

SPI SYSTEMS

Employee Manual

Welcome to SPI Systems

Thank you for joining SPI Systems! We hope you agree that you have a great contribution to make to the computer networking industry by way of SPI Systems, and that you will find your employment at SPI Systems a rewarding experience. We look forward to the opportunity of working together to create a more successful company. We also want you to feel that your employment with SPI Systems will be a mutually beneficial and gratifying one.

You have joined an organization that has established an outstanding reputation for quality. Credit for this goes to everyone in the organization. We hope you, too, will find satisfaction and take pride in your work here. As a member of SPI Systems's team, you will be expected to contribute your talents and energies to further the environment and quality of the company.

This Employee Manual may provide answers to most of the questions you may have about SPI Systems's benefit programs, as well as company policies and procedures. You are responsible for reading and understanding this Employee Manual. If anything is unclear, please discuss the matter with your supervisor.

I extend to you my personal best wishes for your success and happiness at SPI Systems.

Sincerely,

SPI Systems

NOTICE

This employee Manual has been prepared to inform you of SPI System's history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee.

Some Things You Must Understand

The policies in this Employee Manual are to be considered as guidelines.

- SPI Systems, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Employee Manual at any time without prior notice as business, employment legislation, and economic conditions dictate.
- Any Such action shall apply to existing as well as to future employees
- Employees may not accrue eligibility for monetary benefits that they have not become eligible for through actual time spent at work.
- Employees shall not accrue eligibility for any benefits, rights, pay, or privileges beyond the last day worked.
- No one other than the President of SPI Systems may alter or modify any of the policies in this Employee Manual. Any alteration or modification of the policies in this Employee Manual must be in writing.
- No statement or promise by a supervisor, manager, or department head, past or present may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee Manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Manual, but on that particular provision.

This Employee Manual replaces (supersedes) any and all other or previous SPI Systems Employee Manuals, or other SPI Systems policies whether written or oral.

Receipt and Acknowledgment of SPI Systems Employee Manual

Please read the following statements, sign below and return to your supervisor.

Understanding and Acknowledging Receipt of SPI Systems Employee Manual

I have received and read a copy of the SPI Systems Employee Manual. I understand that the policies and benefits described in it are subject to change at the sole discretion of SPI Systems at any time.

At-Will Employment

I further understand that my employment is at will, and neither myself nor SPI Systems has entered into a contract regarding the duration of my employment. I am free to terminate my employment with SPI Systems at any time, with or without reason. Likewise, SPI System has the right to terminate my employment, or otherwise discipline, transfer, or demote me at any time, with or without reason, at the discretion of SPI Systems. No employee of SPI Systems can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written approval from the President.

Arbitration

I also acknowledge I have read and understand the Arbitration Policy contained in this Employee manual and I agree to abide by the policy.

Confidential Information

I am aware that during the course of my employment confidential information will be made available to me, for instance, product designs, marketing strategies, customer lists, pricing policies and other related information. I understand that this information is proprietary and critical to the success of SPI Systems and must not be given out or used outside of SPI System's premises or with non SPI Systems employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.

Employee's Printed Name

Position

Employee's Signature

Date

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An Overview of SPI Systems

About SPI Systems

Garages, basements, and dorm rooms have all been birthplaces of technology companies. SPI Systems has a unique origin it was founded by Alan Petsche on January 2, 1984 in a building that formerly housed a dog training school. Alan had worked the previous three years for a local computer retailer where he attained the position of sales manager. SPI began by selling stand alone and portable CP/M computers manufactured by Kaypro and Northstar and printers by Epson, IBM compatible computers from Kaypro, Columbia and Compaq were added in 1985. SPI Systems introduced their first XT clone computer in 1985. As single user computers became more of a commodity in the late 1980's and early 1990's SPI moved into services and networks. SPI Systems now offers a complete line of computer hardware and services. These services include network consulting design of networks, WEB sites and WANas well as installations, Category 5 Cabling installation, PC upgrades and repair, and onsite services. SPI Systems is an authorized reseller of Hewlett Packard, Cisco, Dell, Check Point, as well as several others.

