EMPLOYEE HANDBOOK

Table of Contents

SECTION I. INTRODUCTION

SECTION 1.1 - A MESSAGE FROM THE PRESIDENT
SECTION 1.2 - A WORD ABOUT THIS HANDBOOK
SECTION 1.3 - ERDMAN ANTHONY IN PROFILE
SECTION 1.4 - MISSION STATEMENT
SECTION 1.5 – VALUES

SECTION II. EMPLOYMENT POLICIES

SECTION 2.1 - EQUAL EMPLOYMENT OPPORTUNITY (EEO)
SECTION 2.2 - WORK AUTHORIZATION
SECTION 2.3 - JOB POSTING
SECTION 2.4 – HARASSMENT
SECTION 2.5 - AMERICANS WITH DISABILITIES ACT (ADA)
SECTION 2.6 - DRUG- AND ALCOHOL-FREE WORKPLACE
SECTION 2.7 - ETHICAL STANDARDS
SECTION 2.8 - OPEN COMMUNICATION
SECTION 2.9 - QUALITY MANAGEMENT SYSTEM
SECTION 2.10 - NEW EMPLOYEE ORIENTATION

SECTION III. PAY PRACTICES

SECTION 3.1 - EMPLOYEE CLASSIFICATION
SECTION 3.2 - SALARY ADJUSTMENTS
SECTION 3.3 OVERTIME
SECTION 3.4 - PROFIT-SHARING PLAN
SECTION 3.5 - PAYCHECK WITHHOLDINGS

SECTION 3.6 - PAYDAY PROCEDURES

SECTION IV. TIME AWAY FROM WORK

SECTION 4.1 – HOLIDAYS

SECTION 4.2 – VACATIONS

SECTION 4.3 - PERSONAL/SICK LEAVE

SECTION 4.4 - JURY DUTY

SECTION 4.5 - MILITARY LEAVE OF ABSENCE

SECTION 4.6 - FAMILY MEDICAL LEAVE

SECTION 4.7 - OTHER LEAVES OF ABSENCE

SECTION 4.8 - RELIGIOUS ACCOMMODATION

SECTION V. PROFESSIONAL DEVELOPMENT

SECTION 5.1 - PROFESSIONAL AND TECHNICAL SOCIETIES

SECTION 5.2 - PROFESSIONAL REGISTRATION AND TECHNICAL CERTIFICATION

SECTION 5.3 - USE OF PROFESSIONAL SEALS

SECTION 5.4 - SEMINARS AND CONFERENCES

SECTION 5.5 - EMPLOYEE PERFORMANCE REVIEWS

SECTION 5.6 - EMPLOYEE RECOGNITION AND SERVICE AWARDS

SECTION 5.7 - CONTINUING EDUCATION/TUITION ASSISTANCE

SECTION 5.8 - EMPLOYEE RECRUITMENT PROGRAM

SECTION 5.9 - UPDATING TECHNICAL RÉSUMÉS

SECTION VI. EMPLOYEE BENEFITS

SECTION 6.1 - BENEFIT INFORMATION

SECTION 6.2 - SOCIAL SECURITY (FICA)/MEDICARE

SECTION 6.3 – SHORT-TERM DISABILITY INSURANCE

SECTION 6.4 - WORKERS’ COMPENSATION
SECTION 6.5 - UNEMPLOYMENT INSURANCE
SECTION 6.6 - BASIC GROUP TERM LIFE INSURANCE AND AD&D
SECTION 6.7 - TRAVEL ACCIDENT INSURANCE
SECTION 6.8 - MEDICAL INSURANCE
SECTION 6.9 - DENTAL INSURANCE
SECTION 6.10 - VISION INSURANCE
SECTION 6.11 - LONG-TERM DISABILITY INSURANCE
SECTION 6.12 - 401(k) RETIREMENT PLAN
SECTION 6.13 - PROFIT-SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN
SECTION 6.14 – HEALTH SAVINGS ACCOUNT
SECTION 6.15 - FLEXIBLE SPENDING PLAN – DEPENDENT CARE
SECTION 6.16 - EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)
SECTION 6.17 - EMPLOYEE ASSISTANCE PROGRAM

SECTION VII. TERMINATION
SECTION 7.1 - TERMINATION OF EMPLOYMENT
SECTION 7.2 - TERMINATION OF BENEFITS
SECTION 7.3 - CONTINUATION OF BENEFITS DURING TEMPORARY LAYOFF
SECTION 7.4 - CONTINUATION OF BENEFITS DURING DISABILITY LEAVE
SECTION 7.5 - CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1986 (COBRA)

SECTION VIII. PERSONNEL POLICIES AND PRACTICES
SECTION 8.1 - STANDARDS OF CONDUCT
SECTION 8.2 - HOURS OF WORK
SECTION 8.3 – ATTENDANCE
SECTION 8.4 - INCLIMENT WEATHER POLICY
SECTION 8.5 - DRESS CODE
SECTION 8.6 - SMOKING POLICY
SECTION 8.7 - ACCESS TO PERSONNEL FILES

SECTION 8.8 SOLICITATIONS AND CONTRIBUTIONS

SECTION 8.9 - SAFETY POLICY

SECTION 8.10 - TIME SHEETS

SECTION 8.11 - TRAVEL AND EXPENSE POLICY

SECTION 8.12 - TRAVEL TIME

SECTION 8.13 - REQUESTS FOR PAYMENT

SECTION 8.14 - REQUESTS FOR PURCHASE

SECTION IX. OFFICE FACILITIES

SECTION 9.1 - USE OF THE OFFICE AFTER HOURS

SECTION 9.2 - MAINTENANCE OF WORK AREA

SECTION 9.3 – TELECOMMUNICATIONS

SECTION 9.4 - BULLETIN BOARDS

SECTION 9.5 - COMPANY NEWSLETTER
SECTION I. INTRODUCTION
Section 1.1 – A Message from the President
Section 1.2 – A Word About This Handbook
Section 1.3 – Erdman Anthony in Profile
Section 1.4 – Mission Statement
Section 1.5 – Values

SECTION 1.1 - A MESSAGE FROM THE PRESIDENT

Dear Employee:

For more than 50 years, Erdman Anthony has been providing quality engineering services, and we can be proud of the fact that we have consistently remained one of the top consulting engineering firms in the United States. The world in which we live and work continues to change at a rapid pace. We must anticipate and keep alert to these changes, adapting our business where necessary to ensure the prosperity of our Company for years to come.

Despite changes in the world and in our industry, the most important thing at Erdman Anthony will remain the same, our commitment and dedication to the men and women of the Erdman Anthony family. You, a valued employee of Erdman Anthony, are vital to the operation of this Company. The talent, skill, and energy you put into your work are what make Erdman Anthony great. Our employee-ownership philosophy gives all employees an opportunity for ownership in the Company and to share in our success.

We have always sought to develop a spirit of teamwork, individuals working together to attain a common goal. We need your suggestions, your innovations, and discoveries. We strive to ensure that all employees feel that they have the opportunity to present and discuss issues that are important to them.

We are committed to providing the best possible climate for maximizing professional development and achievement of career goals for all employees. Erdman Anthony supports professional registration and technical certification, professional and community organization involvement, and outside continuing education programs, as well as providing in-house training classes. We encourage you to continue to develop your skills and education and become an active member of your profession and our community.

Erdman Anthony offers a competitive, comprehensive benefits package that is designed to help protect you and your family throughout your working years and into retirement. The main purpose of this Handbook is to explain Erdman Anthony’s benefits and to inform you of general policies and practices within the Company. I encourage you to read it and use it as a reference to answer your questions about the way we work and the benefits we offer.

With your help, Erdman Anthony will continue to grow as a company. Together, we will face the challenges ahead and find new ways to achieve our goals in tomorrow’s world.

Curt Helman
President

SECTION 1.2 - A WORD ABOUT THIS HANDBOOK

This Handbook has been developed to assist you in understanding the variety of benefits, policies, and procedures associated with your employment at Erdman Anthony. It provides a means of fair and proper treatment of all our employees and should be used as a general guide and reference and not as a complete listing of company benefits, policies, and procedures.
In the cases of insurance, benefit plans, and other employee programs, more specific information is available in the plan documents. When there is a question of interpretation, the plan document will govern.

This Handbook contains important employee information and should be read carefully. Should you have any questions regarding the contents of this Handbook, please discuss them with your supervisor or a Human Resources representative.

We realize that, from time to time, it will be necessary to modify the contents of this Handbook as policies evolve, benefits are updated, or legal requirements are changed. The electronic version of the Handbook is located on the Company Intranet and is considered to be the definitive, official version. Revisions will be made to the online, electronic version, and hard copies will be distributed to those employees who lack access to the Intranet and have been provided a hard copy. It is at the discretion of the Company to revise, rescind, or modify any portion of this Handbook.

This Employee Handbook supersedes all previously issued Erdman Anthony Employee Handbooks. It is informational only and is not intended to create any contractual rights. It does not constitute a promise of continued employment between Erdman Anthony and the employee. Either the employee or the Company may terminate the employment relationship at any time for any lawful reason, or for no reason, and without prior notice. This employment relationship may not be changed by written document or by any statement unless an authorized executive of Erdman Anthony specifically acknowledges such change in writing.

SECTION 1.3 - ERDMAN ANTHONY IN PROFILE

Erdman Anthony was founded as a privately held company in 1954 for the purpose of providing skilled, comprehensive planning and engineering services to government and private clients. In 1982, the Company was acquired by AGS Computers, Inc. and later transferred to NYNEX Properties Company. In 1991, when NYNEX elected to divest itself of the NYNEX Properties Company, the management of Erdman Anthony tendered an offer to acquire the Company, which was accepted on January 1, 1992. From that time forward, Erdman Anthony has been employee-owned. An ownership interest in the Company can be achieved through the Employee Stock Ownership Plan (ESOP) or stock purchase offerings provided by management to key employees.

Today Erdman Anthony is an engineering organization of approximately 300 personnel dedicated to client service. Headquartered in Rochester, NY, Erdman Anthony presently has six offices, located in Albany, Buffalo, Poughkeepsie, and Rochester, NY; Harrisburg, PA; and West Palm Beach, FL. We provide high-quality, responsive services to clients in federal, state, and local governments, as well as private industry. Our proven track record of performance has yielded 95% repeat business from our clientele. Additionally, Erdman Anthony has earned a position as one of the nation’s top design firms as ranked by Engineering News Record.

Erdman Anthony’s primary focus is on infrastructure – the network of roads, bridges, buildings, structures, and related systems that allow our society to function, grow, and prosper. Our goal is to serve as a client advocate. We help our clients realize their vision through our commitment to achieving their goals as if they were our own. In performing our work, we also seek to be innovative by continually searching for new and better ways to achieve project objectives in a manner that is technically and economically sound, while demonstrating sensitivity to the unique environmental, political, and social aspects that characterize every project.

Erdman Anthony was one of the first engineering firms in the Northeast to obtain ISO 9001:2000 Certification. This Quality Management System provides the framework for sustaining the high quality of service and work products we provide to our clients. We continually scan the horizon for new opportunities and creative ways to improve, and we observe the best practices of others to improve our own practices.
Erdman Anthony is committed to providing the best possible climate for maximizing the professional development and achievement of career goals for our employees. The professional and technical growth of our staff is continuously expanding through professional registration, continuing education, and participation in professional, technical, and civic associations.

Erdman Anthony maintains an Internet Web site at www.erdmananthony.com and a Company Intranet site. All employees are encouraged to visit these online locations for the latest information about the Company and its services.

SECTION 1.4 - MISSION STATEMENT

Our Daily Purpose
Erdman Anthony is a customer-focused engineering firm with professionals teamed to provide exceptional infrastructure solutions that enable our customers to realize their own vision while enhancing the world around us.

SECTION 1.5 – VALUES

At Erdman Anthony, we are very proud of the values that have developed over the past 60 years. They have been reaffirmed through this planning process and reflect the dominant beliefs of the individuals who currently make up the organization, and those who came before us.

These values will endure regardless of changes to our internal or external environment.
SECTION II. EMPLOYMENT POLICIES
Section 2.1 – Equal Employment Opportunity (EEO)
Section 2.2 – Work Authorization
Section 2.3 – Job Posting
Section 2.4 – Harassment
Section 2.5 – Americans with Disabilities Act (ADA)
Section 2.6 – Drug- and Alcohol-Free Workplace
Section 2.7 – Ethical Standards
Section 2.8 – Open Communication
Section 2.9 – Quality Management System
Section 2.10 – New Employee Orientation

SECTION 2.1 - EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Erdman Anthony is an equal opportunity employer committed to high standards of business conduct and civic responsibility. This commitment includes a long-standing policy of offering fair and equal opportunities to every employee or applicant for employment regardless of race, skin color, religious creed, sex, national origin, pregnancy, domestic violence victim, sexual orientation, ancestry, age (over 40), physical or mental abilities, genetic predisposition or carrier status, marital status, or veteran status, except where such a distinction involves a bona fide occupational qualification.

All employment decisions, Company programs, and personnel actions are administered in conformance with the principle of Equal Employment Opportunity to ensure that the work environment is free of discrimination, intimidation, or harassment of any kind. Policies, programs, and procedures regarding Equal Employment Opportunity can be found in the Company’s Affirmative Action Program Plan.

The Erdman Anthony Affirmative Action Program covers all divisions and departments of the Corporation. This program is developed in accordance with the specifications and standards established by applicable executive orders and federal rules and regulations. Company-wide responsibility for Equal Employment Opportunity and the Affirmative Action Program is vested in our CEO and President. Our Human Resources Director is our Equal Employment Opportunity Officer.

Erdman Anthony management is fully committed to this policy, and all Company personnel are expected to assist in making this program work effectively within the Company. In addition, this policy will be made known to all employees of Erdman Anthony and all recruitment sources such as employment agencies and newspapers as well as all persons who come to Erdman Anthony for the purpose of seeking employment.

All matters concerning the concepts of equal employment opportunity and affirmative action should be addressed to the EEO Officer. Relevant portions of the Affirmative Action Program are available for inspection upon request or appointment by contacting the EEO Officer.

SECTION 2.2 - WORK AUTHORIZATION

Federal law requires that Erdman Anthony hire only those individuals who are authorized to work in the United States. All individuals who are offered employment will be required to submit documentary proof of their identity and employment authorization. They will also be required to complete and sign, under oath, Immigration and Naturalization Form I-9. To maintain employment, a new employee must satisfy these requirements within the first three (3) working days of employment.

If an employee is authorized to work in this country for a limited time, that person will be required to submit proof of employment authorization and sign another I-9 Form before the period expires in order to remain employed by the Company.
SECTION 2.3 - JOB POSTING

Job postings are announcements of internal job openings posted in each office on the main bulletin board, on the Company Intranet, and on the Web site. They contain information about the requirements and location of the position. Interested employees may submit an application, résumé, and letter of interest to their office’s Human Resources representative. You are not obligated to notify your supervisor when you apply for a posted position.

After you have turned in your application, Human Resources will keep you advised regarding the status of your application. Teams, whenever practical, are responsible for developing position information, knowledge and/or experience requirements, and selection criteria, as well as interviewing and choosing the successful candidate. In the event that you are hired for a posted position, Human Resources will work with you and your current and prospective supervisors to ensure a smooth transition.

Although it is the hope of Erdman Anthony that all employees will have opportunities to advance and grow within the Company, Erdman Anthony will not extend any preference to employee applicants on the basis of their status as current employees of the Company. The Company will review the credentials of all qualified applicants and choose the most qualified applicant without regard to that person’s status as an employee or outside applicant. The posting program is designed to ensure that current employees have an opportunity to apply for internal positions. It does not create an obligation on the part of the Company to fill any posted position with a current employee unless the current employee is the best-qualified applicant for the job.

Management will retain complete control and flexibility in the hiring process. In instances where it is deemed to be in the best interests of the Company such as, but not limited to: organizational restructuring; position requirements that include skills, education, and/or experience that are not known to match any existing employee; critical operational needs; or when managers have candidates within the same department or division who are qualified and/or already trained for the position, management may, at their discretion, decide to bypass the Job Posting procedure. Generally, Construction Inspection positions will not be posted.

SECTION 2.4 – HARASSMENT

Erdman Anthony is committed to providing a work environment that is free of discrimination and harassment and expects all employees to engage in maintaining such an environment. Harassment of any kind is prohibited. This policy covers vendors, clients, subcontractors, independent contractors, or others who enter our workplace as well as employees.

Erdman Anthony will not tolerate verbal or physical conduct by an employee who harasses, disrupts, or interferes with another’s work performance or who creates an intimidating, offensive, or hostile environment. If such unlawful harassment does occur, Erdman Anthony will take necessary corrective action, up to and including dismissal. It is the responsibility of every employee to ensure that harassment, as well as conduct that may be construed as harassment, does not occur in the workplace. Unlawful harassment in employment may take many different forms, such as:

1. Verbal conduct such as racial or sexual epithets and stereotypes, derogatory comments, slurs or unwanted comments, or jokes made face-to-face or by e-mail or voice mail; any other language that by its nature or effect degrades or insults a person, or any group of people, based on race, skin color, religious creed, sex, national origin, sexual orientation, ancestry, age, physical or mental abilities, medical condition, marital status, domestic violence victim, or veteran status
2. Visual or written conduct such as derogatory posters, cartoons, drawings, gestures, e-mails, notes, or letters
3. Physical conduct such as assault, blocking normal movement, restraint, touching, or other physical interference with work directed at an individual
4. Threats or demands to submit to certain non-work-related conduct or perform certain non-work-related actions in order to keep or get a job or to avoid some other loss, or as a condition of job benefits, security, or promotion
Sexual Harassment
Erdman Anthony forbids all forms of sexual harassment. It is against the Company’s policy for any employee, male or female, to harass another employee by: making unwelcome sexual advances or favors or other verbal or physical conduct of a sexual nature a condition of any employee’s employment; using an employee’s submission to or rejection of such conduct as the basis for or as a factor in any employment decision affecting the individual; or otherwise creating an intimidating, hostile, or offensive working environment by such conduct.

The creation of an intimidating, hostile, or offensive working environment may include such actions as persistent comments about an employee’s sexual preferences; the display of obscene or sexually oriented photographs or drawings; engaging in forms of sexually suggestive or offensive humor; physical conduct of a sexual nature; the use of computers, including the Internet and the e-mail system, to transmit, communicate, or receive sexually suggestive, pornographic, or sexually explicit pictures, messages, or material.

Complaint Procedure
Before filing a formal complaint, it is suggested that you attempt to stop the incidence of harassment by clearly stating that you do not like the harasser’s behavior and do not wish it to continue. This can be done directly by you or through your supervisor or Human Resources representative. If you choose to handle the situation yourself, make a note of the incident in case the behavior does not improve. Any incident that is brought to the attention of a supervisor or a Human Resources representative will be noted by that person, and a confidential file of all complaints, formal and informal, will be kept in the Human Resources office.

If the unwanted behavior continues or if you would like to make a formal complaint initially, you may report a complaint of harassment to your supervisor, a Human Resources representative, or the Human Resources Director. A formal report form will be provided. Once a formal complaint has been made, it will be investigated immediately, thoroughly, objectively, confidentially, and with the utmost discretion.

The investigation will usually involve discussions with the accuser, the accused, and any named or apparent witnesses. All efforts will be made to protect the privacy of all parties involved and to ensure protection against any form of retaliation. Based on the facts and circumstances of each situation, the Company will make a determination about whether unlawful harassment occurred and communicate these findings to the harasser and any other concerned party. Erdman Anthony will take prompt and effective remedial action if harassment has occurred. The action will be commensurate with the severity of the offense and be made known to the victim.

Employees who are dissatisfied with the resolution of a harassment complaint may bring the complaint to any of the company officers. No employee will be subject to any form of retaliation or discipline for pursuing a harassment complaint.

Supervisor’s Responsibilities
Supervisors who receive a harassment complaint, no matter how minor it may seem, should treat it with extreme confidentiality. A memo describing the incident should be forwarded to the Human Resources Director.

