to grant to regular employees, without accrued paid time off, unpaid time off for substantial personal reasons provided such time off does not materially affect the normal conduct of the business or operating cost. In consideration of an employee's request for unpaid personal time off, the seriousness of the matter prompting the request will be taken into consideration. Approval for such leave is not guaranteed, but will be handled on a case by case basis as determined by the Company. Unpaid personal time will not count toward hours worked.

LEAVE OF ABSENCE WITHOUT PAY

Leave of absence without pay may be granted to regular, full-time employees in order to maintain continuity of employment in instances where unusual or unavoidable circumstances require prolonged absence.

Service credit will not accrue during a leave of absence without pay. This applies to all areas of employment, i.e. performance evaluations, wage/salary evaluations, seniority, etc.

Leave of absence without pay include the following types:

Disability - Up to 120 days in the case of medical disability. The specific period must be supported by a physician's statement.

Pregnancy - Employees may request an unpaid leave of absence for any disability caused or contributed to by pregnancy, childbirth, or a related condition. If absence for one (1) week or more is expected, the employee must request leave of absence without pay. Any employee who desires to take pregnancy disability leave must submit a written request to management, indicating the date on which the leave will commence and the estimated duration of the leave.

Normally, the length of the leave granted will be for the period of time that a medical doctor determines that the employee is unable to perform his/her job. In respect to a normal pregnancy, it will be presumed that the pregnant employee may be medically unable to perform her job for a period not exceeding six (6) weeks, unless the period of disability on account of pregnancy, childbirth or related medical condition is extended by a medical doctor's statement. The total period of any approved leave of absence on account of disability due to pregnancy, childbirth or related medical conditions may not exceed three (3) months.

If required by business necessity, FIRST CHOICE SECURITY reserves the right to hire someone to replace the employee. Any employee returning from an approved pregnancy disability leave of absence which does not exceed three (3) months will be reinstated to their original position, unless that position no longer exists because of legitimate business reasons, or preservation of the employee's original position would substantially undermine FIRST CHOICE SECURITY'S ability to operate safely and efficiently. If, due to one of the above reasons, the employee's original position is no longer available or the employee has been replaced during the leave of absence, FIRST CHOICE SECURITY will assign the employee to a substantially similar position, unless no substantially similar position is available, or unless filling that position with the returning employee would substantially undermine FIRST CHOICE SECURITY'S ability to operate safely and efficiently.

Personal - Up to fifteen (15) days for compelling personal reasons. Approval is at the discretion of management and is based on department work requirements, your performance history and other factors.

Military - For the duration of required service. Written proof is required.

Military Reserve Training - Up to a total of two (2) weeks per year. At your option, this training may be combined with paid time off. Written proof is required.

LOANS

FIRST CHOICE SECURITY has a no interest loan program for all employees providing the following conditions are met:

The loan is not more than the money earned by the employee on the next paycheck for labor (excluding taxes) performed, does not exceed \$100.00, AND

The employee has not been late within the last 30 days, AND

The employee has been performing satisfactorily, AND

The employee pays the ENTIRE amount back on the next payday through automatic deduction.

See the office for form. Note: \$3.50 fee is charged for issuing the check.

It is Company policy to make only one advance on wages, per year, to an employee. Employee request will be in writing and signed by the employee.

HOURS OF WORK, PAYROLL AND WORK PRACTICES

PAYDAYS

The payroll period runs for two (2) consecutive weeks from Sunday at 12:01 A.M. to the following Saturday at 12:00 Midnight. All employees are paid biweekly. The paychecks are issued on the Monday following the end of the pay period. On those occasions that a payday falls on a holiday, the payday will be the next scheduled workday. Paydays will be published at the beginning of each year.