In November of 1999 employees of SPI systems acquired the company from Alan Petsche.

What You Can Expect From SPI Systems

SPI Systems believes in creating a harmonious working relationship between all employees. In pursuit of this goal, SPI Systems has created the following employee relations objectives:

1. Provide an exciting, challenging, and rewarding workplace and experience
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, race, national origin, religious persuasion, marital status, political belief, or a disability that does not prohibit performance of essential job functions.
3. Compensate all employees according to their effort and contribution to the success of our business.
4. Review wages, employee benefits and working conditions regularly with the objective of being competitive in these areas consistent with sound business practices.
5. Provide vacation, sick/personal time and holidays to all eligible employees.
6. Assure employees, after talking with their manager, an opportunity to discuss any issue or problem with officers of SPI Systems.
7. Take prompt and fair action of any complaint which may arise in the everyday conduct of our business, to the extent that is practicable.
8. Respect individual rights, and treat all employees with courtesy and consideration.
9. Maintain mutual respect in our working relationship.
10. Provide buildings and offices that are comfortable, orderly and safe.
11. Promote employees on the basis of their ability and merit.
12. Make promotions or fill vacancies from within SPI Systems whenever practical
13. Keep all employees informed of the progress of SPI Systems, as well as the company's overall goals and objectives.
14. Promote an atmosphere in keeping with SPI Systems's vision, mission and goals.

What SPI Systems Expects From You

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SPI Systems needs your help in making each working day enjoyable and rewarding. Your first responsibility is to know your own duties and how to do them promptly, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees and to maintain a good team attitude.

How you interact with fellow employees and those whom SPI Systems serves, and how you accept direction can affect the success of your department. In turn, the performance of one department can impact the entire service offered by SPI Systems. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.

You are encouraged to grasp opportunities for personal development offered to you. This manual offers insight on how you can perform positively and to the best of your ability to meet and exceed SPI Systems expectations.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making SPI Systems a company where you can approach your manager, or any member of management, to discuss and problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of SPI Systems. We're all human, so please communicate with each other and with management.

Remember, you help create the pleasant and safe working conditions that SPI Systems intends for you. The result will be better performance for the company overall, and personal satisfaction for you.

Open Communication Policy

SPI Systems encourages you to discuss any issue you may have with a co-worker directly with that person. If a resolution is not reached, please arrange a meeting with your supervisor to discuss any concern, problem, or issue that arises during the course of your employment. Any information discussed in an Open Communication meeting is considered confidential. Retaliation against any employee for appropriate usage of Open Communication channels is unacceptable. Please remember it is counterproductive to a harmonious workplace for employees to create or repeat corporate rumors or office gossip. It is more constructive for an employee to consult his/her supervisor immediately with any questions.

Outside Employment

Employees may not take an outside job, either for pay or as a donation of her/his personal time, with a customer or competitor of SPI Systems; nor may they do work on their own if it competes in any way with the sales of products or services we provide our customers. If your financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, SPI Systems would like to know about it. Before accepting any outside employment you are encouraged to discuss the matter with your supervisor.

Suggestions

We encourage all employees to bring forward their suggestions and good ideas about how our company can be made a better place to work, our products improved, and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your supervisor. All suggestions are valued and listened to.

Employment

At-Will Employment

Your employment with SPI Systems is at-will. This means that neither you nor SPI Systems has entered into a contract regarding the duration of your employment. You are free to terminate your employment with SPI Systems at any time, with, or without reason. Likewise, SPI Systems has the right to terminate your employment or otherwise discipline, transfer, or demote you at any time with or without reason, at the discretion of SPI Systems.

No employee of SPI Systems can enter into an employment contract for a specified period of time, or make any agreement to this policy without written approval from the President.