SECTION 2.5 - AMERICANS WITH DISABILITIES ACT (ADA)

It is Erdman Anthony’s policy to provide equal employment opportunities to otherwise qualified individuals with physical or mental disabilities, which may include providing reasonable accommodations where appropriate. It is your responsibility to inform your supervisor if you are in need of any accommodation to perform essential job duties.
SECTION 2.6 - DRUG- AND ALCOHOL-FREE WORKPLACE

Policy
Erdman Anthony is committed to providing a safe work environment and to establishing programs that promote high standards of employee safety and health, thus enabling every employee to achieve the highest level of job satisfaction and individual productivity possible. The abuse of alcohol and drugs in the workplace has been proven to be dangerous to the user, the general public, and to other employees, and is also a cause of poor job performance, both of which are contrary to Company goals. As a result, it is the policy of this Company to prohibit drugs and alcohol in the workplace.

Alcoholism and drug addiction are widely regarded as treatable diseases. Therefore, even though termination or other disciplinary measures may apply, the Company encourages affected employees to seek help.

Purpose
The purpose of this policy is to establish guidelines to address the issue of alcohol and drug abuse in the workplace and to ensure a drug- and alcohol-free workplace.

Guidelines
1. The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the workplace. Employees who are convicted under any state or federal criminal drug statute for a violation occurring in the workplace must inform the Company within five days of the conviction. Employees who plead guilty or “no contest” to such a violation must likewise inform the Company of such a plea. The Company is required to notify the contracting agency within 10 days after receiving notice of a workplace conviction and to impose a sanction upon the convicted employee or require satisfactory participation in a rehabilitation program. Compliance with this rule is a term and condition of employment by the Company. Employees who violate this rule are subject to disciplinary action up to and including immediate termination.

Disciplinary action up to and including termination may be taken if any employee:
   a. Abuses alcoholic beverages or uses illegal drug substances or abuses legal drugs during working hours or while operating a company or personal vehicle for company business or travel
   b. Possesses alcoholic beverages or illegal drug substances on company premises
   c. Reports to work under the influence of alcohol and/or drugs
   d. Engages in illegal on-or-off-the-job activities which adversely affect the employee’s performance or which adversely affect the Company’s reputation or standing in the community
   e. Refuses to submit to a drug or alcohol test or tests positive for illegal drugs, abuse of legal drugs, or alcohol use

2. The Company reserves the right to require an employee to submit to a drug or alcohol test if it has reason to believe the employee may be under the influence of drugs or alcohol or when it is specifically required by a client contract. The test will be administered by a Company-designated laboratory or physician. The employee will be requested to sign a consent form allowing both the testing and the disclosure of the test results to the Company.

3. Any employee refusing to consent to a drug or alcohol test or the release of such test results to the Company will be subject to disciplinary action up to and including termination.

4. A positive result to a drug or alcohol test will result in the employee being disciplined up to and including termination.

5. The Company will cooperate with law enforcement authorities if there is reason to suspect any employee is engaged in the sale, possession, or use of illegal drugs.

6. Assistance may be offered to employees who confidentially admit to drug and/or alcohol abuse or who are referred to the Employee Assistance Program (EAP) by supervisors because of impaired job performance or in lieu of disciplinary action, at the discretion of the Company, where appropriate. EAP guidelines emphasize the confidentiality of services provided to employees, but
attending an EAP class program is not an excuse for, or protection from discipline for, continued substandard performance or rule infractions. Information regarding the EAP can be found in Section VI of this Employee Handbook or obtained from the office Human Resources representative.

7. The Company provides a drug- and alcohol-free awareness program that informs employees about the dangers of drug and alcohol abuse, the anti-drug and alcohol abuse policy of the Company, the penalties for a conviction for a drug violation occurring in the workplace, and the availability of self-help programs such as counseling, rehabilitation, and employee assistance. The program may include an annual meeting to discuss the Company’s policy and programs and may include: audio/visual materials, handouts of written materials about drug and alcohol abuse, the Company’s anti-drug and alcohol policy, meetings conducted by substance abuse professionals, and training for supervisors to recognize the signs of drug and alcohol abuse.

8. During your employment orientation, you will be required to sign a statement that you will abide by this policy.

9. This statement of Company efforts to provide a drug- and alcohol-free workplace does not create a contract between the Company and any employee.

SECTION 2.7 - ETHICAL STANDARDS

Our Mutual Commitment
Erdman Anthony believes strongly in ethical business conduct. It is expected that employees will refrain from taking part in, or exert influence upon, any action in which their own interests may conflict with the best interests of the Company and its clients. In general, employees are expected to act in an honest and ethical manner. Integrity is an individual responsibility. Each of us is accountable for our actions and accountable to management, our fellow employees, shareholders, and clients. Erdman Anthony employees must treat clients, competitors, suppliers, contractors, and employees fairly and without manipulation, concealment, or abuse of privileged information.

Violations of law or Company policy may lead to disciplinary action that could include dismissal and legal action. Management reserves the right to determine when activities conflict with the Company’s interests and to take necessary action to resolve the situation. If you have any information or knowledge concerning possible unethical or illegal behavior, you have an obligation to promptly report the matter to your supervisor or a member of senior management. Any instance where an employee is approached to act contrary to his or her professional judgment and integrity should be reported to the CEO immediately. The Company forbids retaliatory action against anyone who in good faith reports a perceived violation of law or ethics in the workplace.

Reducing the principles and practices of ethical behavior to a written form and publishing them is the first step. We must strive to achieve the spirit of these principles as well as comply with written rules. With this spirit, we will work together to continue to preserve Erdman Anthony’s well-deserved reputation as a lawful and ethical corporate citizen.

It is not possible to define all “unethical” circumstances and relationships in a general policy statement such as this. The list below suggests the types of activity that would reflect negatively on your personal integrity or that would limit your ability to discharge job duties and responsibilities in an ethical manner:

1. Simultaneous employment by another firm (moonlighting), particularly if the other firm is a competitor or supplier
2. Conducting company business with a firm in which you or a close relative have a substantial ownership or interest
3. Holding a substantial interest in, or participating in the management of, a firm from which the Company makes sales or purchases
4. Other than gifts or hospitality of a nominal amount, accepting gifts, loans, services, hospitality, or “gratuity or other thing of value” personally or on behalf of an immediate family member, from any current or potential suppliers, contractors, or clients
5. Participating in civic or professional organization activities in a manner whereby confidential company information is divulged
6. Misusing privileged information or revealing confidential data to outsiders
7. Using your position in the Company or any information you gain through that position for outside personal gains
8. Engaging in practices or procedures that violate antitrust laws or other laws regulating the conduct of company business
9. Using company time or property for purposes related to your interest outside the Company. Employees are prohibited from using company tools, equipment, vehicles, software, technology, facilities, data, trade secrets, personnel, supplies, or time for personal gain or any other activity not approved by the Company
10. Any other activity not approved by the Company

Anyone with questions about issues around potential unethical circumstances should talk to their supervisor.

Proprietary Information
Erdman Anthony has developed ways of designing and selling our services that make our services more attractive and valuable to clients and help to maintain and protect existing jobs and create new jobs.

Ideas, information, and data are important resources to us. What we do in connection with designing and selling our services that our competitors don’t or can’t do is called “proprietary information.” This information disclosed to our competitors would damage our business and, inevitably, threaten our jobs. Therefore, the Company has a firm policy to protect such information from disclosure.

Never discuss engineering, sales, or financial aspects of our business with non-company people, and use reasonable care in discussing company business with fellow employees in public areas. Proprietary information can be unintentionally “leaked” in such situations.

Should you leave the Company for any reason, the obligation not to disclose proprietary information continues. This is a legal obligation that the Company views seriously, because confidentiality of the way we provide services is one of our most valuable assets.

Ethics Regarding State and Local Government Procurement and Lobbying
Ethics commissions and legislative ethics committees have established procurement and lobbying laws, rules, and guidelines related to consultants, gifts, and the procurement of contracts. State, city, county, borough, and municipal employees, as well as elected officials, political party chairmen, department heads, members and directors of public authorities, and contractors acting on behalf of public entities, are forbidden to knowingly and intentionally solicit, accept, or provide gifts where it could be reasonably inferred that the gift was used to influence their official duties or in return for services rendered or to be rendered. Many states require full disclosure by the recipient of any permissible or impermissible contacts that would infer intent to influence procurements.

Laws pertaining to public sector clients throw a very broad net, capturing any activity that could be construed as negotiation or an attempt to influence a contract action or decision. The phrase “gratuity or other thing of value” is defined to include any gift or favor, money, loans, trips, transportation, lodging, meals, refreshments, entertainment, services, employment, training, subscriptions, materials, discount, forbearance or promise, or any other item having monetary value. Consultants who are found to be in violation of public ethics laws and rules regarding gifts are subject to close scrutiny, fines, legal action, and cancellation of contracts. Individual employees who knowingly and intentionally accept “gratuity or other thing of value” that would infer influence can be subject to substantial fines and charged with a Class A misdemeanor.

Erdman Anthony does not want to be in a position where it might be thought that one of our employees compromised his or her professional integrity or acted in a biased manner because of a relationship with an outside third party, client, or any other person who stands to gain through influencing the actions or judgment of a staff member. An employee of the firm shall not be assigned to market a project nor shall he/she be assigned to work in a design, design support, or technical support role on a project when a member of the employee’s immediate family is the client’s representative. For the purpose of this policy, immediate family includes husband, wife, mother, father, son, daughter, brother, sister, grandmother, or grandfather.
It is incumbent on all Erdman Anthony employees, be they management, engineers, technical staff, surveyors, construction inspectors, or administrative staff, in dealing with public and private sector clients, suppliers, and contractors, to know, understand, and adhere to the procurement and lobbying laws, and the rules and guidelines regarding the giving and receiving of gifts to public officials, decision makers, clients, suppliers, contractors, and employees as they relate to their locations. Nothing should be given or received that could be construed as influencing them. There should never be the appearance of “paying” for work in the most subtle form. Rules for small gifts are open to interpretation. Employees are urged to talk to their supervisors if they have any questions.

**Federal Procurement Integrity**

Erdman Anthony is a federal contractor. According to federal rules, contractors are forbidden from giving gratuities to or discussing future employment or business opportunity with a procurement official, and from soliciting or obtaining proprietary or source selection information. There are civil fines for violating these prohibitions and criminal penalties for willfully violating them.

These prohibitions apply “during the conduct of procurement.” The conduct of a procurement begins on the earliest date an authorized official directs that a specific action be taken to initiate a procurement. These actions are:

- Drafting a specification or a statement of work
- Reviewing and approving a specification
- Computing requirements at an inventory control point
- Developing a procurement or purchase request
- Preparing or issuing a solicitation
- Evaluating bids or proposals
- Selecting sources
- Conducting negotiations
- Reviewing and approving the award of a contract or contract modification

The conduct of a procurement ends with award or modification of a contract or the cancellation of the procurement.

**SECTION 2.8 - OPEN COMMUNICATION**

**Open-Door Policy**

At Erdman Anthony we encourage candid, timely, and consistent two-way communication. All employees are expected to promote uncompromising straight talk. We believe that direct and open communication benefits everyone. Our Open-Door Policy gives each employee the right to talk directly with any person in the Company.

Whenever possible, it is expected that employees will take the initiative to resolve situations on their own. If employees have a problem, need help or advice, or have a question, they are encouraged to talk with their supervisor. Employees are free to contact any other supervisor or Human Resources representative regarding a matter that is not resolved between the employee and supervisor or that is uncomfortable for the employee to discuss with the supervisor.

**Employee Role in the Communication Process**

Communication is the process of exchanging information. It implies that there is a sender of information and a receiver of information. It is important that each employee understand his or her role in the communication process: to take the initiative to seek information and proactively share information. No one person or communication vehicle can be responsible for communication. We believe this is a process that requires the collective efforts of everyone in our organization.

To facilitate open, timely, and consistent communication throughout the Company, Erdman Anthony offers a variety of vehicles to exchange information with employees. Here are some examples:
**Erdman Anthony Intranet Site**
The Company Intranet site has a wealth of current information regarding the organization. Updates and additions to the site are communicated to staff via an *Intranet News Flash* e-mail message.

**The Connection**
This newsletter, published periodically throughout the year, is available on the Company Intranet site under Marketing. The Marketing group in each office coordinates the editing and publication.

**REACH Message (Rapid Erdman Anthony Communication Hot News)**
This e-mail message is designed to quickly notify employees of business-related information. This is a corporate communication.

**Employee Handbook**
The Employee Handbook is designed as a reference to provide guidance to employees regarding the Company's Human Resources policies, practices, and employee benefits. It is available electronically on the Company Intranet site. The Handbook is produced and updated as necessary by Human Resources.

**Town Meetings**
All offices hold periodic office-wide meetings to communicate issues relevant to the office and to share information regarding the Corporation.

**SECTION 2.9 - QUALITY MANAGEMENT SYSTEM**

Erdman Anthony is on a quality journey intended to ensure the survival and prosperity of our Company for years to come. The vehicle for our journey is our Quality Management System. Our Quality Management System creates an environment with a continuous focus on improving “how we do what we do” to satisfy customer needs. On March 6, 2000, Erdman Anthony became a forerunner in the consulting engineering industry by receiving the International Organization of Standardization (ISO) certification. We continue today to be ISO 9001:2000 certified.

Our quality policy states: **Customer focus forms the basis for our actions.**

We achieve this *customer focus* through our Quality Management System, which utilizes a set of standardized management practices. These practices are outlined in our Business Management Manual, which can be found on the Company Intranet. All Erdman Anthony employees are expected to become familiar with the management and operations procedures as outlined in the Business Management Manual and be a part of its continuous improvement. Upon hire, all employees receive orientation outlining the Quality Management System. Employees also participate in Erdman Anthony’s Business Overview Program (“Business 101”), training that provides them with additional concepts, processes, and tools of quality.

Erdman Anthony’s Quality Management System is overseen by its leadership team and administered by the Quality Manager. The leadership team’s responsibility is to ensure the adequacy and effectiveness of the Quality Management System.

One of the keys to the success of our Quality Management System is *continuously improvement*. The Company is continuously looking for *Opportunities For Improvement (OFIs)*. These can come from a number of sources, including formal and informal customer feedback programs, internal and external audits and assessments, and formal and informal suggestions from our employees. Formal suggestions can be made through our OFI Generation form located in the form templates folder on your desktop. Suggestions made in this manner can be submitted to our Quality Manager. Suggestions can be made informally to your supervisor, the Chief Operating Officer, a Core Business Leader, the Quality Manager, a Human Resources representative, or the Company President. Erdman Anthony recognizes that those closest to the work are in the best position to make suggestions for ways to improve the process. We’re interested in constructive ideas and suggestions that improve operations and the work environment. Employees are encouraged to submit suggestions.
SECTION 2.10 - NEW EMPLOYEE ORIENTATION

At the start of your employment, you will receive an initial orientation including introductions to personnel, a review of this Handbook and the benefits it describes, and a thorough explanation of the expectations, duties, and responsibilities of your new position. Your supervisor and a Human Resources representative will be responsible for providing you with this information.

In some cases, a host/mentor will be chosen to acquaint a new employee with routine office practices and to provide an orientation to department standards and procedures. You can expect all of your colleagues to do their best to welcome you and to be as helpful as possible during your first weeks at Erdman Anthony.

The first 90 calendar days of employment are an orientation period of getting acquainted for both the employee and the firm. During this period, the employee's performance and personal qualifications will be appraised to determine how well suited the new employee is for the position. If an employee is found to be deficient, an attempt will be made to try to correct the condition. If it is felt that an employee is basically unsuited for the position and that improvement is not feasible, the employee may be terminated or offered an alternative assignment.

The employee also has an obligation to determine if Erdman Anthony seems to meet his or her career objectives. Your employment, both during and after this orientation period, is considered to be "at will" for both employer and employee, and the successful completion of this period should not be construed as guaranteeing employment for any specific duration.

Any questions you may have during the orientation process should be directed to a Human Resources representative or your supervisor. If you have any suggestions for improvements in the orientation procedure, you should direct them to the Human Resources representative.
SECTION III. PAY PRACTICES

Section 3.1 – Employee Classification
Section 3.2 – Salary Adjustments
Section 3.3 – Overtime
Section 3.4 – Profit-Sharing Plan
Section 3.5 – Paycheck Withholdings
Section 3.6 – Payday Procedures

SECTION 3.1 - EMPLOYEE CLASSIFICATION

Erdman Anthony adheres to and complies with all state and federal wage and hour laws. Employees are classified as either “non-exempt” or “exempt” based upon their job responsibilities in accordance with the Fair Labor Standards Act (FLSA).

Non-Exempt Status
By law, a non-exempt employee must be paid an overtime premium for work in excess of 40 hours per week. This classification of worker may also be referred to as “hourly.” These employees are generally drafters, designers, members of field crews, secretaries, word processor operators, clerical staff, and non-graduate engineers in training. They are paid 1.5 times their hourly rate for each hour of time worked over 40 hours per week. Part-time employees are classified as hourly employees.

Exempt Status
Exempt employees are exempt from any federal or state legal requirement to be paid overtime and are expected to fulfill their duties without regard to the amount of time required. This classification may also be referred to as “salaried.” These employees include those who qualify under the Fair Labor Standards Act as executive, administrative, and professional staff members.

Full-Time Employees
Regular full-time employees work 40 hours per week for the standard workweek. These employees fill either exempt or non-exempt positions for an indefinite period. Regular full-time employees are eligible for all company benefits subject to the limitations of the individual benefit plans.

Temporary Employees
Temporary employees work for a definite, limited period of time. The employees in this category are eligible for statutory benefits and limited fringe benefits. Please refer to individual benefits for clarification of eligibility.

Part-Time Employees
Regular part-time employees are employees who consistently work less than 40 hours per week. Part-time employees are eligible for statutory benefits. Part-time employees who have been employed by Erdman Anthony for at least one year as either regular full-time or regular part-time employees, and who work at least an average of 24 hours per week (1,248 hours per year), are eligible for some prorated fringe benefits. Refer to the sections “Time Away from Work” and “Employee Benefits” for further information.

Seasonal Employees
Seasonal employees are employees who work full-time during the construction season only. The employees in this category are eligible for company benefits subject to the limitations of the individual benefit plans.

SECTION 3.2 - SALARY ADJUSTMENTS

The Company’s compensation philosophy is to provide market-competitive pay and benefits to attract and retain employees and to optimize their performance. It is our employees who are capable of, and committed to, providing products and services that attract and retain clients.
Annual salary adjustments, if warranted, are made April 1 each year. A number of factors go into these adjustments, including: workload of the office and the department, business conditions and results, individual employee performance, changes in responsibility, value to the Company, additional educational achievement, our ability to price our services, and prevailing marketplace wage rates. The obtaining of professional license for professional employees or certification for technical employees will also be factors considered for salary adjustment.

To establish appropriate and competitive compensation ranges, Erdman Anthony uses several resources to benchmark position rates against those in the industry.

**SECTION 3.3 OVERTIME**

**Overtime Requirement**

It is sometimes necessary to meet external and internal client obligations by working overtime with relatively short notice to employees. Your supervisor must authorize all overtime in advance.

It is well established that employers have the right to require employees to work overtime. Erdman Anthony employees are expected to work extra time when necessary. When overtime is required, the following policies are observed:

**Non-Exempt Employees**

In accordance with the Fair Labor Standards Act’s (FLSA) overtime provision, non-exempt employees will receive 1.5 times their regular hourly base pay for each hour of overtime worked. Overtime is considered the number of hours "worked" in excess of 40 hours per week. Only scheduled legal holidays will count toward the 40 hours "worked." Time off (including "floater" holidays, vacation days, sick/personal days, and jury duty) will not be included in the 40 hours "worked" during a week. Further information regarding holiday pay is included under “Holidays” in this Handbook.

**Exempt Employees**

At Erdman Anthony, all employees, except those who are non-exempt as noted above, are exempt from any legal requirement to be paid overtime. Exempt employees are expected to act with the dedication of business owners, fulfilling their duties to ensure superior quality, service, and client satisfaction without regard to the amount of time required. Exempt employees may be paid at the straight time rate for hours worked in excess of 40 billable hours per week, when such hours are billable to a revenue-producing project. This is not required under the FLSA provisions and is strictly a company practice. Your supervisor must approve all straight time overtime for which compensation is sought. Employees designated as “salaried” employees, generally executives, professional staff, and administrative management staff, receive a set weekly salary based on 40 hours and are not paid for additional hours. Extra time in the performance of duties is considered an element of employment.