STATE LICENSE(S)/REGISTRATION(S) AND COMPANY ID CARD

The State of Texas requires licensing or registration on the following employees: security officers both armed and unarmed; investigators; sales persons; alarm sales persons; alarm monitors; dog handlers and trainers; and consultants. All new employees are required to pay for their initial license. FIRST CHOICE SECURITY will pay for the renewal of that license. No employee may be licensed in more than three (3) categories as listed above. The State of Texas does permit anyone to be licensed by more than one Company at a time. FIRST CHOICE SECURITY **DOES NOT** allow an employee to be working for another Company while working for us. The State issued pocket card is to be on your person at all times while working for this Company.

FIRST CHOICE SECURITY issues a Company Identification Card to all employees, this card must be in your possession at all times while on duty. Some employees may be required to wear this identification card while on duty.

LUNCH AND REST PERIODS

Employees will receive a minimum of a half hour meal break period during each shift. These will be scheduled around availability and work schedules. Employees will take a 15 minute break as work allows, in the first and last halves of the shift. NO breaks will be taken within the first or last hour of a shift. All breaks may be scheduled, altered, or canceled at your manager's/supervisor's discretion. You are required to remain on the Company's or Post site for all breaks and lunch periods. Leaving the Company premises or a post during break time without authorization will be grounds for disciplinary action.

OVERTIME

Non-exempt employees will be paid time and one-half for authorized hours worked in excess of forty (40) hours in one week. All other hours as specified previously will be paid at the employee's base rate.

Exceptions to the overtime pay policy will be made according to State and Federal regulation.

All overtime work by employees **MUST** be authorized in advance by the Watch Commander or shift supervisor responsible for the period of overtime.

TRAVEL/PAY AGREEMENT

Salaried and exempt employees who use their own vehicle for approved Company business will be paid a flat rate. This rate will be set at the time of employment and will be re-evaluated annually. There will be no reimbursement for maintenance and repairs.

TIME CARDS

The time card and/or pay sheets, for some employees (such as clerical, communications, etc.), is a legal record of the hours you are at work. It is an official Company document. This document is used to compute your pay and must be accurate when submitted. The employee must adhere to the following rules to ensure the hours are properly recorded:

Never ask someone to clock you in or out.

Never clock in before the start of your shift unless you have been requested to do so by your supervisor. If you are requested to report to work early or stay late, make sure your supervisor authorizes the overtime on your time card with his or her initials. If this is not done, disciplinary actions will be taken and the overtime worked will not be paid. **NO Authorization, NO pay.**

If you have to leave the premises for personal reasons, clock out when you leave and clock back in when you return.

Never clock in for another employee. Punching or writing on another employee's time card may result in immediate termination.

Before submitting the time record to payroll, review it to ensure that it is properly completed.

If any time off is taken that should be paid, justify the reason (e.g. sick, vacation, or personal), and indicate the number of hours on the back of the timecard. Appropriate Time Justification Form must be completed and on file.

If you are late, **WRITE IT ON YOUR TIME SHEET.**

Never **PRE-FILL** in your time sheet.

Because our work revolves around our clients, various work schedules may exist. A supervisor is responsible for scheduling your hours. If you know you will need special scheduling

considerations, please give your supervisor sufficient notice so that your needs may be considered and planned into the schedule. A 30 day notice is required for vacation scheduling.

Time cards and/or time sheets, will be signed by the employee, initialed by the supervisor, and returned to payroll. Time cards and/or time sheets that are not signed and dated will not be paid until the time card or pay sheet has been properly completed.

FALSIFICATION of time cards or pay sheets is grounds for discipline up to and including termination.

When indicating time off on the back of your timecard, indicate any dates and hours away from work and the reason for the time off. The appropriate Time Justification Form must be completed and on file.

SMOKING

Smoking and other forms of tobacco products are prohibited inside FIRST CHOICE SECURITY offices and vehicles. Some clients have designated smoking areas which may be used by employees, clients and visitors.