Arbitration Policy

If an employment dispute arises while you are employed at SPI Systems, SPI Systems requests that you agree to submit any such dispute arising out of your employment or the termination of your employment (including, but not limited to, claims of unlawful termination based on race, sex, age, national origin, disability, breach of contract or any other bias prohibited by law) exclusively to binding arbitration under the Federal Arbitration Act, 9 U.S.C., Section 1. Similarly, any disputes arising during your employment involving claims of unlawful discrimination or harassment under federal or state statutes shall be submitted exclusively to binding arbitration under the above provisions. This arbitration shall be the exclusive means of resolving any dispute arising out of your employment or termination from employment by SPI Systems or you, and no other action can be brought by employees in any court or any forum.

By simply accepting or continuing employment with SPI Systems, you automatically agree that arbitration is the exclusive remedy for all disputes arising out of or related to your employment with SPI Systems and you agree to waive all rights to a civil court action regarding your employment and the termination of your employment with SPI Systems; only the arbitrator, and not a judge nor a jury, will decide the dispute.

If you decide to dispute your termination or any other alleged incident during your employment, including but not limited to unlawful discrimination or harassment, you must deliver a written request for arbitration to SPI Systems within one (1) year from the date of termination, or one (1) year from the date on which the alleged incident(s) or conduct occurred, and respond within fourteen (14) calendar days to each communication regarding the selection of an arbitrator and the scheduling of a hearing. If SPI Systems does not receive a written request for arbitration from you within one (1) year, or if you do not respond to any communication from SPI Systems about the arbitration proceedings within fourteen (14) calendar days, you will have waived any right to raise any claims arising out of the termination of your employment with SPI Systems, or involving claims of unlawful discrimination or harassment, in arbitration and in any court or other forum.

You and SPI Systems shall each bear respective costs for legal representation at any such arbitration. The cost of the arbitrator and court reporter, if any, shall be shared equally by the parties.

Termination of Your Employment

SPI Systems will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from SPI Systems.
2. Fail to return from an approved leave of absence on the date specified by SPI Systems, or
3. Fail to report to work or call in for three (3) or more consecutive work days.

You may be terminated for poor performance, misconduct, excessive absences, tardiness, discrimination, harassment, or other violations of SPI Systems policies. However, your employment is at-will, and you and SPI Systems have the right to terminate your employment for any or no reason.

Acknowledgment of and Agreement with SPI Systems Arbitration Policy

My signature on this document acknowledges that I understand the above Arbitration Policy and agree to abide by its conditions. I also acknowledge that I understand my employment is at-will and may be terminated at any time, with or without reason, by either SPI Systems or myself. I further agree that, in accordance with SPI Systems's Arbitration Policy, that I will submit any dispute – including but not limited to my termination – arising under or involving my employment with SPI Systems to binding arbitration within one (1) year from the date the dispute first arose. I agree that arbitration shall be the exclusive forum for resolving all disputes arising out of or involving my employment with SPI Systems or the termination of that employment. I agree that I will be entitled to legal representation, at my own cost, during arbitration. I further understand that I will be responsible for half of the cost of the arbitrator and any incidental costs of arbitration

Employee Name (printed)

Date

Employee Signature

Supervisor Signature

Date

Note to the employee: The original of this form will be placed in your personnel file. A copy of this form will be given to you by your supervisor.

Confidential Information

Upon accepting employment with SPI Systems, you were asked to sign a Confidentiality Agreement, which generally provides that you will not disclose or use any SPI Systems confidential information, either during or after your employment. We sincerely hope that our relationship will be long term and mutually rewarding. However, your employment with SPI Systems assumes an obligation to maintain confidentiality, even after you leave our employ.

Additionally, our customers and suppliers entrust SPI Systems with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, SPI Systems earns the respect and further trust of our customers and suppliers.