**Overtime Records and Reports**

For purposes of clients meeting contractual obligations, all employees are to report the time worked each day and to charge the appropriate job or account number on their time sheets.

If you have any questions about your eligibility for compensation for overtime work, please see your supervisor.

**SECTION 3.4 - PROFIT-SHARING PLAN**

The shareholders of Erdman Anthony recognize the value of returning a portion of profits back to our employees. Sharing company profits with our employees provides a mechanism that rewards outstanding performance and helps to attract and motivate quality employees.

Erdman Anthony’s Profit-Sharing Plan (PSP) consists of four parts: Supervisor Profit Sharing, Associate Profit Sharing, Erdman Anthony Profit-Sharing and Employee Stock Ownership Plan (ESOP) distribution, and direct cash bonuses. The PSP is primarily based on overall company profitability. The Holding Company Board of Directors approves the annual Profit-Sharing Plan.
The purpose of Supervisor Profit Sharing is to place a portion of upper management personnel’s compensation “at risk.” That is, when the Company’s performance is poor, compensation is significantly reduced. When the Company’s performance is very good, compensation is significantly increased. Management personnel are selected for this program based on the sensitivity of their position in having a significant impact on company profitability. Profits earned are distributed in the form of cash and Class “B” stock.

The purpose of Associate Profit Sharing is to provide an extra incentive for our key employees to work together in promoting Erdman Anthony’s overall profitability and to provide another means of promoting long-term employee ownership transition. Profits earned are generally distributed in the form of cash and Class “B” stock.

The Profit-Sharing and Employee Stock Ownership Plan contribution is a means of allowing nearly all Erdman Anthony employees to share in company profits. This is done by purchasing Erdman Anthony Class “A” stock out of company profits and allocating it to individual employee accounts. As an IRS-qualified retirement plan, eligibility requirements are strictly set: All employees with at least one year of service and who work at least 1,000 hours during the year are participants; distributions are divided among participants’ accounts in proportion to their compensation for the year. The Erdman Anthony Profit-Sharing and Employee Stock Ownership Plan is described in further detail in this Handbook under “Employee Benefits.”

Direct cash bonuses are a means of rewarding all Erdman Anthony employees for outstanding performance. As with the other portions of the Profit-Sharing Plan, the ability to provide direct cash bonus awards is dependent on the Company’s profitability and cash position. Emphasis will be placed on areas of the Company that have shown exceptional achievement of goals.

SECTION 3.5 - PAYCHECK WITHHOLDINGS

Required Withholdings
The law requires deductions to cover federal, state, and local income taxes and Social Security (FICA). These deductions are made automatically.

Optional Withholdings
Other deductions for various insurance and retirement programs will be made upon your written authorization:

- Dependent and/or Supplementary Group Life Insurance coverage
- Long-Term Disability Insurance coverage
- Medical Insurance coverage
- Dental Insurance coverage
- 401(k) Plan
- Savings account contributions
- Flexible Spending Account (125 Plan)
- United Way contributions
- Political Action Committee (PAC) contributions

Other
The Company will comply with garnishments and court actions as dictated by federal and state laws.

SECTION 3.6 - PAYDAY PROCEDURES

Erdman Anthony is on a biweekly pay schedule resulting in 26 pay periods a year. Time sheets are to be submitted on the second Friday of the pay period. Earlier submission may be required for periods containing holidays. You are responsible for making sure your time sheet and expense report are submitted to your supervisor for approval. Pay dates are every other Friday of the week following time
sheet submission. If the pay date falls on a holiday, your pay will be deposited the evening prior to the holiday.

**Direct Deposit**
As a service, Erdman Anthony offers direct deposit of your net pay to your checking and/or savings account.

Employees using direct deposit have the option of choosing any bank or credit union for their direct deposit as long as the bank or credit union is a member of the Automated Clearing House. Many banks and credit unions offer “free” checking for direct deposit accounts. Employees are encouraged to check with their bank or credit union to see what benefits are available to them as a direct deposit customer.

Each payday your net pay plus approved expenses will be deposited into your account through our direct deposit payroll system. For your records, you will also receive on that day (there may be a day or two delay if your receipt is mailed to you) a statement of deposit from the accounting department showing the amount deposited and the itemized payroll deductions.

Any questions you have regarding your deposit or your pay stub should be directed to the accounting department or the administrative staff in the regional offices. You should notify the Human Resources representative when you want to make changes in deductions or in the number of withholding exemptions you claim.
SECTION IV. TIME AWAY FROM WORK
Section 4.1 – Holidays
Section 4.2 – Vacations
Section 4.3 – Personal/Sick Leave
Section 4.4 – Jury Duty
Section 4.5 – Military Leave of Absence
Section 4.6 – Family Medical Leave
Section 4.7 – Other Leaves of Absence
Section 4.8 – Religious Accommodation

SECTION 4.1 – HOLIDAYS

Holiday Schedule
A calendar of paid holidays is issued on the first of each year and is available to all employees. Erdman Anthony recognizes six legal holidays and provides up to two additional floater holidays each year. Regular full-time employees receive these days off with pay. The annual holiday schedule is posted on the Company Intranet.

Recognized Holidays
- New Year’s Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

Floater Holidays
- Day after Thanksgiving
- One additional annual floater holiday may be added at management’s discretion

Part-Time Employees
Regular part-time employees employed by Erdman Anthony for at least one year as either a regular full-time or regular part-time employee, and who work at least an average of 24 hours per week (1,248 hours per year), will be eligible for four hours of company holiday pay for each holiday, during the period when it occurs. The holiday does not have to fall on a part-timer’s regular workday. Part-time employees who work less than an average of 24 hours per week will not receive paid time off for any holiday.

Employees Not Eligible for Holiday Pay
Temporary employees will not receive paid time off for any holiday. Employees on temporary layoff or on disability leave will not receive paid time off for any holiday that occurs while they are on layoff or disability.

Observed Holidays
When possible, management attempts to provide a long weekend around holidays that fall on a Tuesday or Thursday. One additional paid floater holiday may be included in the holiday schedule at management’s discretion for this purpose. When a recognized holiday falls on a Saturday, it will be observed on the preceding Friday, and when a holiday falls on a Sunday, it will be observed on the following Monday.

Holiday Pay
A non-exempt employee who works on a holiday will receive appropriate holiday pay and will also be paid for any time worked on the holiday. However, time worked on a holiday will not be considered overtime unless you have already “worked” 40 hours in a week. Only scheduled legal (not floater) holidays will count toward the 40 hours “worked.” All other time off will not be included in the 40 hours “worked” during a week. All overtime must be authorized in advance.

When a paid holiday occurs during the vacation period, it will not be charged as vacation but will be recorded as a holiday.
The effective date of a voluntary termination, involuntary termination, or indefinite layoff will be the final day that the employee physically performs work. Employees will not receive holiday pay for holidays that fall after their final day of work.

SECTION 4.2 – VACATIONS

All employees need time away from work occasionally and are encouraged to take a vacation when possible.

Request and Approval
A Vacation Request form must be completed and submitted to your supervisor for approval. The Vacation Request form can be found in the form templates folder on your desktop. Your request form should be submitted and approved as far in advance as possible to maximize your opportunity to receive the vacation period that you requested.

Every effort will be made to grant vacation days as requested, but in order to coordinate vacation schedules to meet the workload needs of our projects, all vacation requests will be subject to schedule adjustments by management. We also ask that before taking your vacation, you make arrangements to ensure that any work in progress will be taken care of in your absence.

Accrual
Vacation is accrued each pay period, beginning with the first full pay period after date of hire. As a full-time employee, you are granted a set amount of vacation time dependent upon length of service with the Company according to the following schedule:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Accrued Amount Per Pay Period</th>
<th>Total Accrued Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 month through 60 months</td>
<td>3.08 hours</td>
<td>10 days</td>
</tr>
<tr>
<td>61 months through 120 months</td>
<td>4.62 hours</td>
<td>15 days</td>
</tr>
<tr>
<td>120 months through 132 months</td>
<td>4.93 hours</td>
<td>16 days</td>
</tr>
<tr>
<td>132 months through 144 months</td>
<td>5.24 hours</td>
<td>17 days</td>
</tr>
<tr>
<td>144 months through 156 months</td>
<td>5.54 hours</td>
<td>18 days</td>
</tr>
<tr>
<td>156 months through 168 months</td>
<td>5.85 hours</td>
<td>19 days</td>
</tr>
<tr>
<td>168 months through 180 months</td>
<td>6.16 hours</td>
<td>20 days</td>
</tr>
</tbody>
</table>

Length of service is calculated from your date of hire to your next anniversary date.

Employees may retain a maximum of 1-1/2 times their annual vacation accrual. Employees who exceed the maximum accrual at any time during the calendar year will be notified and advised that they must provide their supervisor with a vacation schedule that will reduce their accrual below the maximum as soon as reasonably practical and by the end of the calendar year. Project and workload demands should be addressed and the schedule coordinated with their supervisor. Any excessive accrual at year-end will be forfeited. In rare instances, the individual's date of forfeiture could be extended by the CEO or COO to the end of March if extenuating circumstances are demonstrated by the employee to their supervisor in writing and if that request is approved in writing by the CEO or COO. In those cases, the extenuating circumstances must be compelling and a vacation schedule provided that will reduce the accrual below the maximum allowed. Upon appointment as an Associate of the Company, employees will accrue vacation at the minimum rate of 15 days/year beginning with the first full pay period after such appointment.

Upon appointment as a Vice President, Principal Associate, or Senior Associate, employees will accrue vacation at the rate of 20 days/year beginning with the first full pay period after such appointment.
Regular part-time employees employed for at least one year as a regular full-time or regular part-time employee, and who work at least an average of 24 hours per week (1,248 hours per year), will be eligible to accrue vacation time at the rate of 60% of a full-time employee with equal years of service or Associate title.

Temporary employees do not accrue vacation time. Employees on temporary layoff will not accrue vacation during their layoff. Vacation accrual will stop during an unpaid leave of absence, during an absence covered by Workers’ Compensation in excess of 30 days, or after 30 days of disability leave. For seasonal employees, 1,000 hours worked in a calendar year will count as a year of service toward the accrual rate.

**Pay in Lieu of Vacation**
You are encouraged to take vacations and will not be paid for accrued vacation time in lieu of taking vacations except for extenuating circumstances, subject to approval by the President, Chief Operating Officer, or Core Business Leader.

Employees on temporary layoff will not accrue personal/sick leave during their layoff. Personal/sick leave accrual will stop during an unpaid leave of absence, during an absence covered by Workers’ Compensation in excess of 30 days, or after 30 days of disability leave.

**SECTION 4.3 - PERSONAL/SICK LEAVE**

**Use of Your Leave**
Personal/sick leave is meant to benefit you when situations beyond your control require you to be absent from work.

Personal/sick leave may be used when you are ill, when a family member who needs your attention is ill, when there is a death in the family, or for other personal reasons. It is requested that you give advance notice to your supervisor when you know you will not be at work for any one of these reasons. If you cannot report for work, you should call your supervisor as soon as possible before your normal starting time. If no one answers, please leave a message on voice mail. Thereafter, you should contact your supervisor at reasonable intervals (normally on a daily basis) until you are able to return to work. If an employee does not show up for work or call for a period of three days, it is considered voluntary abandonment of the position.

You should be careful in the use of your time so that you have some accumulated in the event that you become seriously ill. It is at this time that your personal/sick leave is most valuable due to potential medical bills and absence from work.

**Accrual**
Personal/sick leave is accrued at a rate of five (5) days per year. All regular full-time employees will begin to accrue personal/sick leave each pay period beginning with the first full pay period after date of hire.
Seasonal employees accrue personal/sick leave for each full pay period worked.

Regular part-time employees employed for at least one year as a regular full-time or regular part-time employee, and who work at least an average of 24 hours per week (1,248 hours per year), will be eligible to accrue three (3) days of personal/sick leave per year.

Temporary employees do not accrue personal/sick time. Employees on temporary layoff will not accrue personal/sick time during their layoff. Personal/sick time accrual will stop during an unpaid leave of absence, during an absence covered by Workers’ Compensation in excess of 30 days, or after 30 days of disability leave.

**Accumulation**
If you do not use all five days during a given year, you may carry unused time over to the next year. You may accumulate up to a maximum of thirty (30) days personal/sick leave at the end of each year. If year-
end accrual exceeds 30 days, the excess amount will be paid off. You may not use personal/sick time beyond the amount accrued. Unused personal/sick time will be paid off upon termination.

SECTION 4.4 - JURY DUTY

All employees are encouraged to satisfy their civil obligations when summoned and are to be supported to the extent practicable on matters such as jury duty or court appearances on behalf of Erdman Anthony.

While not required to do so, Erdman Anthony will make up the difference between an employee’s regular base pay and the documented sum earned, if any, for serving on jury duty. Non-exempt employees will be paid their regular base rate up to a maximum of ten (10) days in any calendar year. Exempt employees are subject to the same 10-day limitation except that they will receive pay for any days they serve as a juror or subpoenaed witness in a workweek in which they actually perform work.

At times certain work constraints may arise which may require the Company to request a postponement of jury duty that would require you to be absent from the office for an extended period of time. Employees are therefore requested to inform their supervisor immediately upon receipt of a jury duty notice, in order that the Company may have an opportunity to consider the impact of your absence and request a postponement if deemed advisable.

Any employee called to jury duty, but not required to remain for service, must report to work for the remainder of the day.

Payment
In order to receive payment for time spent on jury duty, you must submit a copy of your summons to your supervisor. Upon return to work, you should submit a statement of earned jury duty pay to your manager to be submitted along with your time sheet. The appropriate project number to be used for reporting jury duty time can be obtained from the accounting department.

For non-exempt employees, time spent on jury duty does not count as hours worked for purposes of calculating overtime.

Any expense associated with jury duty attendance (parking or lunches) is not reimbursable.

Rights as a Witness
If an employee is summoned to appear in court as a witness in a court action related to company business, Erdman Anthony will pay for the time required to be in court.

Pay for Personal Court Appearances
If an employee is subpoenaed or summoned to court as a result of personal business, unused vacation time or personal time may be used and authorized by the supervisor. Employees will not receive any pay if they have no unused vacation time or personal time accrued.

SECTION 4.5 - MILITARY LEAVE OF ABSENCE

Erdman Anthony adheres to the requirements of employers as dictated by the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) regarding military leave. Any employee who has a military obligation to fulfill will be granted a temporary leave of absence without pay, except as follows:

Military Reservists
Those employees who have an obligation to the military reserves will be paid the difference between their military pay and their regular base pay for a maximum of two (2) weeks each year. The employee need not use accrued vacation and/or sick leave during this leave of absence.
When the employee returns from military duty, the military reserve pay voucher should be presented to the employee’s supervisor along with a time sheet for the pay period. The supervisor will forward this information to the accounting department.

**Military Reservists Called to Active Duty**

Those employees called to active duty will not receive pay from Erdman Anthony during their leave. Erdman Anthony will observe all the requirements under USERRA regarding the extension of benefits during active duty leave, determination of eligibility for reinstatement, and restoration of position and benefits upon return to employment.

You are required to give your supervisor as much advance notice as possible of your military leave of absence, unless giving notice is impossible, unreasonable, or precluded by military necessity.

**SECTION 4.6 - FAMILY MEDICAL LEAVE**

**Leave Time**

It is the policy of Erdman Anthony to grant up to 12 weeks of family and medical leave during any 12-month period to eligible employees, in accordance with the Family Medical Leave Act of 1993 (FMLA). FMLA leave is unpaid, unless it runs concurrently with an eligible Short-Term Disability (STD), Long-Term Disability (LTD), or Workers’ Compensation (WC) leave, or if the employee chooses to use other available time off.

**Benefits**

You are eligible to take up to 12 weeks of unpaid family/medical leave within any 12-month period and be restored to the same or an equivalent position upon your return from leave provided you (1) have worked for the Company for at least 12 months and for at least 1,250 hours in the last 12 months; and (2) are employed at a work site that has 50 or more employees within a 75-mile radius of the work site. The 12 months will be measured from the time you begin your leave.

**Reasons for Leave**

You may take family/medical leave for any of the following reasons:

1. For incapacity due to pregnancy, prenatal medical care, or child birth
2. To care for the employee’s child after birth, or placement for adoption or foster care
3. To care for the employee’s spouse, son or daughter, or parent, who has a serious health condition; or
4. For a serious health condition that makes the employee unable to perform the employee’s job.

Leave because of reasons “1” or “2” must be completed within the 12-month period beginning on the date of birth or placement. In addition, spouses employed by the Company who request leave because of reasons “1” or “2” or to care for an ill parent may only take a combined total of 12 weeks leave during any 12-month period.

**Definition of Serious Health Condition**

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions or the employee’s job, or prevents the qualified family member from participating in school or daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

**Military Family Leave Entitlements**

Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain
military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered service member is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

Notice of Leave
If your need for family/medical leave is foreseeable, you must give the Company at least 30 days prior written notice. If this is not possible, you must at least give notice as soon as practicable (within one to two business days of learning of your need for leave). Failure to provide such notice may be grounds for delay of leave.

The Company has Request for Family/Medical Leave Forms available from your Human Resources representative. You should use these forms when requesting leave.

Medical Certification
If you are requesting leave because of your own or a covered relation’s serious health condition, the Company may require you to provide a doctor’s certification of the serious health condition. You may obtain Medical Certification Forms from your Human Resources representative. When you request leave, the Company will notify you of the requirement for medical certification and when it is due. Failure to provide requested medical certification in a timely manner may result in denial of leave until it is provided. The Company, at its expense, may require an examination by a second health care provider designated by the Company if it reasonably doubts the medical certification you initially provided. If the second health care provider’s opinion conflicts with the original medical certification, the Company, at its expense, may require a third health care provider to conduct an examination and provide a final and binding opinion. The Company may require subsequent medical recertification on a reasonable basis.

Reporting While on Leave
If you take leave because of your own serious health condition or to care for a covered relation, you must contact your Human Resources representative on the first and third Tuesday of each month regarding the status of the condition and your intention to return to work.

Leave Is Unpaid
Family/medical leave is unpaid but can be run concurrently with other paid-time-off policies. If the FMLA leave is taken due to the employee’s own serious health condition, disability will always run concurrently with FMLA, but the employee has the option as to whether or not to use accrued vacation and personal time. The substitution of paid leave does not extend the 12-week leave period. Furthermore, in no case can the substitution of paid leave time for unpaid leave time result in receipt of more than 100% of your salary.

Intermittent Leave or Reduced Work Schedule
FMLA leave may be taken in 12 consecutive weeks, intermittently (a day taken periodically when needed over the year), or under certain circumstances, the leave may be used to reduce the workweek or workday, resulting in a reduced-hour schedule. In all cases, the leave may not exceed a total of 12 workweeks over a 12-month period. For partial days, the employee may use accrued vacation or personal time.

The FMLA specifically permits deductions from an exempt employee’s salary for any hours taken as intermittent or reduced FMLA leave within a workweek, without affecting the employee’s exempt status. In addition, while you are on an intermittent or reduced-schedule leave, the Company may temporarily transfer you to an available alternative position that better accommodates your recurring leave and which has equivalent pay and benefits.
Continuation of Benefits

Medical Insurance
During an approved family/medical leave, the Company will maintain your health benefits as if you continue to be actively employed. If paid leave is substituted for unpaid family/medical leave, the Company will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must pay your portion of the premium. The monthly premium will be due on the first of each month. Your health care coverage will cease if your premium payment is more than 30 days late. If you elect not to return to work for at least 30 calendar days at the end of the leave period, you will be required to reimburse the Company for the cost of the premiums paid by the Company for maintaining coverage during your unpaid leave, unless you cannot return to work because of a serious health condition or other circumstances beyond your control.

Dental Insurance
The Dental Insurance coverage continues as long as you continue your required portion of the premiums. The monthly premium will be due on the first of each month. Your dental coverage will cease if your premium payment is more than 30 days late.

Life Insurance
Your Company-paid Basic Group Life Insurance coverage will continue in force. Any supplemental, spousal, or dependent coverage will continue as long as the required contributions continue to be made. You must submit payment for 100% of the monthly cost by the first of each month. Your supplemental, spousal, or dependent coverage will cease if your payment is more than 30 days late.

Short- and Long-Term Disability Income Insurance
Subject to the restrictions of the individual insurance plans, these benefits will continue for the duration of the employee’s FMLA unpaid leave.