TELEPHONE USE

Company and client telephones are to be used only for business purposes and in serving the interests of our clients or in the course of normal Company operations. On occasions, personal calls may be necessary, so we ask your cooperation in limiting them to emergency or essential personal business and in keeping them as brief as possible. Long distance calls are strictly prohibited.

SOLICITATION AND DISTRIBUTION OF MATERIAL

FIRST CHOICE SECURITY maintains and enforces a strict no solicitation policy. Solicitation by vendors, employees, clients, or visitors is strictly prohibited while on Company time, unless authorized by management. Approved items will be placed on the Company bulletin board in the office only.

Employees may not distribute materials of any type without written consent of management.

STANDARDS OF CONDUCT AND EMPLOYEE DISCIPLINE

It is our intention to take a constructive approach on disciplinary matters to ensure that actions which would interfere with operations or an employee's job are not continued.

Violations of our standards will result in one of the following forms of disciplinary action: verbal counseling, written warning, written reprimand, suspension and termination. In arriving at a decision for the proper disciplinary action, the following will be considered:

- the seriousness of the action,
- the past record of the employee, and
- the circumstances surrounding the matter.

Although there is no way to identify every possible violation of standards of conduct, the following is a partial list of infractions which will result in disciplinary action. This list is not exhaustive and is subject to change without notice. All changes will be made in writing.

Sleeping on duty

Drinking or being under the influence of alcohol, drugs or narcotics while on duty or in uniform off duty

Possession of alcohol, drugs or narcotics while on duty or in

Uniform off duty

See also: Policy 3-94 & 6-94

Damage or neglect to client or Company property, including uniforms

Unauthorized use or possession of client or Company property

Unauthorized use of personal radios, cellular telephones or televisions while on duty

Entry into unauthorized areas

Possession or use of unauthorized weapons including but not limited to firearms, chemical agents, or nightsticks

See also: Policy - 5-94

Bringing or allowing unauthorized persons on post

Involvement in personal relationships while on duty

Unauthorized use of client or Company telephones

Unauthorized use of personal pets, while on duty, unless authorized by law

Leaving post unattended, handling of keys in a careless manner or abandoning post

Tampering with alarm systems or any other item when not authorized or trained to do so

Smoking in non-designated areas

Failure to obey lawful orders from Company supervisors or to

Perform rounds or other specified duties

Sexual harassment

See also: Policy 2-94

Failing to show for duty or to properly notify the Watch Commander or Management

Excessive tardiness or absences for any reason

Gross neglect of duty or incompetence

Neglect of personal hygiene or appearance

Impersonating a POLICE OFFICER or any other criminal activity

Failure to show for duty in the proper uniform and/or in possession of unauthorized equipment

See also: Policy 6-94

Excessive use of force or brutality or excessive personnel complaints

See also: Policy 4-94

The confidential nature of security is the foundation upon which

Private law was founded. ANY employee who is found violating this basic ideal will be subject to immediate termination. This will include making derogatory statements about clients, employees, or which undermines FIRST CHOICE SECURITY'S ability to operate safely and efficiently.

Reimbursement

The loss or damage of any equipment belonging to a client or the Company by an officer will result in a deduction of the **FULL REPLACEMENT COST** of the item lost or damaged. Any

employee failing to notify management of the loss or damage of any equipment is also grounds for immediate termination.

FIRST CHOICE SECURITY reserves the right to search personal effects, such as lunch boxes, purses, tool boxes, desks, lockers, et cetera.

It is the **Policy** of FIRST CHOICE SECURITY, and **Notice is hereby given**, that employees have **NO** right to privacy concerning Company **and/or personal** (of any type), computer(s) and/or hardware, and any and all material or information, in any form is the exclusive property of FIRST CHOICE SECURITY and subject to inspection at any time. Refusal to allow the inspection of any computer, or programming, or information is grounds for immediate termination.

NOTE: FIRST CHOICE SECURITY will prosecute for illegal acts committed against the Company such as theft, fraud, etc. where criminal case is established against an employee.