If you are questioned by someone outside the company or your department and you are concerned about the appropriateness of giving them certain information, you are not required to answer. Instead, as politely as possible, refer the request to your supervisor.

No one is permitted to remove or make copies of any SPI Systems records, reports or documents without prior management approval. Disclosure of confidential information could lead to termination, as well as other possible legal action.

Customer Relations

The success of SPI Systems depends upon the quality of the relationship between SPI Systems, our employees, customers, suppliers and the general public. Our customers' impression of SPI Systems and their interest and willingness to purchase from us is greatly formed by the people who serve them. In a sense, regardless of your position, you are SPI Systems's ambassador. The more goodwill you promote, the more our customers will respect and appreciate you, SPI Systems and SPI Systems's products and services.

Below are several things you can do to help give customers a good impression of SPI Systems. These are the building blocks for our continued success.

1. Act competently and deal with customers in a courteous and respectful manner
2. Communicate pleasantly and respectfully with other employees at all times.
3. Follow up on orders and questions promptly, provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
4. Take great pride in your work and enjoy doing your very best.

These policies apply to all areas of employment, including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation benefits, social and recreational programs, and all other conditions and privileges of employment in accordance with applicable federal, state, and local laws.

Equal Employment Opportunity

SPI Systems is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law. SPI Systems complies with the law regarding reasonable accommodation for handicapped and disabled employees. SPI Systems's President has issued the following policy stating SPI Systems's views on this matter.

It is the policy of SPI Systems to comply with all the relevant and applicable provisions of the American with Disabilities Act (ADA). SPI Systems will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability. SPI Systems will also make reasonable accommodation wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential duties and assignments connected with the job and provided that any accommodations made do not impose an undue hardship on SPI Systems.

Equal employment opportunity notices are posted near employee gathering places as required by law. These notices summarize the rights of employees to equal opportunity in employment and list the names and addresses of the various government agencies that may be contacted in the event that any person believes he or she has been discriminated against.

Management is primarily responsible for seeing that SPI Systems's equal employment opportunity policies are implemented, but all members of the staff share in the responsibility for assuring that by their personal actions the policies are effective and apply uniformly to everyone.

Any employee, including managers, involved in discriminatory practices will be subject to termination.

Harassment Policy

SPI Systems intends to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort – verbal, physical, visual – will not be tolerated, particularly against employees in protected classes. These classes include, but are not limited to race, color, religion, sex, age, sexual orientation, national origin or ancestry, disability, medical condition, marital status, veteran status, or any other protected status defined by law.

What Is Harassment?

Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes or statements, pranks, intimidation, physical assaults or contact, or violence. Harassment is not necessarily sexual in nature. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint.

Responsibility

All SPI Systems employees, and particularly managers, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor or the designated management representative with whom they feel comfortable. When management becomes aware of the existence of harassment, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the company to do so.

Reporting

While SPI Systems encourages you to communicate directly with the alleged harasser, and make it clear that the harasser's behavior is unacceptable, offensive or inappropriate, it is not required that you do so. It is essential, however, to notify your supervisor immediately even if you are not sure the offending behavior is considered harassment. Any incidents of harassment

must be immediately reported to a manager or other management representative. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. However, confidentiality cannot be guaranteed. Any employee found to have harassed a fellow employee or subordinate will be subject to severe disciplinary action up to and including termination. SPI Systems will also take any additional action necessary to appropriately remedy the situation. Retaliation of any sort will not be permitted. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

SPI Systems accepts no liability for harassment of one employee by another employee. The individual who makes unwelcome advances, threatens or in any way harasses another employee is personally liable for such actions and their consequences. SPI Systems may or may not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

Policy Statement on Sexual Harassment

What Is Sexual Harassment?

Sexual Harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature when such conduct creates an offensive, hostile and intimidating working environment and prevents an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implicitly or explicitly and when an employment decision is based on an individual's acceptance or rejection of such conduct.