Returning from Leave
If you take leave because of your own serious health condition, you are required to provide medical certification or notification from your physician that you are fit to resume work. Employees failing to provide the Certification will not be permitted to resume work until it is provided.

SECTION 4.7 - OTHER LEAVES OF ABSENCE

Requesting Leave
Erdman Anthony recognizes that there may be occasions when you need to be away from work due to compelling personal reasons or business, travel, or educational opportunities. You may request an unpaid leave of absence for up to six months by submitting a written request to your supervisor. Your request should set forth the reasons for your leave and the expected duration of your absence. Reasonable requests will be considered subject to the impact of your absence on the Company’s ability to operate efficiently. All requests must be approved by the Chief Operating Officer and Core Business Leader and are at management’s discretion.

Benefits
All company benefits will be terminated by the end of the month in which you begin your leave. You (and your dependents) may continue your medical insurance at your own expense under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Accrual
You will not accrue vacation or sick leave during your leave of absence, and the leave time will not be counted toward your length of service for purposes of vacation accrual.

Return from Leave
Your failure to return to work on the agreed-upon expiration date of your leave will be considered a voluntary termination of your employment. Under certain circumstances, the Company may be able to make arrangements for your job to be open upon your return by hiring an employee on a temporary basis.
or by scheduling work in an effective manner. You are not guaranteed employment upon return to work but will receive preferential consideration for any open position that meets your qualifications. If you accept other employment while on leave of absence, you will be automatically terminated.

Nothing contained in this policy shall serve to limit or alter your status as an “at will” employee.

**Maternity Leave**
In keeping with Title VII of the Civil Rights Act of 1964, Erdman Anthony treats pregnancy and related conditions the same as other temporary disabilities for all employment purposes.

If you become pregnant, you may continue to work as long as your obstetrician/physician does not advise that you stop working or until it is determined by your supervisor that you can no longer safely and satisfactorily complete the work assigned to you. You may return to work upon determination by your obstetrician/physician that you are physically able to resume work.

**Bone Marrow Donation Leave**
Any employee who seeks to undergo a medical procedure to donate bone marrow will be granted a leave of absence no longer than three days. This leave is unpaid.

Employees must provide their Human Resources representative with verification from a physician as to the purpose and length of leave requested. Employees should give as much advance notice as possible.

**SECTION 4.8 - RELIGIOUS ACCOMMODATION**

Erdman Anthony and its employees do not discriminate on the basis of an employee’s religious belief. When a religious accommodation is requested by an Erdman Anthony employee, reasonable accommodations will be made provided that no undue hardship will be created for the Company or its employees and that the accommodation does not affect the safety or health of the employees. In most cases, personal time or vacation time may be used for these purposes.
SECTION V. PROFESSIONAL DEVELOPMENT

Section 5.1 – Professional and Technical Societies
Section 5.2 – Professional Registration and Technical Certification
Section 5.3 – Use of Professional Seals
Section 5.4 – Seminars and Conferences
Section 5.5 – Employee Performance Reviews
Section 5.6 – Employee Recognition and Service Awards
Section 5.7 – Continuing Education/Tuition Assistance
Section 5.8 – Employee Recruitment Program
Section 5.9 – Updating Technical Résumés

SECTION 5.1 - PROFESSIONAL AND TECHNICAL SOCIETIES

Erdman Anthony encourages you to actively participate in professional and technical societies that will benefit your professional development.

Because many of these societies meet during meal times, Erdman Anthony will pay for the cost of your lunch or dinner if you are an active member of the organization. Should these meetings occur during working hours, time off to attend must be approved by your immediate supervisor who may require you to make up the lost time.

Benefits
While participation in professional and technical societies is voluntary, to encourage your participation, Erdman Anthony will pay the annual dues and fees for one professional or technical organization in which you choose to participate.

Associate-level employees are eligible to receive reimbursement for a second society membership, and Senior Associate-level employees and above are eligible to receive reimbursement for three society memberships. Additional society memberships may also be eligible for reimbursement with the approval of the Core Business Leader or Chief Operating Officer.

Organizations eligible for reimbursement will be determined at the discretion of the Company. If there is any question concerning such eligibility, employees are urged to request a determination prior to joining.

SECTION 5.2 - PROFESSIONAL REGISTRATION AND TECHNICAL CERTIFICATION

State laws require professional engineering and surveying registration as a condition of assuming responsibility for performing professional engineering and land surveying assignments. Much of our construction inspection work requires technical certifications. All of our professional and technical staff members are urged to acquire their registrations and certifications as soon as they are qualified to do so and are encouraged to display their registration certificates at their desks.

Information
Your supervisor can assist you in obtaining information on the dates and procedures of the Engineer-In-Training (EIT), Professional Engineer (PE), Professional Land Surveyor (PLS), and National Institute for Certification in Engineering Technologies (NICET) certification examinations.

Benefits
Erdman Anthony will allow time off with pay for the purpose of taking professional registration or technical certification exams and will pay for the cost of one registration per employee. Prior to taking the exam, you must notify your supervisor, either verbally or in writing, of the date you are scheduled to take the exam.

In the case that Erdman Anthony requests you to obtain your professional registration in a specific state, the Company will reimburse you for reasonable travel expenses and registration fees incurred. The Chief
Operating Officer or Core Business Leader must approve reimbursement of the costs for registration in additional states.

**Review Classes**
Erdman Anthony will reimburse you for official review classes given for the above-mentioned professional and technical exams. To be reimbursed, you must submit an official statement of the cost of the class and show successful completion of the class.

**SECTION 5.3 - USE OF PROFESSIONAL SEALS**

**Responsibilities**
The individual who has the professional responsibility for the project or discipline should also be the one responsible for sealing, or stamping, project documents. While often the project manager is the appropriate professional, on larger, multidiscipline projects, documents should be sealed by the person responsible for the specific discipline lead on the project. It is the responsibility of the individual sealing documents for a particular discipline, in the state in which he/she is registered, to know and understand the laws and regulations governing the use of his/her seal. If questions arise as to who should seal documents on a particular project, the Core Business Leader shall make the ultimate decision. The complete policy regarding the use of professional seals can be found in the Business Management Manual.

**Professional Liability Coverage**
Erdman Anthony currently maintains, and intends to maintain in the future, a professional liability insurance policy in which past and present employees are a named insured. We will pay all expenses related to the defense of actions incurred under provisions of our policy, including any deductible costs.

Erdman Anthony will defend employees, past and present, for any wrongful act while performing professional services as employees within the scope of their employment with Erdman Anthony. Wrongful act is defined as a negligent act, error, or omission by an employee arising out of the performance of professional services. Professional services are defined as those services that an employee is legally qualified to perform for others in his or her capacity as an engineer, landscape architect, or construction manager. While individuals stamping or sealing documents on behalf of Erdman Anthony are protected from claims arising from negligent acts, errors, and omissions in the performance of professional services, it should also be realized that claims made due to errors or omissions on Erdman Anthony documents may result in significant deductible costs for the Company and potential significantly higher professional liability premiums in future years.

Erdman Anthony will neither defend nor pay damages for any action arising out of any dishonest, fraudulent, criminal, malicious, or known wrongful act of omission of any employee, past or present.

**Moonlighting**
Our professional liability policy expressly prohibits employees from performing outside professional work, sometimes referred to as moonlighting. The policy will not insure either the Company or any individual named in a lawsuit resulting from those types of actions and could result in the insurance being voided for any legitimate company activity.

**SECTION 5.4 - SEMINARS AND CONFERENCES**
Erdman Anthony encourages you to attend professional seminars and conferences relating to your work that will benefit your professional development. These activities are useful for the information that is presented, the Continuing Education Units (CEUs) received, and for the contacts you can make.

Erdman Anthony will pay reasonable expenses, including the registration fee, for seminars and conferences sponsored by organizations that you belong to or that relate to your work. However, your supervisor must approve your attendance prior to your registration in the program. Approval will be at the discretion of the Company, subject to budget constraints and/or project needs.
Employees will be paid for the time spent at approved seminars and conferences during normal working hours. Travel time or attendance time outside of normal working hours will not be paid for by the Company.

SECTION 5.5 - EMPLOYEE PERFORMANCE REVIEWS

Erdman Anthony is committed to ensuring that all employees receive periodic feedback regarding their performance. By keeping the lines of communication open between employees and management for the honest exchange of information, a climate of mutual understanding is established wherein job satisfaction and increased productivity will flourish.

Employee Performance Reviews
Performance reviews for all employees occur at least once a year, generally during the month of the employee’s anniversary date or 12 months from the date of the last review. Review schedules can be obtained from your supervisor or Human Resources representative.

The purpose of the performance review is to review the expectations of your position, analyze your performance, and develop a plan for continuing to improve your performance in the future. Since Erdman Anthony believes that your input is critical in this process, first complete the Goals and Objectives Employee Questionnaire, found in the form templates folder on your desktop. Then, during the interview with your supervisor, you will have an opportunity to share your perceptions of your performance. The complete performance review process is outlined in the Business Management Manual.

The Company encourages you to make full use of the opportunity presented by the performance review process. By working with your supervisor to develop a plan for improving your performance, you can strive toward continued personal and professional growth. Together with your supervisor, you will identify goals for the future.

In addition to the regular yearly review, additional reviews may take place periodically to monitor progress toward achieving your goals.

Reviews for Construction Inspection staff will be closely tied to actual construction project schedules and may be completed at more frequent intervals.

If you feel that your performance review comments do not accurately reflect your performance, you may indicate disagreement by making appropriate comments on the completed Goals and Objectives Employee Development Plan.

Supervisor Evaluations
In addition to the regularly scheduled employee performance reviews, periodically project managers and technical and administrative supervisors will receive supervisor evaluations. These evaluations will be a consolidation of input solicited and received from individuals who have regularly worked for that supervisor and from “in-house clients” of that supervisor. Summarized results of the supervisor evaluations are given to the supervisor and used as input to his/her performance review.

SECTION 5.6 - EMPLOYEE RECOGNITION AND SERVICE AWARDS

Employee Recognition Awards
Recognition is an ongoing activity that allows people to express their appreciation for each other’s value and contributions. Effective recognition can reinforce and communicate the values and characteristics of the Erdman Anthony culture, enabling the achievement of business objectives by teams and individuals. Recognition can range from a simple “thank you” to tangible expressions of appreciation.

At Erdman Anthony, recognition recommendations can be made by any supervisor, employee, team, or group to recognize an individual or team for significant effort, actions beyond expectations, and actions producing significant results.
If you feel an employee(s) deserves special recognition, contact your supervisor. All recommendations should be accompanied by a brief but concise overview of why you feel the employee deserves a recognition award. Recommendations must be approved by the Core Business Leader or Administrative Manager or designated manager and submitted to the Human Resources Director or Program Administrator for approval. Complete details of the program can be found on the Company Intranet under Human Resources.

**Employee Service Awards**

Erdman Anthony also takes pride in the fact that a number of employees have worked for the Company for many years. It is with pleasure that the Company recognizes those employees with many years of continuous service at the awards ceremony during the annual Holiday Party.

Service anniversary awards are based on the following schedule:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Gift Card Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>$100</td>
</tr>
<tr>
<td>10 years</td>
<td>$200</td>
</tr>
<tr>
<td>15 years</td>
<td>$300</td>
</tr>
<tr>
<td>20 years</td>
<td>$400</td>
</tr>
<tr>
<td>25 years</td>
<td>$750</td>
</tr>
<tr>
<td>30 years</td>
<td>$1,000</td>
</tr>
<tr>
<td>35 years</td>
<td>$1,250</td>
</tr>
<tr>
<td>40 years</td>
<td>$1,500</td>
</tr>
<tr>
<td>45 years</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

Length of service is counted for each calendar year in which at least 1,000 hours are worked. Employees who are no longer employed by the Company at year-end are not eligible for the service anniversary recognition award.

**SECTION 5.7 - CONTINUING EDUCATION/TUITION ASSISTANCE**

Erdman Anthony encourages employee growth and development by offering a tuition assistance benefit. We realize that continuing education increases your value to the Company by helping you to maintain current proficiency and by preparing you for additional challenges and advancement opportunities. Therefore, Erdman Anthony will offer assistance to you if you are a full-time employee and wish to enhance your educational qualifications in subjects that are related to the Company’s operations and objectives and that will place you in a position to improve your job performance and professional development as it relates to your position with Erdman Anthony.

**Eligibility**

All full-time employees who have been employed by Erdman Anthony for a minimum of three (3) months before beginning an approved course and who are continuously employed by Erdman Anthony throughout the course are eligible for tuition assistance.

**Requirements**

To be reimbursed for courses you wish to take, the courses must be approved in advance. The following requirements must be met for the course to be approved:

- The course must be related to your job or be part of a degree program that is job-related.
- Courses must be taken at an accredited educational institution or be sponsored by a responsible professional organization.
- Any course you take should be scheduled during non-working hours and should not conflict with your regular work schedule.
Approval
If you would like to be reimbursed for courses under this policy, you should first fill out a Tuition Assistance Application. Give this application and a description of the courses that you would like to take to your supervisor. If he/she approves the application, it will be forwarded to Human Resources and then on to the Core Business Leader for final approval. The determination of acceptable programs or courses is solely at the discretion of Erdman Anthony. Your supervisor will advise you of the status of your application. The Tuition Assistance Application can be found in the form templates folder on your desktop.

Amount of Reimbursement
Reimbursement will be limited to tuition, lab fees, and registration costs for approved courses only based on the following reimbursement schedule. No other costs (i.e., books, parking fees, athletic fees, or other fees whatsoever) will be considered for reimbursement.

<table>
<thead>
<tr>
<th>Grade</th>
<th>Reimbursement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>80%</td>
</tr>
<tr>
<td>B</td>
<td>65%</td>
</tr>
<tr>
<td>C</td>
<td>50%</td>
</tr>
</tbody>
</table>

If your course is graded on a “pass/fail” basis, you will be reimbursed for 80% of your tuition upon receiving a passing grade.

If you voluntarily leave the employment of Erdman Anthony, you must repay the Company for any tuition assistance received within the 12 months prior to your date of departure.

You will not be reimbursed for tuition or costs covered by any other source of financial aid.

Receiving Reimbursement
To receive reimbursement, you must submit, within three months of completion of the course, official school records indicating successful completion of the course, grade, and payment of claimed costs.

SECTION 5.8 - EMPLOYEE RECRUITMENT PROGRAM

To maintain our success, Erdman Anthony needs talented and qualified people to join its staff. Research has shown, and our own experience supports, that new hires who come into a company through employee referrals are excellent contributors and stay with the company longer. This is a more cost-effective way to recruit.

Erdman Anthony encourages employees to refer any qualified friends, former colleagues, or associates for open positions. Job Posting notices are posted on office bulletin boards and can be found on the Company Web site linked to the Company Intranet. If your referral results in the hiring of a new staff member, a bonus will be awarded.

The bonus amounts are as follows:
- $1,000 – regular full-time or regular part-time hourly (non-exempt) employee*
- $2,000 – salaried (exempt) employee
- $3,000 – licensed professional with a minimum of 10 years related experience

Core Business Leaders, at their discretion and with the approval of the COO, have the option of offering a “premium” referral bonus on posted position openings up to $10,000 for strategic hires or those that they deem to be particularly challenging to fill. Postings will specifically note if a “premium referral bonus” is applicable.

*Construction Inspector and general survey position referrals are not eligible for the referral bonus unless specifically noted in a Job Posting notice.
Management reserves the right to change the amount of the bonuses and provisions of this policy as it deems necessary.

**Requirements**

You must give the name of the referral in writing to your Human Resources representative. This can be accompanied by the applicant’s résumé, but it is not mandatory. The referred applicant must confirm the referral at the time of his/her application. If more than one referral for a specific candidate is presented and confirmed, the bonus will be divided equally. If you are referring an applicant, it is your responsibility to have the applicant contact the Human Resources representative either by telephone or by submitting a résumé. The bonus will be paid pending the hired candidate’s completion of 90 days of employment. You must be employed by Erdman Anthony at the time the bonus is paid.

Senior Officers (Vice President and above) and Principal Associates of the firm are not eligible to participate in this program. Technical Unit Managers (Core Business Leaders, Group Managers, Department Managers, and Team Leaders) and Administrative Managers are not eligible for bonuses for persons referred and hired by themselves for their own departments.

Only candidates who meet the essential qualifications for the position will be considered.

**SECTION 5.9 - UPDATING TECHNICAL RÉSUMÉS**

The Marketing department is responsible for ensuring that all technical résumés are updated on a regular basis. The skills and backgrounds of our employees are used for attracting future business to Erdman Anthony. Employees have a responsibility to provide Marketing with updated project experience, education, and licensing information on a quarterly basis to ensure we are using the best possible resources to win new work.
SECTION VI. EMPLOYEE BENEFITS
Section 6.1 – Benefit Information
Section 6.2 – Social Security (FICA)/Medicare
Section 6.3 – Short-Term Disability Insurance
Section 6.4 – Workers’ Compensation
Section 6.5 – Unemployment Insurance
Section 6.6 – Basic Group Term Life Insurance and AD&D
Section 6.7 – Travel Accident Insurance
Section 6.8 – Medical Insurance
Section 6.9 – Dental Insurance
Section 6.10 – Vision Insurance
Section 6.11 – Long-Term Disability Insurance
Section 6.12 – 401(k) Retirement Plan
Section 6.13 – Profit-Sharing and Employee Stock Ownership Plan
Section 6.14 – Health Savings Account
Section 6.15 – Flexible Spending Plan
Section 6.16 – Employee Retirement Income Security Act (ERISA)
Section 6.17 – Employee Assistance Program

SECTION 6.1 - BENEFIT INFORMATION

The benefit information found in the Employee Handbook is intended to provide an overview of the benefit plans. The actual benefits are controlled by the terms of the applicable plan documents and insurance policies. Questions regarding the interpretation of these plans will be answered in accordance with the actual plan documents rather than the summaries contained in this Handbook. Employees can obtain copies of these documents from the Company Intranet or from your Human Resources representative.

Plan Modification or Termination
Erdman Anthony reserves the right to modify, amend, or terminate benefit plans at any time. Amendments may affect benefits or the cost sharing of benefits. No amendment, modification, or termination may be made which will deprive any employee or beneficiary benefits due at the time of amendment, modification, or termination.

Confidentiality
In keeping with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Erdman Anthony is responsible for taking reasonable steps to ensure the privacy of your health information. This information is called “protected health information” (or “PHI” for short), and it includes information that identifies you, or can be used to identify you, that the benefit plans have created or received about your past, present, or future health or condition, the provision of health care to you, or payment of your health care.

Generally, PHI may not be disclosed without a written authorization from an individual, unless the disclosure is specifically related to treatment, payment, or “healthcare operations” (as defined under HIPAA), or unless public policy exceptions apply. PHI does not include workers’ compensation records, or records maintained by the employer for employment purposes, such as FMLA, ADA, and/or OSHA records; sick leave/return-to-work documents; drug screening records; or records related to an alcohol- and drug-free workplace.

SECTION 6.2 - SOCIAL SECURITY (FICA)/MEDICARE

The Social Security program is legislated by the federal Social Security Act and is designed to protect workers against loss of income caused by retirement, disability, or death. The Medicare program provides both medical and hospital insurance. Social Security is financed by taxes collected from both employers and employees. Currently both employers and employees contribute 6.2% for Social Security and 1.45% for Medicare. The maximum Social Security wage base changes annually.
**Benefit**

Employees may get information on Social Security programs from local Social Security Administration (SSA) offices or by calling 1-800-772-1213.

SSA provides free estimates of employees’ retirement benefits. The Social Security Statement may be requested over the Internet from the SSA site [http://www.ssa.gov/](http://www.ssa.gov/). Annual statements are also mailed from SSA that include an estimate of monthly benefits based on earnings and retirement ages.

Retired employees may begin receiving reduced Social Security retirement benefits after reaching age 62 and before reaching their normal or full retirement age as determined by SSA. Such employees currently cannot receive Medicare until the age of 65. You should apply for Social Security benefits at the local Social Security office at least three months before you expect to retire to avoid a delay in benefits.

**Medicare**

Traditional Medicare coverage is divided into two parts, Part A, hospitalization, which is free of charge, and Part B, medical services, which carries a monthly charge. While Medicare Parts A and B together provide fairly generous hospitalization and medical coverage without restrictions on choosing providers, there are extensive deductibles and coinsurance requirements.