Private security is invited to protect a client for what ever reason. The extension of that is that the security officer is invited to that client also. The client, therefore has a right to ask for removal of any security officer, for any reason. Any employee that is removed, at the request of clients, from any three (3) posts within any twelve (12) month period will be subject to termination.

It should be remembered that employment is “at will” and the mutual consent of the employee and the Company. Accordingly, either the employee or the Company can terminate the employment relationship at any time, with or without cause or advance notice.

COMPLAINTS

It is the policy of FIRST CHOICE SECURITY to investigate all complaints against all employees and any situation which would discredit the good name of FIRST CHOICE SECURITY.

All personnel complaints are documented and filed at the office.

All complaints against any FIRST CHOICE SECURITY employee will be accepted by any supervisor. All complaints will be documented and transmitted to Internal Affairs for investigation.

Employees who have a complaint shall forward the complaint in writing, to their respective Bureau Commander on a FIRST CHOICE SECURITY complaint form, an incident report or even a blank piece of paper if that is all that is available.

Any officer or employee who destroys, throws away or hinders any complaint form from submission, shall be subject to disciplinary action up to and including termination.

CONFLICT OF INTEREST

Employees are expected to devote their best efforts to the interest of the Company and the performance of its obligations. Any questions regarding conflict of interest, conflicts due to school, or other employment should be taken up with a supervisor or management.

In conducting Company business, officers, division heads, employees or agents, including all such persons immediate families, must avoid any activity, business or other situation which may possibly constitute a conflict of interest. Examples of conflict of interest situations include, but are not limited to:

Accepting employment with, acting for or rendering services to any business or endeavor, with or without compensation, which competes or conducts business with FIRST CHOICE SECURITY

Disclosing or utilizing confidential customer or Company information or trade secrets

Soliciting or diverting FIRST CHOICE SECURITY business or customers away from FIRST CHOICE SECURITY

Soliciting Company employees both during and after employment to work for another Company

FIRST CHOICE SECURITY'S policy prohibits conflict of interest situations.

Violations of these policies may result in civil and/or criminal penalties against individuals and/or the Company. Individuals willfully violating this policy is subject to disciplinary action up to and including termination.

ATTENDANCE STANDARDS

The work of all FIRST CHOICE SECURITY departments is interrelated. Your presence as a participating employee is required in order to ensure the success of our business. Scheduling for adequate client coverage is 24 hours/day, 7 days/week, contractual and an important requirement of our business. We have NO inclement weather policy; therefore, if you are scheduled, to work you must be there. For this reason, we have very strict rules regarding absenteeism. To ensure fair administration of these rules, a record of your attendance is maintained. Failure to comply with Company rules may lead to disciplinary action. See also: section on Discipline.

There are two classifications of absenteeism - excused and unexcused. Examples of an excused absence might be illness, injury, death in the immediate family, etc. Examples of an unexcused absence might be transportation difficulties, marital difficulties, baby-sitter problems, etc.

The rules regarding notification are as follows:

Employees are required to give advance notice, when possible, of tardiness or absence.

Your immediate supervisor or management should be notified a minimum of two (2) hours prior to the start of your shift. Your leaving of a voice message for your supervisor is not acceptable as notification. You are required to either speak directly to your supervisor or the designated person above your supervisor.

Employees must maintain contact with the Watch Commander for any period of absence beyond one (1) day, unless the employee has provided a doctor's certification covering a specified periods.

Frequency of contact between employee and supervisor will be by mutual agreement.

The rules regarding absenteeism are as follows:

Failure to report to work without notification will be considered a voluntary resignation, unless acceptable proof can be provided justifying a "no call/no show" within 24 hours following the absence.

Excessive absenteeism is defined as two (2) or more days of unexcused absences in a one (1) month period, or three (3) or more unexcused absences in a two (2) month period. Excessive absenteeism results in counseling either in person or by telephone. If, after counseling, the absences continue, the individual will be subject to suspension or termination.