It is important to note that sexual harassment crosses age and gender boundaries and can not be stereotyped. Among other perceived unconventional situations, sexual harassment may even involve two women or two men.

Sexual harassment may exist on a continuum of behavior. For instance, one example of sexual harassment may be that of an employee showing offensive pictures to another employee.

Generally, two categories of sexual harassment exist. The first, "quid pro quo" may be defined as an exchange of sexual favors for improvement in your working conditions and/or compensation. The second category, "hostile, intimidating, offensive working environment", can be described as a situation in which unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature when such conduct creates an intimidating or offensive environment. Examples of a hostile, intimidating, and offensive working environment includes, but is not limited to, pictures, cartoons, symbols, or apparatus found to be offensive and which exist in the workspace of an employee. This behavior does not necessarily link improved working conditions in exchange for sexual favors. It is also against SPI Systems policy to download inappropriate pictures or materials from computer systems.

SPI Systems prohibits any employee from retaliating in any way against anyone who has raised any concern about sexual harassment or discrimination against another individual.

SPI Systems will investigate any complaint of sexual harassment and will take immediate and appropriate disciplinary action if sexual harassment has been found within the workplace.

How You Were Selected

SPI Systems is confident that as a result of the mutual selection process undertaken, your employment will prove to be beneficial to SPI Systems as well as yourself and we look forward to having you join us.

We carefully select our employees through written applications, personal interviews and reference checks. After all available information was considered and evaluated, you were selected so welcome as a member of our team!

This selection process helps SPI Systems find and employ people who are concerned with their own personal success and the success of SPI Systems; people who want to do a job well; people who can carry on their work with skill and ability; and people who are comfortable with SPI Systems and who can work well with our team.

Employee Background Check

Prior to becoming an employee of SPI Systems, a job-related background check was conducted. As you may know, a comprehensive background check may consist of prior employment verification, professional reference checks, and education confirmation. As appropriate, a credit , criminal, health examination and/or driving record history may have also been obtained.

Credit Investigation

Following the requirements imposed by the Federal-Truth-In-Lending and the Fair Credit Reporting Acts, a federal statute that regulates the activities of consumer reporting agencies and users of credit reports, and protects consumers from invasions of privacy by placing certain restrictions on persons who may use or disseminate credit information about consumers, SPI Systems conducts a pre-employment credit check only on those applicants for positions involve financial responsibility. Your employment with us may be conditional upon our review of the information in the credit check. SPI Systems reserves the right to conduct this credit check at any time after you have been employed. Remember, you have certain legal rights to discover and to dispute or explain any information prepared by the credit checking company.

Criminal Records

In response to SPI Systems's zero-tolerance Violence in the Workplace Policy, SPI Systems may conduct a pre-employment criminal check on those applicants for positions that may involve close, unsupervised contact with the public. When appropriate, the criminal record is checked to protect SPI Systems interest and that of its employees and customers.

Driver's License and Driving Report

Employees whose work requires operation of a motor vehicle must present and maintain a valid driver's license and a driving record acceptable to our insurer. You will be asked to submit a copy of your driving record to SPI Systems from time to time. Any changes in your driving record must be reported to your supervisor immediately. Failure to do so may result in disciplinary action, up to and including possible termination.

Standards of Conduct

Whenever people gather together to achieve goals, some rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. By accepting employment with us, you have a responsibility to SPI Systems and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that she/he can fully depend upon fellow workers to follow the rules of conduct, our organization will be a better place to work for everyone.

Unacceptable Activities

Generally speaking, we expect each person to act in a mature and responsible way at all times. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed below, please see your supervisor for an explanation.

Note that the following list of Unacceptable Activities does not include all types of conduct that can result in disciplinary action, up to and including termination. Nothing in this list alters the at will nature of your employment; either you or SPI Systems may terminate the employment relationship with or without reason, and in the absence of any violation of these rules.