**SECTION 6.3 – SHORT-TERM DISABILITY INSURANCE**

Short Term Disability (STD) insurance provides you with a percentage of your income when you are unable to work because of a non-occupational injury or illness.

**Cost**

Both the Company and the employees pay the cost of this insurance. Your portion of this cost is automatically deducted from your paycheck beginning with the first pay period in which you work.

**Benefits**

Your benefits begin on the eighth calendar day of disability and continue for a maximum of 26 weeks. During the seven-day waiting period, you may use any sick leave or vacation time you have accrued so as not to suffer any loss of wages during this period. After seven days, you will receive 50% of your weekly base pay to a maximum of $170 per week.

**Eligibility**

You are eligible for Short-Term Disability (STD) after you have worked for Erdman Anthony four consecutive weeks prior to your disability.

When you must leave work due to disability, you should contact your Human Resources representative immediately for the necessary claim form. You must complete the form, give it to your doctor for his/her statement, and return it to the Human Resources representative within 20 days of when you become sick or disabled. This process should be completed expeditiously so that benefits are paid to you as soon as possible after a disability begins.

**SECTION 6.4 - WORKERS’ COMPENSATION**

Workers’ compensation insurance is fully funded by Erdman Anthony, and it goes into effect on each employee’s first day on the job. Any medical or hospital expenses resulting from a work-related injury are covered by this policy. If death results, benefits are payable to the surviving spouse and dependents as defined by law.

**Coverage**

Should you suffer a work-related accident or illness that requires you to leave the worksite, whether to seek treatment or to go home, the Company will pay you for any lost hours of pay for that day.
If your illness or injury prohibits you from returning to work on the second day through the seventh day (the waiting period before workers' compensation will begin to cover part of your salary losses), you may request to use your accrued sick days or vacation days to make up for your salary loss.

Reporting Injuries
If you become injured on the job, no matter how minor the injury may seem, please immediately report the incident to your supervisor so that a report can be submitted to the Human Resources representative. Failure to report injuries within 30 days may result in loss of benefits.

SECTION 6.5 - UNEMPLOYMENT INSURANCE

Joint Federal-State Program Unemployment compensation is regulated by the Federal Unemployment Tax Act (FUTA) and jointly administered by federal and state authorities. Under FUTA, the individual states are free to set their own limits on weekly benefit amounts, unemployment tax rates, taxable wage bases, and unemployment eligibility and disqualification requirements. Unemployment benefits are financed by a tax on a certain portion of wages paid to employees; this “taxable wage base” varies from state to state.

For Pennsylvania employees, there may be times when the PA Bureau of Employment Security/Unemployment Compensation will require employees to contribute to the unemployment insurance fund an amount in addition to the employer’s contributions. When applicable, this contribution will be paid through payroll deductions.

Benefit
The amount an individual receives for a compensable week of unemployment, known as the weekly benefit amount, varies according to state law. There is an initial waiting period in most states before benefits begin, typically one week.

Only the State Department of Labor Unemployment Insurance Division may determine if a claimant is eligible for Unemployment Insurance benefits. The Company does not determine eligibility for unemployment benefits. Generally, employees on disability leave cannot file for unemployment.

Claim Filing
Most states now offer an automated Tel-Claim system to file for benefits. New York residents call the Tel-Claim Center (TCC) at 1-888-209-8124. Pennsylvania residents call 1-888-313-7284.

SECTION 6.6 - BASIC GROUP TERM LIFE INSURANCE AND AD&D

Coverage
Erdman Anthony provides and fully funds Basic Group Term Life Insurance and Accidental Death & Dismemberment Insurance (AD&D). Employees may also purchase Supplementary Term Life Insurance and Dependent Term Life Insurance. Complete details of these plans are available on the Company Intranet or from your Human Resources representative.

Eligibility and Enrollment
Basic Group Term Life Insurance automatically covers regular full-time employees in an amount equal to their annual salary rounded to the highest thousand. This coverage is effective on the first of the month after date of hire. If you would like more life insurance coverage, you may purchase Supplementary Term Life Insurance at group rates. If you purchase supplementary coverage, you may also purchase coverage for your spouse and dependent children under age 19. The amount of coverage is subject to the limitations of the plan. Employees pay the cost of supplementary and dependent coverage through payroll deductions.

If you should choose not to purchase supplementary coverage within 30 days of your date of hire and wish to do so at a future date, an Evidence of Insurability application will be required. The application will be submitted to the insurance carrier and will be subject to the approval of the carrier’s underwriters.
based on medical status and medical history. The Evidence of Insurability application can be obtained from your Human Resources representative.

**Accidental Death & Dismemberment (AD&D)**
AD&D automatically covers regular full-time employees. Benefits are paid if a covered person is injured on company property in the course of his/her job or on a business trip, and there is a physical loss as a direct result of the injury, within one year. Physical loss is defined as loss of life; loss of a hand, foot, or eye; loss of thumb and index finger of same hand; and loss of speech and hearing.

**Beneficiary Designations**
You are responsible for naming a beneficiary or beneficiaries for your life insurance benefits. You may change your beneficiary at any time. In the event of your death, insurance proceeds will be paid directly to your named beneficiary.

**Temporary Layoff**
If you have been employed a minimum of 1,000 hours in the 12 months prior to layoff and are expected to return within six months, you will be covered during the layoff for Group Term Life and AD&D Insurance.

You may also continue your supplementary and dependent coverage by paying the premiums to the Company. Should you choose to do this, Erdman Anthony must receive payments by the first of each month for coverage during that month. If payment is not received by this date, your coverage may be discontinued.

If you do not wish to continue coverage during the layoff, or if your coverage otherwise lapses, you will be required to submit an Evidence of Insurability application in order to resume coverage upon return to work.

**Cancellation of Coverage**
You may cancel your supplementary and dependent coverage by submitting a written request to your Human Resources representative. The cancellation will take effect the first of the month following the date of the request.

Your insurance automatically ends when you terminate employment.

**Imputed Income**
Under federal law, the cost of Group Term Life Insurance coverage in excess of $50,000 provided to you by Erdman Anthony is taxable income to you. The imputed income calculation is based on age-based tables provided by the IRS.

**Conversion**
You may apply to convert your individual Basic Group Term Life Insurance coverage through our insurance carrier after termination of employment. Coverage is at your own expense. You must apply for continuation of coverage within 31 days of your coverage discontinuance date. Your spouse and dependents also have the conversion option.

**SECTION 6.7 - TRAVEL ACCIDENT INSURANCE**

Recognizing the risk assumed by employees who travel on the Company’s behalf, all Erdman Anthony employees are covered by $100,000 of specialized protection against accidental death or dismemberment incurred while traveling on company business. This coverage is in addition to your Erdman Anthony Group Term Life and Accidental Death & Dismemberment coverage. This benefit is provided at no cost to Erdman Anthony employees.

Business travel does not include commuting between home and place of work.
SECTION 6.8 - MEDICAL INSURANCE

Coverage
Your Erdman Anthony-sponsored healthcare plan helps to pay the cost of medical expenses incurred by you and your eligible dependents. Coverage includes hospital stays, surgery, medical services, and prescription drugs. You may select your physician from an entire panel of participating doctors available to you. For this and other information, log onto www.excellusbcbs.com or call 1-877-253-4797.

A current schedule of monthly premiums and the complete plan description are available from your Human Resources representative. The Benefit Summary is available on the Company Intranet.

Eligibility
All regular full-time employees are eligible for medical insurance on the first of the month after date of hire.

Provided that the insurance carrier will allow, regular part-time employees employed by Erdman Anthony for at least one year as either a regular full-time or regular part-time employee, and who work at least an average of 24 hours per week (1,248 hours per year), will be eligible for a pro-rated medical/dental benefit equal to 60% of the company portion that would be paid to a full-time employee.

Premiums
To assist you with the cost of medical insurance, Erdman Anthony will pay a portion of the monthly premiums for all regular full-time employees and eligible part-time employees. Your portion of the premium cost is paid through biweekly payroll deductions with pre-tax dollars.

Enrollment/Changes
You may enroll within the first 30 days of employment for eligibility on the first of the month after date of hire or during the annual open enrollment period normally held in December. Contact your Human Resources representative for specific information. No changes can be made throughout the year unless you have a qualifying event, such as marriage, divorce, death of a spouse or dependent, birth or adoption of a child, or a change in the employment status of your spouse. If you wish to add a dependent to your coverage (i.e., after having a baby, adopting, or marrying), you must do so within 30 days of the event.

Payment of Claims
In most cases your physician’s office and prescription provider will submit claim forms directly to the insurance carrier. If not, you will be responsible for completing and filing the claim forms.

Your Human Resources representative has the necessary claim forms you will need to receive payment for any reimbursable medical expenses. Claim forms should be sent to the insurance carrier with a copy of the relevant receipts.

Termination
You may cancel your medical coverage effective on the first of any month while employed by Erdman Anthony. Coverage for you and your dependents will cease on the last day of the month following your termination date. Coverage for your dependents will cease when they no longer qualify for eligibility.

COBRA Continuation of Coverage
Depending on the reason for your coverage stopping, you and/or your dependents may be eligible to continue the medical insurance that you have selected. Refer to the section on COBRA for more information.

Retirement
Retirees of Erdman Anthony may continue their medical coverage under the group health insurance plan offered by Erdman Anthony provided they pay 100% of the monthly premium cost and provided the regulations of the insurance plan and Social Security/Medicare regulations allow them to participate. It is the responsibility of the employee approaching retirement to contact his/her local Social Security Administration to determine eligibility for coverage under the government-sponsored Medicare program.
Part A and Part B, and the process and dates for enrollment. The Social Security Administration will not provide this information to employers. Retirees who are Medicare-eligible have the option of purchasing a direct supplemental senior product. Medicare is always the primary insurer in this case.

SECTION 6.9 - DENTAL INSURANCE

Coverage
Your Erdman Anthony-sponsored dental care plan helps to pay the cost of dental expenses incurred by you and your eligible dependents. Coverage includes cleanings, X-rays, fillings, and more extensive procedures.

A current schedule of monthly premiums and the procedures covered under the plan are available from your Human Resources representative. The Dental Benefit Summary is also available on the Company Intranet.

Eligibility
All regular full-time employees are eligible for dental insurance on the first of the month after date of hire.

Provided that the insurance carrier will allow, regular part-time employees employed by Erdman Anthony for at least one year as either a regular full-time or regular part-time employee, and who work at least an average of 24 hours per week (1,248 hours per year), will be eligible for a prorated medical/dental benefit equal to 60% of the company portion that would be paid to a full-time employee.

Premiums
To assist you with the cost of dental insurance, Erdman Anthony will pay a portion of the monthly premiums for all regular full-time employees and eligible part-time employees. Your portion of the premium cost is paid through biweekly payroll deductions with pre-tax dollars.

Enrollment/Changes
You may enroll within the first 30 days of employment for eligibility on the first of the month after date of hire or during the annual open enrollment period. The open enrollment period varies by plan. Contact your Human Resources representative for more specific information. No changes can be made throughout the year unless you have a qualifying event, such as marriage, divorce, death of a spouse or dependent, birth or adoption of a child, or a change in the employment status of your spouse. If you wish to add a dependent to your coverage (i.e., after having a baby, adopting, or marrying), you must do so within 30 days of the event.

Payment of Claims
In most cases your dentist will submit claim forms directly to the insurance carrier. If not, you will be responsible for completing and filing the claim forms. Payment will be made to you, and you will be responsible for paying your dentist. See your Human Resources representative for necessary claim forms.

Termination
You may cancel your dental coverage effective on the first of any month while employed by Erdman Anthony. Coverage for you and your dependents will cease on the last day of the month following your termination date. Coverage for your dependents will cease when they no longer qualify for eligibility.

COBRA Continuation of Coverage
Depending on the reason for your coverage stopping, you and/or your dependents may be eligible to continue the dental insurance that you have selected. Refer to the section on COBRA for more information.

Retirement
Retirees of Erdman Anthony may continue their dental coverage under COBRA provided they pay 100% of the monthly premium cost and provided the regulations of the insurance plan allow them to participate.
SECTION 6.10 - VISION INSURANCE

Coverage
Your Erdman Anthony-sponsored vision care plan helps to pay the cost of vision expenses incurred by you and your eligible dependents. The coverage includes eye exams, frames or contact allowance, discounts over allowance and additional lens options such as tints, UV treatment, scratch and anti-reflective coatings for a copay.

A current schedule of monthly premiums and the procedures covered under the plan are available from your Human Resources representative. The Vision Benefit Summary is also available on the Company Intranet.

Eligibility
All regular full-time employees are eligible for vision insurance on the first of the month after date of hire.

Provided that the insurance carrier will allow, regular part-time employees employed by Erdman Anthony for at least one year as either a regular full-time or regular part-time employee, and who work at least an average of 24 hours per week (1,248 hours per year), will be eligible for a prorated medical/dental benefit equal to 60% of the company portion that would be paid to a full-time employee.

Premiums
To assist you with the cost of vision insurance, Erdman Anthony will pay a portion of the monthly premiums for all regular full-time employees and eligible part-time employees. Your portion of the premium cost is paid through biweekly payroll deductions with pre-tax dollars.

Enrollment/Changes
You may enroll within the first 30 days of employment for eligibility on the first of the month after date of hire or during the annual open enrollment period. The open enrollment period varies by plan. Contact your Human Resources representative for more specific information. No changes can be made throughout the year unless you have a qualifying event, such as marriage, divorce, death of a spouse or dependent, birth or adoption of a child, or a change in the employment status of your spouse. If you wish to add a dependent to your coverage (i.e., after having a baby, adopting, or marrying), you must do so within 30 days of the event.

Payment of Claims
In most cases your vision specialist will submit claim forms directly to the insurance carrier. If not, you will be responsible for completing and filing the claim forms. Payment will be made to you, and you will be responsible for paying your vision specialist. See your Human Resources representative for necessary claim forms.

Termination
You may cancel your vision coverage effective on the first of any month while employed by Erdman Anthony. Coverage for you and your dependents will cease on the last day of the month following your termination date. Coverage for your dependents will cease when they no longer qualify for eligibility.

COBRA Continuation of Coverage
Depending on the reason for your coverage stopping, you and/or your dependents may be eligible to continue the vision insurance that you have selected. Refer to the section on COBRA for more information.

Retirement
Retirees of Erdman Anthony may continue their vision coverage under COBRA provided they pay 100% of the monthly premium cost and provided the regulations of the insurance plan allow them to participate.
SECTION 6.11 - LONG-TERM DISABILITY INSURANCE

Benefit
Long-Term Disability (LTD) insurance is an important part of your benefit program. LTD protects you in the event that you become disabled due to a non-work-related accident, illness, or injury while employed by Erdman Anthony. LTD insurance is intended to provide eligible employees with a continuing source of income after 30 days of total disability.

Eligibility
All full-time employees of Erdman Anthony are eligible for LTD insurance coverage. You become eligible for LTD coverage on the first of the month after your date of hire. You must be an active employee. Claims cannot be filed while on temporary layoff.

Enrollment
You may enroll for LTD coverage during the first 30 days of your employment. If you choose not to enroll at that time, an Evidence of Insurability application will be required to enroll at a later date. The application will be submitted to the insurance carrier and will be subject to the approval of the carrier’s underwriters based on medical status and medical history. The Evidence of Insurability application can be obtained from your Human Resources representative.

Cost
Erdman Anthony will pay a portion of the Long-Term Disability premium. The Company’s contribution may be periodically evaluated.

Plan Information
The complete details of this benefit can be found in the benefit plan descriptions available on the Company Intranet or from your Human Resources representative.

Termination
You may cancel your LTD coverage by submitting a written request to your Human Resources representative. The cancellation will take effect the first of the month following the date of the request. Your coverage will cease on the day your employment with Erdman Anthony terminates.

SECTION 6.12 - 401(k) RETIREMENT PLAN

Benefit
Erdman Anthony offers employees the opportunity to participate in an Internal Revenue Service-approved 401(k) Plan that enables you to save money toward your retirement with significant tax advantages. Your contributions to the Plan are deducted from each paycheck before federal and state taxes are applied to your income. Social Security taxes still apply. Taxes on your contributions, the Company’s contributions, and investment earnings continue to be deferred until you withdraw money from the Plan.

Eligibility
Active employees who are age 18 or older are eligible to participate in the Plan on the first of the month following date of hire or at the time of the December annual open enrollment period, effective January 1st of the new year. Student interns and co-ops must have completed at least 1,000 hours of service to be eligible to participate in the Plan.

Enrollment
To enroll in the 401(k) Plan, you must complete an enrollment form indicating what percent of your pay you want to contribute to the Plan and the investment options you want to invest in. You will also be required to complete a Beneficiary Designation Form at the time you enroll. Married employees are required to name their spouse as beneficiary, unless their spouse agrees, in writing, to the naming of an alternative beneficiary.
Contributions
You can contribute from 1% to 60%, in whole percentages, of your eligible pay to the 401(k) Plan. Annual contributions cannot exceed IRS maximums. The IRS increases the maximums periodically. The contributions of highly compensated employees (as defined by the IRS) may be limited.

You may increase, decrease, or stop the amount of your contribution at the beginning of each payroll period. The form to change your contribution rate can be obtained from your Human Resources representative and is also available on the Company Intranet under Human Resources.

Matching Contributions
In addition to contributions you make to the Plan, Erdman Anthony will make a matching contribution of 30% up to your contribution of 8%. The company’s match amount is calculated on a payroll period basis. Because of this, there are deferral scenarios that could result in you not receiving the maximum match for the calendar year. You should consider this when setting your deferral percentages. You may also make a “rollover contribution” to your 401(k) account. This type of contribution includes the transfer of funds from other tax-qualified plans into the Erdman Anthony Plan. By rolling over this money into the Erdman Anthony Plan, you avoid having to pay taxes on the funds that have previously been distributed to you from another plan.

Vesting
You are always fully vested in your contributions and rollover contributions. Employer matching contributions become fully vested when you have been employed by Erdman Anthony for three years based on your date of hire. Matching contributions also become fully vested if you die or become permanently disabled. If your employment is terminated before these contributions become vested, the full amount of the Company’s matching contributions is forfeited.

Investment Funds
Upon enrollment in the 401(k) Plan, you must designate your investment elections. The Erdman Anthony Plan provides investment options from high-risk/high-potential-return funds to low-risk/low-potential-return funds.

Investment information, including pricing and performance of the funds offered in the Erdman Anthony Plan, can be found on the Great-West Financial website, www.ACECRTPlan.com, or can be obtained from Human Resources. It is recommended that you read the fund prospectus before investing in any funds.

Online Account
You can log onto www.ACECRTPlan.com and access your account at any time through Great-West Financial. You can check your account balance, change your investment elections, or make transfers among your funds seven days a week online or by calling 1-866-221-3858. Initially you will need to establish a personal identification number. Great-West’s site is an excellent resource for investment education, market analysis tools, interactive calculators, worksheets, and workshops to help with your retirement planning.

401(k) Statements
At the end of each quarter, your 401(k) accounts will be valued and adjusted to reflect the addition of funds and investment changes during the quarter. As soon as these results are tabulated, you will receive a statement for the quarter showing your contributions, the Company’s matching contributions, any investment gains or losses, and any other transactions that have occurred during the quarter.

401(k) Loans
You may borrow up to 50% of your vested account balance, but not more than $50,000 minus your highest outstanding loan balance in the last 12 months, by submitting a loan application to Human Resources. All loans must be for a minimum of $1,000, and the loan repayment period shall not exceed five years (10 years for the purchase of a principal residence). The annual interest rate will be 1% above the prime interest rate at the time of the loan. This rate will apply for the entire term of the loan. Each pay
period, the loan repayment (principal and interest) is placed in the investment options you have chosen for your deferrals.

You may not have more than two loans outstanding at any time. You should be aware that because this is an investment, a loan from your investment actually involves cashing in fund shares that, in turn, may inhibit growth of the invested funds.

**Loan Application Procedures**
The loan application can be completed online at www.ACECRTPlan.com or by talking to a Great-West Financial customer service representative at 1-866-221-3858. The completed, signed application must be forwarded to Human Resources. The application will be forwarded to Great-West Financial for processing. Employees on layoff are not eligible to apply for a 401(k) loan.