Excessive absenteeism is also defined as a pattern of absences (excused/unexcused-excused) that impacts negatively on the operations of FIRST CHOICE SECURITY. This situation may result in counseling. If, after counseling, the absences continue, the individual will be subject to suspension or termination.

All officers will remain on duty until properly relieved or is working on a shift where no relief is expected. Officers will not accept relief by another officer who is not in a condition to work for any reason. Officers shall assume responsibility for reasonable diligence in judging that their relief is competent, not ill or showing signs of impairment due to alcohol, drugs or other conditions. The office is to be notified immediately in such cases so that proper relief may be provided .

TARDINESS

The employee is expected to be at the assigned area at least ten (10) minutes prior to the scheduled start of your shift. This obligation is the sole responsibility of the employee. If the employee is not at the assigned work area at shift's start, he/she will be deemed tardy. Tardiness will be recorded and will become part of the employee's personnel record. Three (3)

or more instances of being tardy in one (1) month or five (5) or more instance in two (2) months will result in counseling. Continued tardiness will result in further discipline.

CONFIDENTIALITY

Employees will have access to, will acquire and will become acquainted with trade secrets, confidential information and property relating to FIRST CHOICE SECURITY and its clients. All information obtained in the course of your employment is to be used for conducting FIRST CHOICE SECURITY business only. Never discuss or disclose such trade secrets, confidential information or property, either directly or indirectly, with or in the presence of persons outside the Company, either during employment, or at any time thereafter, except as required by your supervisor. Information is any form including but not limited to documents, tapes, lists, computer printouts, studies, reports, drafts, charts, maps, drawings, programs, equipment, records, files, and other materials pertinent to FIRST CHOICE SECURITY or its clients. Material may not be removed from the facilities without the advance written permission of a supervisor. Employees will be required to sign a non-disclosure agreement upon employment. The same level of confidentiality must be maintained regarding co-workers, employee relations matters and Company operations.

Inquiries from newspapers, radio and television stations, or other news media should be referred to persons authorized to release such information, i.e., Watch Commander or management. FIRST CHOICE SECURITY will cooperate with the news media in every way possible, but our primary responsibility is to protect the client.

GRIEVANCE PROCEDURE

Any employee who feels that he/she has a grievance concerning a violation of these personnel policies shall file a written grievance with his immediate supervisor.

Grievances shall be reported immediately, in writing, so that the facts surrounding the alleged violations can be reviewed. Each grievance submitted shall specify the exact policy or policies that have allegedly been violated.

Any employee who believes he has a grievance shall report it immediately to his immediate supervisor. The supervisor shall have three (3) normal working days, in which to provide a response to the employee in writing. If the supervisor is unable to resolve the grievance in a manner acceptable to the employee, the employee may appeal the decision to the bureau commander. The bureau commander shall have five (5) normal working days in which to provide a response to the employee in writing. If the bureau commander is unable to resolve the grievance in a manner acceptable to the employee, the employee may appeal the decision to the director. The director shall have five (5) normal working days in which to provide a response to the employee in writing. The director's decision shall be binding on all parties.

All adjustments or grievances processed under this procedure shall be retroactive to the time the grievance is first submitted in writing by the employee.

It is the policy of FIRST CHOICE SECURITY to give employees an opportunity to present their grievances and employees are assured of freedom from retaliation in the presentation of such grievances.

Complaints which are not grievances must be presented in writing to an employee's immediate supervisor for resolution. If the complaint is not resolved by the supervisor, the matter shall be brought to the attention of the bureau commander whose decision shall be final and binding.

TRAINING AND DEVELOPMENT

ORIENTATION

To ensure you are properly introduced to the Company's system, a supervisor will spend as much time as possible guiding you during your first few days of employment. Please, pay close attention to the instructions you receive so that you will be able to be a participating and contributing member of FIRST CHOICE SECURITY as quickly as possible.