**Layoff, Termination, or Retirement with an Outstanding Loan Balance**
Upon default, death, disability, retirement, or termination of employment, the entire outstanding principal and accrued interest shall be immediately due and payable. The Plan Administrator shall declare a loan in default if any scheduled repayment remains unpaid more than 90 days or there is an outstanding principal existing on a loan after the last scheduled repayment date. The Trustee may reduce the vested account balance by the outstanding amount of principal and interest owed on a defaulted loan.

**Withdrawal of Funds**
Withdrawals from your tax-deferred account are restricted before age 59½ except in the event of death, disability, termination of employment, or reasons of proven financial hardship. If you believe you may fall into this financial hardship category, you may make a written request to the Trustees for approval. You should be aware that early withdrawals are subject to current income tax and possibly an early distribution tax penalty.

**Distribution**
If your employment with Erdman Anthony ends due to retirement or termination of employment and the value of your vested account balance is less than $5,000, you will receive a distribution of the value of the entire vested portion of such account balance. You may elect to take a direct distribution or roll the funds into an Individual Retirement Account (IRA) or another qualified retirement plan. If you do not elect a rollover option, your funds will be subject to mandatory tax withholding and possible penalties. Upon your retirement or termination, you can request a distribution online at www.ACECRTPlan.com or by talking to a Great-West Financial customer service representative at 1-866-221-3858. If your employment with Erdman Anthony ends due to retirement or termination of employment and your vested account balance is $5,000 or greater, you have the choice of withdrawing your funds with the same options as above, or you may leave the funds in the Plan up to age 70½.

This is intended to be a general description of your Erdman Anthony 401(k) Plan. Complete details of the Plan may be found in the Summary Plan Description available on the Company Intranet or from the Human Resources Director.

**SECTION 6.13 - PROFIT-SHARING AND EMPLOYEE STOCK OWNERSHIP PLAN**

In 1994 Erdman Anthony established the Erdman Anthony Profit-Sharing and Employee Stock Ownership Plan. The Plan was developed as a method of broadening and increasing employee ownership in the Company, thus providing a way for employees to participate in the financial success of the Company.

The Plan is designed to give employees of Erdman Anthony an ownership interest in the Company by acquiring shares of Erdman Anthony stock with 100% employer contributions. These discretionary contributions are bonuses based on the Company’s profits for the fiscal year. Every employee who has been employed by Erdman Anthony for one year and who has worked at least 1,000 hours becomes a participant in the Plan. Once a participant, you will be eligible for these profit-sharing distributions in any fiscal year in which you worked at least 1,000 hours.
As an IRS-approved Employee Stock Ownership Plan (ESOP), if you are eligible, your share of the profits is directly proportional to your annual salary as a percentage of the total salaries of all eligible Plan participants.

The value of Erdman Anthony stock is determined once a year by an independent valuation firm in strict accordance with guidelines established by the U.S. Department of Labor.

Employees become fully vested in the Plan when they have achieved three years of service (for this purpose, you are credited with a year of service if you complete 1,000 or more hours of service in a fiscal year). You also become fully vested if, while you are an employee, you die or attain age 65, or if your employment terminated because of a disability. An employee forfeits the value of their account if they separate from service before becoming fully vested.

Generally, an ESOP is intended to provide retirement benefits to employees, and accrued benefits are paid out upon normal retirement, death, disability, or termination of employment. If your employment terminates, the vested portion of your accounts will be paid to you in a single sum as soon as practicable after the valuation date following your separation from service. You have the option of rolling these funds over into an Individual Retirement Account (IRA) or another qualified plan. If you take a direct distribution, it will be subject to mandatory tax withholding and possible penalties.

The ESOP Committee, appointed by the Erdman Anthony Holding Company, Inc. Board of Directors, administers the Plan.

The Voting Committee, appointed by the Erdman Anthony Holding Company, Inc. Board of Directors, will normally vote the employer stock held in the Plan. However, each participant may direct the Committee as to the manner in which the employer stock allocated to his or her employer stock account is to be voted with respect to important corporate transactions, such as a merger or consolidation, recapitalization, reclassification, liquidation, dissolution, sale of substantially all the assets, or other such transactions as prescribed by law. The Voting Committee will vote the shares of employer stock that are allocated, as well as allocated shares for which no directions are received.

For more information on the Erdman Anthony Profit-Sharing and Employee Stock Ownership Plan, a copy of the Summary Plan Description is available on the Company Intranet or from the Human Resources Director. A copy of the full document is on file at each office for anyone to examine if they wish.

The Erdman Anthony Profit-Sharing and Employee Stock Ownership Plan provides an opportunity for employees to increase their long-term investment holdings and gain a long-term perspective of the Company, while encouraging teamwork and instilling a sense of pride in the firm.

**SECTION 6.14 – HEALTH SAVINGS ACCOUNT**

**Benefit**
Erdman Anthony offers a Chase Health Savings Account (HSA) to all regular full-time and part-time employees on the Erdman Anthony group medical coverage. The HSA is a special, tax-advantaged account you can use to pay for qualified healthcare (medical, dental and vision) out-of-pocket expenses. The HSA works quite simply: Each payday an amount you have specified is deducted from your paycheck before taxes are withheld and these deducted funds are placed in your HSA account. An HSA debit card is used to get instant access to your HSA dollars to pay for eligible qualifying out-of-pocket healthcare expenses. Any provider that accepts Visa can process a debit from your HSA. You can also use the HSA website to make an online bill payment to doctors or hospitals or simply reimburse yourself via direct deposit for any expenses paid from a non-HSA source. Your balance can be found by accessing the HSA website at [www.chasehsa.com](http://www.chasehsa.com) (via your PC or Smart Phone) or on your monthly statement. Once the balance in your HSA reaches $2,000, you are eligible to apply for an HSA Investment Account or elect to keep our funds in your FDIC-insured account.

**Enrollment**
New hires participating in Erdman Anthony group medical coverage may enroll by the first of the month after date of hire.

**Contributions**

Maximum contribution amounts are set each year by the IRS for individual and family coverages. If you’re 55 or older, you can also make an additional $1,000 catch-up contribution. Anyone can contribute to your HSA.

You are responsible for tracking your personal contribution limit. Contact your tax advisor if you have additional questions about your specific situation.

**What’s the difference between an HSA and an FSA?**

- You can manage your own investments
- Your HSA funds roll over from year to year; it’s not “a use it or lose it” program
- You can take the funds with you to a new job

**What-Ifs**

**What if I cancel my Erdman Anthony group coverage?**

When your High Deductible Health Plan (HDHP) coverage ends, you are no longer eligible to make HSA contributions. However, you can keep your HSA with Chase and continue to use your HSA funds to pay for qualified expenses tax free. Once you are eligible again, you can make additional contributions.

**What if I end up not using all my funds?**

The funds are yours. At age 65, you’re free to use your HSA funds on a taxable basis for any purpose. Thus your Chase HSA account also acts as a supplemental retirement nest egg.

**What if I need the funds earlier for a non-medical purpose?**

Again, the funds are yours. Be aware that if you use your funds for non-qualified purpose prior to age 65, these funds will be taxable and the 20% IRS penalty will apply except in the case of distributions made after your death or disability.

For additional information, visit the Chase website at [www.chase.com/hsa](http://www.chase.com/hsa) or call 1-866-566-7101.

**SECTION 6.15 - FLEXIBLE SPENDING PLAN – DEPENDENT CARE**

**Benefit**

Erdman Anthony offers a Flexible Spending Account (FSA) to all regular full-time and part-time employees. The FSA provides tax and income advantages for certain types of dependent care expenses. The FSA works quite simply: Each payday an amount you have specified is deducted from your paycheck before taxes are withheld. These deducted funds are placed in your FSA account, and you submit claims against this account for out-of-pocket dependent care expenses.

**Enrollment**

Open enrollment takes place in December, effective with the first pay period in January. New hires may enroll by the first of the month after date of hire for their plan to be effective the beginning of the following month. Elections to participate in the FSA are effective for only one year and must be renewed each subsequent year.

A current employee must experience a qualifying event in order to enroll during a Plan Year. A qualifying event is defined as marriage, divorce, death of a spouse or dependent, birth or adoption of a child, or a change in employment status of your spouse.

**Internal Revenue Code Requirements**
To retain the tax-free status of FSA, the Plan must comply with the following requirements:

- You must elect your pre-tax contributions before the start of the Plan Year.
- Once you are enrolled for the Plan Year, you cannot change your elections unless you experience a qualifying event (see definition above under Enrollment).
- You forfeit any amounts contributed to the Plan that are not used by the end of the Plan Year. Although you cannot roll money over in your account from one year to the next, any remaining balance will be held for a period of three months of the following year to allow you time to submit claims for expenses incurred late during the previous year.

**Dependent Care Expenses**

You may elect to pay for qualifying dependent care expenses using pre-tax salary reduction. An eligible dependent is any dependent who is less than 13 years old and your dependent under federal income tax rules. An eligible dependent may also include your mentally or physically impaired spouse or a dependent who is incapable of caring for him or herself, for example, an invalid parent. Eligible expenses are those relating to household and dependent care services that enable you to be gainfully employed, including:

- Nursery schools, kindergartens, and day care centers. The school or center must comply with state and/or local laws, serve seven or more children, and receive a fee for its services.
- Dependent care centers that provide day care, not residential care, for dependent adults. A dependent adult is one who spends at least eight hours per day in your household.
- Individuals, other than your dependents or children under the age of 19, who provide care for your dependent children or adults in or outside your home.
- Expenses for household services related to the care of a dependent.

The total salary reduction allocation for dependent care shall not exceed $5,000 for any Plan Year ($2,500 in the case of a married participant filing a separate return for the Plan Year).

**FSA Website**

Participants may view their FSA account status at www.LifetimeBenefitSolutions.com. If you have any questions regarding the FSA, contact your Human Resources representative.

**SECTION 6.16 - EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 (ERISA)**

**Participant’s Rights Under ERISA**

As a participant in Erdman Anthony’s benefit plans (the “Plans”), you are entitled to certain rights and protections under ERISA:

- You may examine, without charge, at the plan administrator’s office and at other specified locations, all plan documents, including insurance contracts and copies of all the documents filed by the plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- You may obtain copies of all plan documents and other plan information upon written request to the plan administrator. The administrator may make a reasonable charge for the copies.
- You will receive a summary of the plan’s financial report. The plan administrator is required by law to furnish each participant with a copy of the summary annual report.
- You may obtain a benefit statement describing your total accrued benefit and the earliest date on which you will become vested. This statement must be requested in writing by a participant or beneficiary of the plan and is not required to be given more than once a year. The information must be provided free of charge.

**Other Information**

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefits plan. The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you, other plan participants, and beneficiaries. No one, including your employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim is
denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan administrator review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide the materials and pay up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the plan administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Any Questions
If you have any questions about your plan, you should contact your Human Resources representative. Any questions about the above statement or about your rights under ERISA should be directed to the U.S. Department of Labor.

SECTION 6.17 - EMPLOYEE ASSISTANCE PROGRAM

Benefit
Each one of us faces personal problems of some degree. Sometimes these problems need professional assistance to be resolved. The Employee Assistance Program (EAP) is designed to help employees and members of their household deal with persistent problems before they become a serious hindrance to health, family life, or job. Some of these problems are: family/marital issues, alcohol abuse, drug abuse, depression, financial worries, gambling, parenting, work conflicts, emotional stress, and grieving. Stress caused by these problems can have a destructive effect on an employee’s life. Proper counseling and guidance can relieve much of this stress and help to promote good mental and physical health.

The Employee Assistance Program services are administered by a group of highly trained professional counselors who will provide problem assessment, short-term counseling, referrals to other sources of help (if necessary), and follow-up service.

Confidentiality
Employee records at the Employee Assistance Program offices are maintained on a strictly confidential basis. Records are maintained at their offices and may not be released without the employee’s written consent. In addition, all employee contacts with the Employee Assistance Program offices are completely confidential.

Cost
You pay nothing for the interview, recommendations, or initial counseling sessions. Erdman Anthony pays for the cost of the program. If subsequent counseling or treatment is required, you may have to pay a fee. The fees may be prorated based on your income. In addition, fees may be covered under your own health care plan.

Company Referrals
Employees may be referred to the Employee Assistance Program when a behavioral problem affects their job performance.

Contact Numbers
The Rochester, Albany, Buffalo, Poughkeepsie, and West Palm Beach offices maintain their program with EAP Workforce Solutions (www.eapworkforcesolutions.com). The Harrisburg office maintains their program through ACCESS.

The phone numbers for services:
1-585-663-0025 in Rochester
1-855-882-0025 outside Rochester
1-800-248-1688 for Pennsylvania employees

Simply identify yourself as an Erdman Anthony employee or dependent. An interview will be arranged for you with a trained counselor in your area.
SECTION VII. TERMINATION

Section 7.1 – Termination of Employment
Section 7.2 – Termination of Benefits
Section 7.3 – Continuation of Benefits During Temporary Layoff
Section 7.4 – Continuation of Benefits During Disability Leave
Section 7.5 – Consolidated Omnibus Budget Reconciliation Act (COBRA)

SECTION 7.1 - TERMINATION OF EMPLOYMENT

Definition
Erdman Anthony adheres to a policy of “employment at will” such that you may terminate your employment with us at any time for any reason, and we may terminate your employment as we see necessary. Types of terminations include layoff, discharge/involuntary termination, retirement, and resignation as defined below.

Temporary Layoff
A layoff of employment at the initiative of the Company, normally due to temporary lack of work or seasonal project work, with the possibility that the employee can be recalled when work resumes. If the temporary layoff continues beyond six months, or should the Company determine that the status of the layoff would become indefinite prior to the six months due to extended lack of work, the layoff status will be considered indefinite.

Indefinite Layoff
Termination of employment at the initiative and sole discretion of the Company due to an extended lack of work or other reasons that would preclude rehire within a foreseeable time frame.

Discharge/Involuntary Termination
Termination of employment at the initiative and sole discretion of the Company.

Retirement
Termination of active work by the employee at the age defined by the Social Security Administration.

Resignation
Termination of employment by the employee. You are expected to give at least two weeks’ notice of resignation so that the Company may plan for your departure. Notice from an employee who is voluntarily resigning should be in writing and forwarded to the employee’s immediate supervisor.

The effective date of termination will be the final day that the employee physically performs work.

Separation Procedures
Upon termination of employment, the employee will be given an opportunity to share information about his/her Erdman Anthony experience. This information is strictly confidential and is used for the purpose of gaining insight into ways the Company can improve.

- **Company Property:** All company property, including equipment, manuals, keys, security access cards, computers, pagers, phones, etc. must be returned to your Human Resources representative by your final day of employment. Departing employees may neither take with them any company documents, files, disks, tapes, or other information in any form, nor disclose to any subsequent employer or other person any information about Erdman Anthony’s interests, procedures, strategies, technologies, processes, historical data, or forecasts.
- **Benefits:** You will be advised of the conversion and continuation of benefits, if any, that are available to you under the group plans.
- **Forwarding Address:** If your forwarding address changes after your separation, please notify the Human Resources representative so that your income tax form (W-2) or other important documents may be forwarded to you.
- **Indebtedness:** All outstanding expense reports must be filed, and all monetary advances must be accounted for.
- **Time Sheets:** All outstanding time sheets must be completed and filed.
• **References:** You may use the Company as a reference when seeking other employment. However, it is the Company’s policy to provide only the dates of employment and final job titles of former employees in response to requests for such information. Any employee receiving a request for information regarding a former employee must forward the inquiry to Human Resources for the appropriate response. Human Resources must review all letters of reference before being given to a former employee or any third party.

**SECTION 7.2 - TERMINATION OF BENEFITS**

**Life Insurance**
Your insurance automatically ends on the day of your termination. However, if you wish, you have 31 days to convert your Basic Group Term Life Insurance, and any Supplementary Group Term Life Insurance you may have purchased, to an individual policy. This coverage is at your own expense and does not require a statement of health if you apply within 31 days of termination. Conversion information and premium amounts can be obtained through the insurer.

**Medical and Dental Insurance**
Upon termination, any medical and/or dental insurance coverage that you have elected will end at the end of the month in which your employment terminates. You and your dependents have the right to continue your coverage under Erdman Anthony’s group medical and dental plans following any of the specific qualifying events described under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). If you should choose this option, you will be responsible for the full cost of continued coverage, plus 2% for administrative expenses, where applicable.

**Short-Term and Long-Term Disability Insurance**
Your disability coverage ends on the day of your termination. If an employee is on disability and his/her employment is terminated, the continuation of disability payments is determined by the carrier and subject to the provisions of the plan documents.

**Tuition Assistance**
You must be actively employed upon completion of your Company-approved course(s) in order to receive reimbursement for the course(s). If you voluntarily leave the employment of Erdman Anthony, you must repay the Company for any tuition assistance received within the 12 months prior to your date of departure.

**401(k) Plan, 401(k) Loans, Employee Stock Option Plan**
Refer to individual descriptions of plans.

**Flexible Spending Account (FSA)**
Your coverage ends with your termination. If you leave Erdman Anthony during a Plan Year in which you contributed to the FSA, you may file a claim for funds contributed up to the date of your termination of employment for services incurred prior to your termination date. You have up to 90 days after your termination date to submit reimbursement claims.

**Vacation and Personal/Sick Time**
Upon termination, you will be paid for any unused accrued vacation and personal/sick time earned through the last full pay period worked. The effective date of termination will be the final day that the employee physically performs work.

**SECTION 7.3 - CONTINUATION OF BENEFITS DURING TEMPORARY LAYOFF**

**Basic Life Insurance and AD&D**
Personnel who have been employed a minimum of 1,000 hours in the 12 months prior to temporary layoff and who are expected to return when work resumes will be covered during their temporary layoff at Company expense for Basic Group Term Life Insurance and AD&D.


**Supplementary and Dependent Life Insurance**
Personnel who have been employed a minimum of 1,000 hours in the 12 months prior to layoff may continue supplementary and/or dependent life insurance by paying the premiums to the Company. Checks should be forwarded to Erdman Anthony by the first of each month.

If an employee on layoff does not wish to continue coverage during the layoff period, in order to resume coverage upon return to work, he/she may be required to submit an Evidence of Insurability form to the insurance carrier. Please note that our insurance carrier has the option to refuse supplementary and dependent coverage based on the statement of health.

**Medical and Dental Insurance**
Personnel who have been employed a minimum of 1,000 hours in the 12 months prior to layoff and who are expected to return when work resumes will be covered during the layoff period for medical and dental insurance. The Company will continue to pay its share of the insurance premiums, and the employee will pay the balance. Checks should be forwarded to Erdman Anthony by the first of each month.

**Disability Programs, Tuition Assistance**
There is no participation in these programs during temporary layoff.

**Vacation**
Vacation accrual will stop during temporary layoff. At the time of layoff, employees will be paid for any unused accrued vacation time.

**Personal/Sick Days**
Personal/sick time accrual will stop during temporary layoff. At the time of layoff, employees will be paid for any unused accrued personal/sick days.

**Holidays**
Holidays will not be paid during temporary layoff.

**Time Constraints**
Benefits listed above will be continued for a maximum of six months. Prior to the end of the six-month period, should Erdman Anthony determine that your status of temporary layoff will become indefinite due to an extended lack of work, the provisions regarding benefits for indefinite layoff will apply. Should this situation occur, you would be notified of the change in layoff status and the corresponding effect on your benefits.

**Timely Payments**
Erdman Anthony shows an interest in the welfare of its employees by continuing to pay the Company’s share of the cost for many of the benefits that are continued during a temporary layoff. The Company expects that you pay your share of the cost in a timely fashion. Therefore, Erdman Anthony reserves the right to cancel, upon written notice to you, any benefits for which your share of the premiums is not received by the due date.

**Other Employment**
Employees who accept another permanent position while on temporary layoff are obligated to notify the Company of this fact. Should this happen, the Company will consider employment terminated as of the start date of your new job, and all benefits will be discontinued accordingly.

Employees who accept a temporary position while on layoff and who are expected to return when work resumes may continue to receive the benefits outlined above if they so desire, provided that the position is not as a construction inspector or with a competitor of Erdman Anthony. Cases where it is as a construction inspector or with a competitor of Erdman Anthony will be handled on a case-by-case basis entirely at Erdman Anthony’s discretion.
SECTION 7.4 - CONTINUATION OF BENEFITS DURING DISABILITY LEAVE

Basic Life Insurance and AD&D
Personnel who become disabled will continue to be covered during their disability at Company expense for Basic Group Term Life Insurance and AD&D for a maximum of 52 weeks.

Supplementary and Dependent Life Insurance
Personnel may elect to continue supplementary and/or dependent life insurance by paying the premiums to the Company. Checks should be forwarded to Erdman Anthony by the first of each month.

Those who do not wish to continue their coverage during disability leave may be required to submit an Evidence of Insurability form to the insurance carrier upon their return to work. The insurance carrier has the option to refuse supplementary and dependent coverage based on the statement of health.

After 52 weeks of disability, employees have the option to convert their Basic and Supplementary Life Insurance to their own policy at their own expense at premiums set by the insurer.

Medical and Dental Insurance
Personnel may continue medical and/or dental coverage while on disability leave by continuing to pay their share of the premiums on a monthly basis. Checks should be forwarded to Erdman Anthony by the first of each month. After 52 weeks of disability, medical and dental insurance can be continued under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). Full premiums must be paid on a monthly basis for the insurance.

Tuition Assistance
There is no participation in this program during disability leave.

Flexible Spending Account
While you are disabled, you may continue to participate in the FSA plan for as long as you continue to pay your monthly contributions. Should you fail to make your contributions to the plan when due, your participation in the plan will cease.

Vacation
Vacation accrual will stop after 30 days of disability leave, however, seniority used for the computation of future accrual rates will continue. At the time of disability leave, employees may request payment for any unused vacation or have it carried over according to the Company’s vacation policy.

Personal/Sick Days
While you are on disability leave, you will stop accruing personal/sick days after 30 days of disability leave. You may use accrued personal/sick days during the beginning of your disability before your benefits begin. Unused days will be saved for when you return to work and will be carried over in accordance with the Company’s personal/sick leave policy.

Holidays
Holidays will not be paid during disability leave.

Timely Payment
Erdman Anthony shows an interest in the welfare of its employees by continuing to pay the Company’s share of the cost for many of the benefits that are continued during a disability leave. The Company expects that you pay your share of the cost in a timely fashion. Therefore, Erdman Anthony reserves the right to cancel, upon written notice to you, any benefits for which your share of the premiums is not received by the due date.
SECTION 7.5 - CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1986 (COBRA)

Continuation of Medical Coverage
The Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) has mandated your right to continue medical coverage for yourself and eligible dependents in certain circumstances known as qualifying events.

Qualifying Events
The qualifying events for continued coverage under COBRA are:

- Death of the covered Erdman Anthony employee
- Termination of employment for any reason other than gross misconduct
- Reduction in hours of work
- Divorce or legal separation
- Employee becomes eligible for Medicare
- Dependent child ceases to qualify as a dependent under the terms of the plan

Requirements
If you or any of your dependents elect to continue coverage under COBRA, you or your dependents will pay the full cost of the coverage. You may also be charged 2% for administrative expenses. The first payment must include premiums retroactive to the date your coverage ceased.

To continue your coverage, you must return the application stating your decision as soon as possible, but no later than 60 days after your coverage under the Company plan is scheduled to end. You have an additional 45 days to pay the premiums due. During this 45-day period, your coverage will not be effective but will be reinstated when your premiums are paid. If you are disabled at the time of loss of group coverage, your coverage may be extended for up to 29 months due to your disability. After the 18th month of coverage, the charge will equal 150% of the normal premium.

No evidence of insurability will be required upon election of COBRA coverage. Your coverage will be identical to the coverage in effect for any active employee. If there is a rate increase during the period of continuation, your premium will increase accordingly.

You must notify the plan administrator within 60 days of divorce, legal separation, or loss of dependent child status.

Your spouse and dependent children can also independently extend their coverage, at their own expense, even if you do not do so. In the event of your death, divorce, or legal separation, your spouse can elect to extend his/her coverage for up to 36 months.

In the event of your death, divorce, or legal separation, or if your child ceases to be a dependent child or eligible student, he/she can elect to extend coverage for up to 36 months.

Duration of Benefits
Maximum duration for you, your spouse, and your dependents is as follows:

- 18 months in the event that your employment is terminated
- 29 months in the event that you, your spouse, or dependent child are disabled for Social Security purposes at the time of a qualifying event or within 60 days thereafter
- 36 months for all other reasons

Coverage may be discontinued for you and/or your dependents at any time due to the following circumstances:

- Premium payments are not paid on or before the due date, with a 30-day grace period
- You and/or your dependents are covered by another group plan
- The covered person becomes eligible for Medicare
- Erdman Anthony ceases to provide coverage to active employees
• You received coverage for up to 29 months due to your disability, and it has been determined that you are no longer disabled

The Company reserves the right to alter the plans offered in any way for all of its employees and other covered individuals.
SECTION VIII. PERSONNEL POLICIES AND PRACTICES
Section 8.1 – Standards of Conduct
Section 8.2 – Hours of Work
Section 8.3 – Attendance
Section 8.4 – Inclement Weather Policy
Section 8.5 – Dress Code
Section 8.6 – Smoking Policy
Section 8.7 – Access to Personnel Files
Section 8.8 – Solicitations and Contributions
Section 8.9 – Safety Policy
Section 8.10 – Time Sheets
Section 8.11 – Travel and Expense Policy
Section 8.12 – Travel Time
Section 8.13 – Requests for Payment
Section 8.14 – Requests for Purchase

SECTION 8.1 - STANDARDS OF CONDUCT

As an employee of Erdman Anthony, you are expected to adhere to the high standards of integrity and professionalism that are vital to our success. In general, you are expected to conduct yourself in such a manner as to enhance the professional image and effectiveness of the Company.

Your primary responsibility as an employee of Erdman Anthony is to perform your duties to the best of your ability so that we can all continue to grow and succeed. This responsibility carries with it a number of obligations, such as following the Company’s policies, cooperating with management and co-workers, and remaining loyal to Erdman Anthony. While we hope and expect the need for disciplinary action will be rare, when your job performance, attitude, or conduct fall short of our established standards, we will not hesitate to take appropriate action. Such action will range from oral or written warnings to termination. The Company will determine the appropriate action imposed. The Company does not guarantee that one form of action will necessarily precede another.

Examples of misconduct warranting disciplinary action include, but are not limited to, the following:

- Excessive absenteeism or tardiness
- Conducting unauthorized personal business during working time
- Unsatisfactory performance
- Insubordination or argumentative reluctance
- Engaging in conduct that is detrimental to the development of a cooperative “team” work environment or otherwise disrupting harmonious working relationships
- Lack of technical skills or qualifications
- Sleeping on the job
- Violation of Company policies or safety rules
- Falsification of employment document or Company records or reports
- Breach of confidentiality
- Theft, damage, or abuse of the Company’s property or another employee’s property
- Unauthorized use of company property
- Possession of illegal drugs or alcohol on company property
- Use of same during working hours, while conducting Company business, or reporting to work or operating a vehicle on Company business while under the influence of drugs or alcohol
- Engaging in any form of harassment or disrespect toward fellow employees, management, visitors, or other members of the public
- Possession of weapons on Company property
- Physical assault or threatening physical assault on employees or others on Company property
- Making or receiving excessive personal phone calls, including personal cell phone calls
- Violation of the Company’s Internet, e-mail, or software policies
- Any other violation of Company policies or procedures
No attempt has been made to list these examples of misconduct in order of severity or seriousness. These examples are not all-inclusive. We emphasize that discharge decisions will be based on an assessment of all relevant factors. “Employment at will” is observed in all Erdman Anthony locations.

SECTION 8.2 - HOURS OF WORK

Business Hours
Each Erdman Anthony office has regular business hours that are communicated within the firm and to the public. The office reception area and switchboard will be staffed during these hours. Hours may vary by office, but generally business hours are from 7:30 AM until 4:30 PM.

Flexible Work Hours Program
To allow employees a better opportunity to balance work responsibilities with personal responsibilities, Erdman Anthony employs a Flexible Work Hours Program.

The program allows individual offices latitude in providing a range of work schedules around central “core hours.” Any flexible schedule must include eight hours of work a day and a half-hour lunch break. Offices and departments may restrict the use of flexible hours in those circumstances they feel will have an adverse effect on client service, deliverables, or office operations.

Each office has specific guidelines for work-hour flexibility. Employees are required to obtain approval from their supervisor for any flexible schedule plan within the office guidelines. The employee is to adhere to their approved schedule plan on a regular basis until such time as a revised plan is approved. If at any time it is determined by management that the flex-hour arrangement is not being conformed to, or that the department is being adversely affected, the employee will be asked to return to the regular work schedule.

Employees must make schedule adjustments when necessary to fulfill client obligations and are expected to work all hours that may be requested by the supervisor to meet the needs of our internal and external clients.

Summertime Flex-Hours Program
At the discretion of management, an annual temporary flex-hour change for summer hours may be offered to employees. Details of the program are communicated in May and take effect the first week of June.

Accommodation for Nursing Mothers
Erdman Anthony will provide reasonable time or meal time, but no less than twenty minutes each day, at least once every three hours, to allow an employee to express breast milk for her nursing child for up to three years following child birth. Erdman Anthony will make every reasonable effort to provide a room or other location where an employee can express milk in privacy.

An employee wishing to avail herself of this benefit is required to give her supervisor and human resources advance notice, preferably prior to her return to work.

Telecommuting
Erdman Anthony considers telecommuting to be a viable work arrangement in cases where individual, job, and supervisor characteristics are best suited to such an arrangement. This arrangement is one in which an employee regularly performs work at an alternative site (such as home or an office space near home) for a specified portion of the workweek. Occasional work off-site, including work while traveling, does not constitute telecommuting and does not require a formal arrangement as outlined in the Company’s Telecommuting Policy. The complete policy is available from Human Resources.

Employees interested in a telecommuting arrangement must make a formal request to their supervisor and must have been employed by Erdman Anthony for a minimum of 90 days. Technical Group Managers and Administrative Managers within Erdman Anthony have the authority to establish telecommuting arrangements with the approval of the Chief Operating Officer. Serious consideration will
be given to all reasonable requests with the highest priority being the effective functioning of the department. Approved telecommuting arrangements will be for a trial period not to exceed three months and may be discontinued, at will, at any time at the request of either the telecommuter or the Company.

SECTION 8.3 – ATTENDANCE

Erdman Anthony considers employee attendance to be critical to the employee’s overall contribution to the organization. Frequent or unexplained absences from work or tardiness in reporting for work will seriously impair the value of employee services to the Company and will be considered sufficient cause for disciplinary action, including termination of employment.

Absence from Work
At those times when you will be out of the office during regular work hours, you should sign out at the reception area, recording the time of your expected return and reason for your departure. If you know that you will not be in the office for the day or will be reporting late due to an emergency or illness, you should call and let the receptionist and your supervisor know as soon as possible before your normal starting time. If an employee does not show up for work or call for a period of three days, it is considered voluntary abandonment of the position.

SECTION 8.4 - INCLEMENT WEATHER POLICY

Employees are expected to exercise caution and common sense in their effort to report for work under inclement weather conditions. If conditions are such that employees are unable to arrive at work by normal starting time, the time may be made up, or in the case of non-exempt employees, vacation or personal leave time may be used if such time is available to them.

Employees who cannot report to work when the office is open will not be paid, but will be required to charge the day to vacation or personal leave time if such time is available to them. Employees who are unable to make it to work or anticipate being late because of weather-related difficulties should contact the office to report their situation.

In the event that a closing is necessary, the Office Manager will see that employees are notified, usually through direct telephone contact by their supervisor. Notification through appropriate radio and television stations may also be employed. Detailed procedures for notification will be communicated at each branch office. If the office is closed, employees will not be paid for the lost time, but will be required to charge the day to vacation or personal leave time if such time is available to them. Employees who report directly to a project site should contact the client’s project site representative to determine if the site is shut down.

SECTION 8.5 - DRESS CODE

Our clients’ satisfaction represents the most important and challenging aspect of our business. Whether or not your job responsibilities place you in direct client contact, you represent the Company with your appearance as well as your actions. The properly attired man or woman helps to create a favorable image for the Company, to the public, and to fellow employees.

While Erdman Anthony does not have a formalized dress code, employees are expected to maintain the highest standards of personal cleanliness and present a neat, professional, conservative, and businesslike appearance. Company management will resolve all questions regarding what dress is appropriate. In cases where an employee’s appearance does not reflect the appropriate image required for our organization, he/she will be asked to change his/her attire and/or grooming.

In cases where site work may require you to dress less formally, soiled or torn clothing is not acceptable.
SECTION 8.6 - SMOKING POLICY

The Erdman Anthony Smoking Policy is designed to protect the safety, health, and well-being of our employees, customers, the general public, and the environment. This policy applies to all employees, contractors, or consultants working for the Company, and customers, visitors, vendors, and the general public as applicable.

In general, smoking is prohibited in all interior areas of the Company-owned or leased facilities and in any outdoor location on Company-owned or leased property not officially designated as a “Smoking Area.”

Everyone is responsible for compliance with this policy, but the primary responsibility for compliance and enforcement belongs to those who smoke. Management not only shares in the responsibility for enforcement, but also is responsible for taking appropriate action for acts of noncompliance.

SECTION 8.7 - ACCESS TO PERSONNEL FILES

Your Access
Erdman Anthony maintains personnel file information in accordance with applicable state and federal laws. This information is safeguarded so that you and authorized members of management are the only people with access to your personal information.

You may gain access to those records containing your personnel data by submitting a written request to writing to your Human Resources representative.

You may take notes on the contents of your file, but no original information may be removed from the file, and the file must be reviewed in the presence of your Human Resources representative. You may note a correction concerning any misinformation or record your version of disputed material in your file. You are responsible for keeping your Human Resources representative informed of any changes in personal information (i.e., current address, marital status, number of dependents, etc.)

You have access to records concerning your employment application, salary, commendation/warning notices, deduction information, benefit information, leave records, employment history, dates of changes, attendance records, and performance evaluations.

You may not see any information in your file regarding criminal investigations, reference letters, documents prepared for civil or criminal proceedings, or materials used by the employer to plan future operations.

Access of Others
All personnel files are maintained in a secure area. The only individuals allowed to review these files are authorized management and specific individuals within the Human Resources function. Management will be allowed to access these files strictly on a need-to-know basis and may only access information regarding an individual’s job performance and skill qualifications.

Any person or corporation outside Erdman Anthony who requests information from an employee’s personnel file must receive clearance from the employee before any data is released. The only exceptions to this policy are verification of employment requests for active employees, for which we will only confirm dates of employment, title, and salary, provided we receive a written request along with a signed release from the employee.

After termination of employment, your personnel files remain confidential. If you would like to give future employers, credit sources, etc. access to specific information in your file, you may do so by written notice to your Human Resources representative.
SECTION 8.8 SOLICITATIONS AND CONTRIBUTIONS

Solicitations
It is Erdman Anthony’s practice that all employees are prohibited from soliciting other employees for any purpose during working time. Employees are also prohibited from distributing literature of any kind and at any time in working areas. Persons who are not employees of Erdman Anthony are prohibited from distributing literature of any kind or soliciting employees for any purpose at any time on Erdman Anthony property or at work sites of Erdman Anthony employees.

Contributions
Erdman Anthony solicits personal contributions to certain charitable organizations such as United Way. Your contributions to these organizations are greatly appreciated but are by no means required. You will be notified when these contribution opportunities occur. Any requests for Company donations to charitable organizations, educational institutions, or community programs should be submitted to the Office Manager or Marketing in addition to the Chief Operating Officer.

Political Contributions
The Office Manager, with approval from the President and/or Chief Operating Officer, may authorize political contributions of Company funds. Such contributions shall be made in accordance with applicable state and federal regulations.

In New York and Pennsylvania, the Company has Political Action Committees (PACs) that are funded by voluntary contributions from Associate personnel and above. PAC contributions may be authorized by the Committee, at their discretion, upon receiving written request by any New York or Pennsylvania employee.

As an employee, you may not contribute the Company’s funds or resources to or for any political party or candidate. Employees may request consideration of a political contribution in writing to the Office Manager, President, or Chief Operating Officer.

You are free to contribute your personal funds to political causes in whatever way you wish.

SECTION 8.9 - SAFETY POLICY

It is the responsibility of Erdman Anthony to conduct its operations with the utmost regard for your safety and the safety of your fellow employees, our clients, and the general public. There is no task so important that established safety rules should ever be compromised. The ultimate objective is to achieve and maintain an accident-free environment.

It is the responsibility of every employee to work safely. Managers and supervisors are responsible for providing the resources necessary for a safe work environment and for positively reinforcing safe behaviors. Managers and supervisors are also responsible for ensuring that employees thoroughly understand tasks to which they have been assigned, have been trained to do them safely, adhere to safe work practices, and use the appropriate personal protective equipment available for the tasks to be performed.

Each employee shall comply with occupational safety and health standards and all rules, regulations, and orders issued that are applicable to his/her own actions and conduct and in keeping with best practices, safety rules, regulations, and policies as outlined in the Company Environmental, Health and Safety Manual.

All supervisors and project managers are required to read, adhere to, and promote the policies outlined in the manual.

The manual is available for review on the Company Intranet.
Accident Reporting
All accidents (including auto) and injuries sustained while work is being performed or during the course of doing business for Erdman Anthony should be immediately reported to your supervisor. Supervisors must complete a Supervisor’s Report of Accident form and immediately forward it to the Human Resources representative. Prompt medical attention must be given to all injuries.

Unsafe working situations that could result in or have resulted in accidents, injuries, and/or near-misses should be immediately reported to your supervisor.

SECTION 8.10 - TIME SHEETS

Recording Work Hours
All employees are required to report all hours of work on a time sheet every two weeks. You should record the number of hours you spent on each project each day and the number of hours you were absent to be charged to vacation or personal/sick leave. Time sheets may be prepared either electronically by using the Deltek program or manually.

Pay periods are biweekly. Workweeks are the seven-day period from Sunday through Saturday. At the end of each pay period, you are to submit your time sheet certifying that the hours recorded are the hours actually worked. Your supervisor must approve your time sheet. Be sure to have your time sheet completed by noon on Friday at the end of the pay period so that your supervisor can approve it no later than 3:00 PM that day. If you expect to be out of the office on the last day of the pay period, you should submit your time sheet early and, if necessary, estimate your hours for that last day. Any necessary adjustments may be reported on subsequent time sheets.

Time Sheet Entries
All time reported on the time sheet must be rounded off to the nearest half-hour. Regular hours must be reported in the “Reg” hours column, and all overtime hours must be reported in the “Ovt” hours column. If using a manual time sheet, on the “TOTALS” line, record the sum of the regular and overtime hours reported for each day and the totals for the “REG HRS” column and the “OT HRS” column. Deltek time sheets are totaled by the system electronically.

No overtime hours may be claimed before all regular hours in a workweek are exhausted. In other words, overtime is considered the number of hours “worked” in excess of 40 hours per week. Time off will not be included in the 40 hours “worked” during a week.

Manually prepared time sheets must be completed in ink; signatures and approvals must show full last name (initials are not acceptable).

Any questions regarding how you should fill out your time sheet should be directed to your supervisor or the accounting department.

SECTION 8.11 - TRAVEL AND EXPENSE POLICY

Administration
Effective administration and control of travel and related expenses, the need for standardization of both documentation and application of such expenses, and the increasing reporting requirements of the Internal Revenue Service and other regulatory bodies dictate that all employees of the Company be guided by a common set of expense and travel guidelines. This policy sets forth those guidelines.

It is recognized that employees, in the conduct of the Company’s business, will incur reasonable and necessary travel expenses; however, it is expected that discretion will be used. It is the responsibility of each employee incurring such expenses, and each supervisory person approving them, to be certain such discretion is exercised. The Erdman Anthony expense sheet on Deltek is used to reimburse employees for their travel expenses. Procedures established in the Business Management Manual must be used for the purchase of other goods and services.
The Company must conform to client contract requirements, IRS rules and regulations, and be able to substantiate any and all items reported, if requested.

Following are the guidelines for reimbursement to all employees for expenses incurred while traveling on company-related business.