PERFORMANCE APPRAISAL

Employees should receive a minimum of one performance evaluation from their supervisor each year. The performance appraisal is a method for the supervisor to discuss the employee's general performance. It will review strengths and also point out ways in which the employee may be able to improve his/her performance.

PROMOTION: JOB POSTING

Our policy is to promote from within, whenever possible, any open positions within the Company. We make every effort to promote the most qualified and experienced individual, based on demonstrated ability to assume greater responsibility. At the same time, we may need to recruit and hire outside the Company to attract the most qualified individual(s) for a particular opening.

Current job openings, excluding management positions are posted on the bulletin board, along with the steps to be taken to apply for them as they become available.

TRAINING

Employee training programs will be managed in order to accomplish the following objectives:

Provide employees with full and accurate information concerning their position responsibilities,

AND

Provide professional service to FIRST CHOICE SECURITY clients.

Training will be classified as either "voluntary" or "mandatory". Voluntary training will be optional to employees. If training is deemed mandatory, the employees involved will be informed of the requirement.

Employees will be responsible for attending and satisfactorily completing the mandatory training in full. Attendance will be required at the first available session. If training requirements are not met, employees will not be scheduled to work. Upon completion of the training, employees will be scheduled for work according to position availability, if no other factors hinder scheduling.

If an employee fails mandatory training, he/she may be subject to disciplinary actions up to and including termination.

COMPANY LIBRARY

FIRST CHOICE SECURITY has an extensive library in the office on various security and law enforcement related topics, for use by our employees, on a check out basis. Loss, damage or destruction will result in reimbursement through payroll deductions to FIRST CHOICE SECURITY.

TUITION REIMBURSEMENT

Any employee who has successfully completed adjustment may apply to an accredited college and take PRE-APPROVED college courses. Upon completion of the PRE-APPROVED course with a grade of “c” or better and submission of the enrollment form, paid tuition receipt and report card, a refund of tuition only (no books or fees) will be made upon completion of six (6) months of satisfactory job performance after the final grade has been issued. Maximum outstanding allowance at any time may not exceed \$150.00.

SAFETY AND HEALTH

FIRST CHOICE SECURITY makes every effort to provide safe working conditions for our employees. We observe the safety laws of the governmental body within whose jurisdiction we operate. No one will knowingly be required to work in any unsafe manner. Safety is every employee’s responsibility. Therefore, all employees are requested to do everything reasonable and necessary to provide a safe working environment. Appropriate Material Safety Data Sheets (MSDS) are maintained in the office. There will be periodic training for all employees on safety and health issues, including Universal Precautions when interacting with some clients.

INDUSTRIAL (ON THE JOB) EMPLOYEE INJURY

All employee injuries occurring during working hours must be reported to a supervisor immediately. The employee is responsible for completing an incident report describing the injury and the events leading up to the injury. Failure to complete the incident report in a timely manner may jeopardize benefits.

NON-INDUSTRIAL EMPLOYEE ILLNESS/INJURY

Employees are required to report all illnesses to their supervisor. If the illness is contagious, the supervisor may prohibit the employee from coming to work or reassign the employee if necessary. Employees with infectious or contagious diseases may not be allowed to work.

Employees who miss three (3) consecutive scheduled work days due to illness or who exhibit a reoccurring and/or persistent pattern of illness or extended sick leave, disability, or long-term disability leave will be required to provide a doctor's certification covering the days missed and a physician's release to return to work and normal duties.

If an employee sees a physician for a non-job related injury, a release statement, "The employee can return to work without the risk of re-injury or further injury to his/her existing medical condition", will be required prior to the employee returning to work.

The Company reserves the right to require an employee who has sustained a head injury or other serious injury to be examined by a physician of the Company's choice at the Company's expense.

The Company reserves the right to require physical examinations for injuries not specified above.