**Authority and Approval**
To be reimbursed for expenses incurred while performing your duties, you must submit an expense report. This is the record of the amount spent on travel, lodging, meals, and other incidental expenses while on business trips or traveling to meetings required by your job. You must obtain prior approval from your supervisor or the project manager for the dollar amount of expenses that you are permitted to spend in association with a project. Employees must verify all calculations, attach original receipts, and explain unusual items prior to submitting expense sheets for approval. Reimbursement may be denied if receipts are not provided. Employees are expected to keep accurate records of mileage and expenses. Falsification of reports and documentation may result in disciplinary action, up to and including termination of employment. Any expense reimbursement requests submitted more than six months after the expense was originally incurred can be denied reimbursement.

You are expected to pay business travel expenses with cash or personal credit cards. You will be reimbursed for such expenses the pay period that follows submission of an approved expense report.

Reimbursement of expenses is to be approved by your immediate supervisor, and the President’s by the Treasurer. If the total reimbursement on any expense report is over $2,000, the expense report must also be approved by a Core Business Leader, the Controller, the Chief Operating Officer, or the President. The Accounting Department will administrate the secondary approval process.

Expense sheets are submitted electronically through our Deltek accounting system. Once you have completed and submitted your expense sheet electronically, you must print a hard copy, attach your receipts, and forward these to the accounting department for processing. If your expense sheet has mileage only, a printed copy is not needed. Supervisors need to electronically review and approve expense reports before accounting will process the expense reimbursement.

Manually prepared expense sheets must be completed in ink; signatures and approvals must show full last name (initials are not acceptable).

The individual approving the expense sheet is responsible for verifying that all of the expenses reported are accurate and comply with established guidelines and corporate policy.

When your supervisor is absent, you may obtain approval from your supervisor’s supervisor or a person officially delegated such authority by your supervisor. You must, however, provide a copy of the approved expense report(s) to the absent supervisor.

**Making Travel Arrangements**
All business travel arrangements (i.e., airline, hotel, car rental) are to be made through the designated office travel coordinator.

The Company has negotiated reduced rates for Company employees at select hotel facilities near each of our Company offices. Unless there is a reasonable request for not doing so, accommodations will be made at a hotel facility primarily identified by the Company. If you choose to stay at another facility, you will be required to pay any difference in the room rate. Your travel plans should be made as soon as possible, and any changes to your plans should be communicated immediately to the office travel coordinator. These efforts will produce significant savings and other benefits for the Company and will result in improved services for the traveler.

To limit the risk to the Company, consideration should be given to the number of employees and members of management traveling together in the same vehicle or on the same flight.
Lodging
There may be occasions when you will be asked to share lodging accommodations with other employees when traveling on company business or project site work. Such arrangements may be dictated by project and budget.

Frequent Flyer Miles
The Company recognizes the existence of frequent flyer programs available from major airlines. It is our policy that the accumulation of “points” by participating in airline promotions is for the employee’s benefit and use; however, abuses in booking on specific airlines or more expensive routing where the obvious benefit is merely to accumulate points will not be tolerated.

Unused Tickets
Employees must return all unused tickets to the office travel coordinator as soon as possible with an explanation of what transpired.

Reimbursable Expenses
Expenses incurred in the performance of work-related duties may be limited to those prescribed within project contract documents.

Prior to travel, employees should verify allowable reimbursable expenses with their supervisor.

As a general guideline, employees may be reimbursed for the following expenses:

- Parking and tolls
- Use of buses, subways, taxis, including tips
- Out-of-town lodging expenses*
- If required, out-of-town rental car and rental car gas
- Meal expenses, including tips, incurred while on company business*
- Luggage-handling costs

*To determine the reasonableness of these expenses for the location traveled to, the IRS tables on the Internet may be used: [www.gsa.gov](http://www.gsa.gov)

Per diem rates and/or allowable expenses may be set by project contracts and will take precedence over IRS rate tables.

Entertainment Expense
Business meals for business development purposes are allowable for bona fide discussions in active conduct of company business. An individual other than an Erdman Anthony employee must be in attendance to qualify as a reimbursable expense. In keeping with IRS reporting requirements, the names of individuals entertained and their corporate affiliations, the type of expense (i.e., lunch, dinner, sporting event, etc.), and the name and location of the restaurant or entertainment facility must be identified on the receipt or expense report.

Laws pertaining to public sector clients throw a very broad net, capturing any activity that could be construed as negotiation or an attempt to influence a contract action or decision (see “Ethical Standards” in Section II). The phrase “gratuity or other thing of value” is defined to include any gift or favor, money, loans, trips, transportation, lodging, meals, refreshments, entertainment, services, employment, training, subscriptions, materials, discount, forbearance or promise, or any other item having monetary value. Consultants who are found to be in violation of public ethics laws and rules regarding gifts are subject to close scrutiny, fines, legal action, and cancellation of contracts. Individual employees who knowingly and intentionally accept “gratuity or other thing of value” that would infer influence can be subject to substantial fines and charged with a Class A misdemeanor.

It is incumbent on all Erdman Anthony employees dealing with public and private sector clients, suppliers, and contractors to know, understand, and adhere to the procurement and lobbying laws, and the rules and guidelines regarding the giving and receiving of gifts including meals, refreshments, travel, and entertainment to public officials, decision makers, clients, suppliers, contractors, and employees as they
relate to their locations and businesses and must exercise extreme caution in partaking in entertainment activities. Employees are urged to talk to their supervisors if they have any questions.

Business expenses for meals, beverages, etc. off company premises for groups of employees of the corporation require approval of the President, the Chief Operating Officer (COO), the Controller, the Core Business Leader, or the Office Manager. Even if in attendance, the President, COO, Controller, Core Business Leader, or Office Manager must approve all such expenses.

**Non-Reimbursable Expenses**
The Company does not reimburse the following expenses:

- First-class or business-class airfare except in specific situations. Prior approval required. Employees may use frequent flyer miles to upgrade to first-class or business-class airfare
- Personal entertainment expenses (i.e., in-flight earphones, athletic events, in-room movies)
- Briefcases, luggage, and luggage carts
- Miscellaneous expense items such as drinks on planes, mini-fridge expenses, etc.
- Damage, loss, or theft of personal property while traveling

**Motor Vehicle Use and Reimbursement**
All employees who drive a personal vehicle, company vehicle, or rented vehicle for company purposes must maintain a valid state driver’s license. If your driver’s license expires or is revoked or suspended for any reason, you must immediately notify your supervisor and the office Human Resources representative. Driving a company vehicle or a personal vehicle with an expired, revoked, or suspended license for company business is prohibited. All employees are required to sign the Erdman Anthony Motor Vehicle Driver’s Policy and Agreement. The Company reserves the right to periodically have a third party check motor vehicle records, and employment may be contingent on the ability to legally operate a motor vehicle.

All employees are expected to obey all traffic laws and accept responsibility for the payment of any fines incurred. If you receive a traffic citation while operating a company car or rental car, or are in an accident involving a company or rental car, you must report it within 24 hours to your supervisor and the office Human Resources representative. You must report any accident to the police immediately.

Driving a vehicle on company business while under the influence of drugs or alcohol is strictly forbidden. Violation of the Company’s drug and alcohol policy while operating a motor vehicle on company business will subject you to immediate discipline, up to and including termination of employment.

If such violation results in damage or injury, you will be required to defend and indemnify Erdman Anthony. Additionally, you may be required to reimburse Erdman Anthony for all damages and expenses incurred by you because of the violation.

**Personal Auto**
Your position with Erdman Anthony may require that you travel between offices, to site locations, client meetings, training facilities, or on company errands. Company vehicles may be available for use, but if no vehicle is available, it is expected that your personal vehicle will be used for these purposes. You will be reimbursed at the prevailing company rate per mile for the use of your vehicle. All offices have procedures for reserving company vehicles. Your office Administrative Manager can explain those procedures to you if you have any questions.

When using a private vehicle for company purposes, the employee assumes liability for the vehicle. You must maintain vehicle liability insurance. A minimum amount of $300,000 is recommended along with collision insurance. In the event of an accident, the employee’s insurance is primary. The cost of mechanical failures or accidents is not reimbursable by the Company as these costs are built into the mileage rate.

If you choose to rent a vehicle rather than use your own vehicle for company business, you must independently make such arrangements. The Company will reimburse you the prevailing mileage rate.
unless otherwise prescribed in project contract documents. The employee’s insurance is primary on rental vehicles.

**Company Vehicles**
Employees may have a company vehicle assigned specifically to them, or company vehicles may be periodically assigned to employees to accommodate project needs and logistics. Assigned vehicles may be used for minimal personal use when necessary, such as a means to travel to and from work.

An assigned company car should be left at the office for company use while on vacation. Assigned vehicles must be available for use to other staff members. This may be an inconvenience to assigned drivers when overnight travel is involved, however, the use of the vehicle for company business purposes must receive priority.

It is the responsibility of the assigned driver for ensuring the safety of a vehicle. Any malfunction of brakes, seat belts, air bags, or other safety features of a company vehicle should be reported to the appropriate supervisor and repaired as soon as possible. If you specifically are assigned a company vehicle, you are responsible for seeing to the regular maintenance of the vehicle. The Company pays for all necessary maintenance and repair expenses.

A credit card is provided for each company vehicle for the purchase of fuel only. The credit card and driver ID number are to be kept with the vehicle so that any employee using the vehicle can make fuel purchases. Fuel purchases should not exceed the minimum grade recommended by the car manufacturer. While these charges are billed directly to the Company, it is necessary that they be reported on the vehicle report form. Fuel purchases transacted without a company credit card are to be reported on the vehicle report form and also on the employee expense report so that the employee can obtain reimbursement. Every effort should be made to use the fuel cards provided by the Company.

**Mileage/Record Keeping**
If you have a company car assigned to you, you must submit a vehicle report along with your expense report each pay period. It is important to keep good mileage records to meet client, accounting, and IRS requirements. Anyone who borrows a company vehicle must log such mileage on the Vehicle Report, which is kept in the vehicle at all times.

Erdman Anthony does not reimburse employees for commuting miles. In determining expensable business mileage when you report from home directly to a location other than your office location, your normal commuting mileage must be subtracted from the miles traveled. A similar adjustment must be made when returning from a location other than your office location. In some circumstances, normal commuting miles may be defined by client contract.

**SECTION 8.12 - TRAVEL TIME**

**Non-Exempt Employees**
In keeping with the regulations set forth by the Department of Labor regarding pay for time spent traveling on company business, non-exempt employees who travel will be subject to the following policies:

1. Employees who are paid for travel time that occurs during regular working hours.
2. Employees whose assignments normally include work at sites out of town and who travel as a passenger on an airplane, boat, train, bus, or automobile will not be paid for travel time outside of regular working hours. However, employees who are assigned duties as a vehicle driver on such assignments will be compensated for time spent driving outside of regular working hours, minus normal commuting and meal time.
3. Employees who normally work in the office and are given special one-day, out-of-town business assignments will be compensated for travel time outside of regular working hours, minus normal commuting and meal time.
4. Employees who travel on business trips that keep them away from home overnight will not be paid for travel time that is spent as a passenger on an airplane, boat, train, bus, or automobile outside of regular working hours. However, employees will be paid for travel time on Saturdays, Sundays,
or holidays if such travel time occurs during those hours normally worked during the regular workweek.
5. Employees who travel on business trips as a driver will be paid for such travel time, minus normal commuting and meal time.

Exempt Employees
Exempt employees are not paid for travel that takes place outside of the normal workweek hours.

SECTION 8.13 - REQUESTS FOR PAYMENT

The accounting department on a regular basis processes invoices for supplies, services, repairs, and other business obligations. Checks are issued every two weeks, approximately three days following the biweekly pay dates.

Per those occasions when a check is needed that cannot wait until the next regular processing cycle, a Requisition form should be completed and given to the Office Purchasing Agent for processing. The Requisition form can be found in the form templates folder on your desktop. Your supervisor can direct you to the Office Purchasing Agent. Please allow enough lead time for accounting to process the check.

SECTION 8.14 - REQUESTS FOR PURCHASE

Supplies should be used efficiently. When supplies or materials are required that are not normally stocked, a Requisition form (located in the form templates folder on your desktop) should be filled out stating the purpose of the request, the project number, and the expected cost. Your supervisor must approve all requests of a general nature. The approval of the project manager is needed if items requested are chargeable to a revenue project.

Approval authority depends on the dollar value of the request. Current dollar limits and approval authorities are listed in the Business Management Manual, Section 3.6 “Purchasing,” 3.6.5 “Signatory Authority.” Purchases in excess of $100,000 not identified in the approved annual budget shall be approved by the Board of Directors of the Holding Company. All individuals with approving authority are responsible for insuring that amounts authorized are within approved budgets. All approvals are to be evidenced by full signature, in pen.

To maintain fiscal control, prevent duplication, and provide inventory control, all purchases are processed through the Office Purchasing Agent.

All items such as technical books that have been paid for by the Company shall be considered company property and shall be marked as “Property of Erdman Anthony.” The new reference should then be logged into any office database that may exist so that the reference can be available for anyone who may need it. Upon termination, all such materials shall be turned in to your supervisor.
SECTION IX. OFFICE FACILITIES
Section 9.1 – Use of the Office After Hours
Section 9.2 – Maintenance of Work Area
Section 9.3 – Telecommunications
Section 9.4 – Bulletin Boards
Section 9.5 – Company Newsletter

SECTION 9.1 - USE OF THE OFFICE AFTER HOURS

At certain times, it is necessary for employees to work overtime or work after normal business hours. If you need to gain access to the building after normal hours and you do not have an office key or access card, you should borrow one from your supervisor or other persons in your unit who have been assigned one, or make arrangements to have someone let you in. You should obtain your supervisor’s approval to be in the building after normal working hours.

Some offices are protected by security alarm systems. Those who have keys or access cards to the building must learn how to activate and deactivate the system. The first person to enter the building in the morning must use a special code to deactivate the system; similarly, the last person to leave must activate it.

SECTION 9.2 - MAINTENANCE OF WORK AREA

Work areas should be maintained in a neat and orderly manner creating a businesslike appearance for anyone who may visit our offices. At the end of the workday, a general “cleanup” of work areas and materials should occur.

You may display personal belongings at your workstations as long as they are in good taste and are not distracting or interfering with your work or the work of any other employee. Company insurance does not cover personal losses. It is expected that you will exercise reasonable care with respect to your personal property as well as documents that are confidential or valuable to the Company. Under no circumstances should purses and other valuables be left unattended on desks or in plain view.

SECTION 9.3 – TELECOMMUNICATIONS

Telephones
Erdman Anthony recognizes that you must sometimes place or receive personal calls on company telephones. You must recognize that the telephone system is intended primarily to serve the needs of the business, and it is essential that we keep personal use from interfering with that purpose. Use of company telephones is a privilege. Should excessive personal telephone use by an employee occur, the privilege may be limited or revoked and may result in disciplinary action.

If you must make a local personal call, please do so quickly so as not to disrupt your work. Personal long-distance calls are forbidden. If it is absolutely necessary for you to make a long-distance call during work hours, you should call collect, charge the call to your home phone, or receive authorization from your supervisor to make the call.

Company Cell Phone/Smart Phone Policy
Erdman Anthony may provide certain employees with cellular or smart phones in order to facilitate effective communication between employees and our clients. Phones are issued based on business needs. The employee’s supervisor must approve a request for a cell or smart phone. Approval is strictly at management’s discretion. Cell phones/smart phones, accessories, and phone numbers issued by Erdman Anthony to employees remain the property of the Company.

Only Erdman Anthony-designated personnel are authorized to purchase equipment and accessories, enter into service contracts with providers, and make changes to services or contracts. Cell phone/smart phone bills are reviewed regularly, and unusual or questionable charges may be brought to the attention
of the user and appropriate manager. Use of cell phones/smart phones for personal reasons is permitted so long as it is limited to situations of importance. You will be expected to reimburse the Company for excessive personal calls.

The Company may allow an employee to use their personal cell phone for business purposes. This arrangement will be considered when the employee places business-related calls on an infrequent basis or when it makes business sense to allow an employee to continue using their personal cell phone. Erdman Anthony will reimburse the employee a set amount per month to be established by the employee’s supervisor, subject to a maximum amount established by the Company.

The use of cell phones/smart phones while operating a vehicle must be done in compliance with governing laws. Under no circumstances should employees place themselves at risk to fulfill business needs. Traffic violations resulting from the use of a cell phone/smart phone while driving will be solely the employee’s responsibility.

Employees possessing a company cell phone/smart phone are expected to protect the equipment from loss, damage, and theft. Any service-related problems or damage to equipment should be reported to your Administrative Manager. Any equipment loss or theft must be immediately reported to the Administrative Manager or IT Manager in the Rochester office in order to safeguard data.

**Internet and E-Mail Use**

Erdman Anthony has provided employees with Internet and e-mail access to assist them in performing their jobs and to promote the Company’s interests. Policies for Internet, e-mail, and electronic communication usage have been established to ensure that employees utilize electronic communication means legally, ethically, and appropriately.

These policies have been devised in a manner that addresses the Company’s legal responsibilities and concerns with respect to the fair and proper use of all electronic communication devices within the organization. Every employee is subject to and must comply with these policies and is expected to read, understand, and comply fully with their provisions. These policies can be viewed on the Company Intranet. All employees are required to sign an Information Systems Agreement.

Because the system belongs to Erdman Anthony, the Company reserves the right to monitor Internet and e-mail activity. Employees should not maintain any expectation of privacy with respect to information transmitted over, received or obtained by, or stored in any electronic communication device owned, leased, or operated in whole or in part or on behalf of the firm.

**Internet Regulations**

All employees should utilize sound judgment whenever using any feature of the Erdman Anthony electronic communication systems. Any employee who discovers a violation of the Company’s electronic communication policies should notify their supervisor or the Corporate Technology Manager.

**Inappropriate Usage**

Employees are expressly prohibited from visiting any inappropriate Web sites that feature pornography, sexually explicit, or violent content. It is against company policy for any employee to create, transmit, receive, or store any offensive or pornographic images or messages. Offensive messages include, but are not limited to, messages that disparage or denigrate anyone because of their race, sex, color, disability, religion, or national origin. Employees who visit inappropriate Web sites or who create, transmit, receive, or store any offensive or pornographic images or messages will be subject to disciplinary action including immediate termination of employment.

In addition, employees may not use the company computer systems and Internet access to engage in day trading, instant messaging, streaming media, or to visit chat rooms. Internet “surfing” is limited to non-business hours. E-mail may not be used to solicit others for commercial ventures, religious or political causes, or for personal business interests.
Copyrights
Employees are reminded that material taken from Web sites may be protected by copyright. In most cases, retransmission or distribution of the material on the Web or by hard copy may be a violation of copyright law. These violations could prove costly to the Company and to the employee. All users of the Internet are reminded to be aware of the restrictions on these materials.

Passwords
An employee may not use any password that has not been authorized for his/her use by the IT Manager, or the password of any other employee without authorization.

Software
Software or data may not be downloaded and installed without first contacting the IT Manager. Software or data downloaded from the Internet has a high occurrence of virus infection and may also affect the computer’s performance, resulting in an unnecessary service call.

Employees may not duplicate or copy licensed software or copyrighted documentation/manuals for use either in company offices or elsewhere unless the Company is expressly allowed to do so by license agreement with the licensor. Unauthorized copying of licensed software or copyrighted printed materials may subject the employee and/or the Company to both civil and criminal penalties under federal or state law.

Employees may not give copies of software, either licensed or developed in-house, to any non-company personnel, including clients, contractors, subcontractors, vendors, joint venture members, or any others. The only exception to this policy would be for internally developed software that is created as part of the scope of work of a client contract.

Erdman Anthony has developed and maintains a list of standard software approved for use while conducting the Company’s business. Use of non-approved software is strictly forbidden.

SECTION 9.4 - BULLETIN BOARDS

Each office maintains a Company bulletin board or designates a common area that is used to post government and other information required by law and to communicate Company announcements and information to employees.

Check with the Administrative Manager for the location of such information at your office. Refer to these areas regularly for official announcements, recreational activities, and personal announcements.

SECTION 9.5 - COMPANY NEWSLETTER

The Connection is published periodically throughout the year and is devoted to communicating news and information to all Erdman Anthony employees. It is available on the Company Intranet under Marketing. Comments, questions, and input from employees are enthusiastically encouraged and should be addressed to the editors-in-chief or members of the Marketing staff.