EMPLOYEE DRUG SCREENS

After a conditional offer of employment, applicants will be required to have a drug screen administered by a laboratory of the Company's choice.

Consistent with the concerns of the Company and the prohibited actions of use or possession of alcohol or drugs while on duty, FIRST CHOICE SECURITY reserves the right to engage in the following activities:

- To inspect employee's personal effects.

- To require testing for intoxicants, illegal drugs, and/or controlled substances after a conditional offer of employment.

- To require that all employees report to their supervisors any intake of medication which may or may not adversely effect the employees ability to perform work in a safe and/or productive manner.

- To require any employee who is involved in an incident or accident involving the Company or clients to submit to a test for intoxicants, illegal drugs, and/or controlled substances.

To request that any Company employee, with reasonable suspicion, at any time during the employee's working hours to report immediately to the designated Company testing facility and submit to a medical examination and/or test for the presence of intoxicants, illegal drugs, and/or controlled substances.

Any employee who violates any aspect of the policy, including refusing to submit to any of the above described searches, inspections, examinations, and/or testing when requested to do so by FIRST CHOICE SECURITY, will be subject to disciplinary action up to and including immediate termination.

SEPARATION

RESIGNATION

All employment with FIRST CHOICE SECURITY is voluntary and at-will. Resignation or termination could be at any time, with or without cause, although if you decide to leave FIRST CHOICE SECURITY, please advise your supervisor or management, in writing two (2) weeks prior to your date of departure so that an orderly transition can be made. This process includes turning in Company property and obtaining appropriate clearances.

LETTER OF RECOMMENDATION

It is the policy of this Company NOT to issue any letter of recommendation to any employee. All State and Federal laws regarding the release of information on past or present employees will be observed.

All exit procedures must be followed and written authorization must be given prior to the release of any information to a prospective or future employer.

FINAL PAYCHECK

When an employee resigns, his final paycheck will be issued upon receipt of all uniforms, equipment and all other outstanding financial obligations to FIRST CHOICE SECURITY. Terminated employees, prior to the issuance of their final paycheck, will have his/her exit interview, turn in all uniforms and equipment, and meet all of his/her other financial obligations to FIRST CHOICE SECURITY.

REDUCTION IN FORCE AND RECALL

FIRST CHOICE SECURITY expects to maintain steady employment for each regular employee. However, economic conditions, changes in technology, decrease in clients, or other unforeseen circumstances may require adjustments in staff levels by means of reduction in force. Before competent employees are separated due to lack of work, reasonable possibilities for reassignment within the affected department and the Company as a whole, will be explored. Liaison concerning this subject will be maintained with management by supervisors in order to accomplish any possible interdepartmental transfers of personnel.

12-93
rev 1-94
rev 3-94
rev 4.94
rev 7-95
rev 1-97

FIRST CHOICE SECURITY AND INVESTIGATIONS

HANDBOOK RECEIPT AND ACKNOWLEDGMENT

I _____ acknowledge that I have received, read and reviewed the FIRST CHOICE SECURITY handbook on the date shown below. I will regularly retain for my continued use and will review its terms and conditions. I agree that if I do not understand or agree with any provision of the handbook, I will discuss the provision with my supervisor or a member of the management within seven (7) days from the signing of this acknowledgment. I, further, agree that it is not a binding contract, but a set of guidelines for the implementation of personnel policies. I agree that FIRST CHOICE SECURITY may modify, in writing, any of the provisions of this handbook at any time.

In consideration of my employment, I agree to conform to the rules and the regulations of FIRST CHOICE SECURITY. I also understand that my employment is voluntary and “at-will” and may be terminated at any time, with or without cause, for any reason and without notice. That any oral statement or conduct by a supervisor or manager of FIRST CHOICE SECURITY will not alter my voluntary and at-will employment statue.

Date: _____

Employee Signature

Date: _____

Witness

11-93
rev 12-93
rev 4-94