1. Violation of any company rule; any action that is detrimental to SPI Systems's efforts to operate profitably.
2. Violation of security or safety rules or failure to observe safety rules or SPI Systems safety practices; failure to wear required safety equipment; tampering with SPI Systems equipment or safety equipment.
3. Negligence or any careless action which endangers the life or safety of another person.

4. Being intoxicated or under the influence of a controlled substance while at work; use, possession or sale of a controlled substance in any quantity while on company premises, except medications prescribed by a physician which do not impair work performance.
5. Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
6. Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on company premises or when representing SPI Systems, fighting or provoking a fight on company property, or negligent damage of property.
7. Insubordination or refusing to obey instructions properly issued by your manager pertaining to your work; refusal to help out on a special assignment.
8. Threatening, intimidating or coercing fellow employees on or off the premises at any time, for any purpose.
9. Engaging in an act of sabotage; negligently causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
10. Theft or unauthorized possession of company property or the property of fellow employees; unauthorized possession or removal of any company property. Including documents from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.
11. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by SPI Systems; alteration of company records or other company documents.
12. Violating the non-disclosure agreement; giving confidential or proprietary SPI Systems information to competitors or other organizations or to unauthorized SPI Systems employees; working for a competing business while a SPI Systems employee; breach of confidentiality of personnel information.
13. Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same.
14. Immoral conduct or indecency on company property.
15. Conducting a lottery or gambling on company premises.
16. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.
17. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.
18. Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your supervisor; stopping work before time specified for such purposes.
19. Sleeping or loitering during working hours.
20. Excessive use of company telephone for personal calls.
21. Smoking in restricted areas or at non-designated times, as specified by department rules.
22. Creating or contributing to unsanitary conditions.
23. Posting, removing or altering notices on any bulletin board on company property without the permission of an officer of SPI Systems.
24. Failure to report an absence or late arrival; excessive absence or lateness.
25. Filling your own order or invoicing or ringing up your own order.
26. Buying company merchandise for resale.
27. Obscene or abusive language toward any manager, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on company premises.
28. Speeding or careless driving of company vehicles.
29. Failure to immediately report damage to, or an accident involving company equipment.
30. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of any other employee on company premises.
31. Failure to use your timesheet; alteration of your own timesheet or records or attendance documents; punching or altering another employee's timesheet or records, or causing someone to alter your timesheet or records.

Disciplinary Actions

This Disciplinary Actions Policy applies to all regular employees who have completed the Introductory Period.

This policy pertains to matters of conduct as well as the employee's competence. However, an employee who does not display satisfactory performance and accomplishment on the job may be dismissed, in certain cases, without resorting to the steps set forth in this policy.

Under normal circumstances, managers are expected to follow the procedure outlined below. There may be particular situations, however, in which the seriousness of the offense justifies the omission of one or more of the steps in the procedure. Likewise, there may be times when the company may decide to repeat a disciplinary step.

Discipline Procedure

Unacceptable behavior which does not lead to immediate dismissal may be dealt with in the following manner.

1. Oral Reminder
2. Written Warning
3. Decision-Making Paid Leave / Counseling Session
4. Termination

To insure that SPI Systems business is conducted properly and efficiently, you must conform to certain standards of attendance, conduct, work performance and other work rules and regulations. When a problem in these areas does arise, your manager will coach and counsel you in mutually developing an effective solution. If, however, you fail to respond to coaching or counseling, or an incident occurs requiring formal discipline, the following procedures occur.

Step One: Oral Reminder

Your supervisor will meet with you to discuss the problem or violation, making sure that you understand the nature of the problem or violation and the expected remedy. The purpose of this conversation is to remind you of exactly what the rule or performance expectation is and also to remind you that it is your responsibility to meet SPI Systems's expectations.

You will be informed that the Oral Reminder is the first step of the discipline procedure. Your supervisor will fully document the Oral Reminder, which will remain in effect for five (5) months. Documentation of the incident will remain in the confidential department file and will not be placed in your personnel record, unless another disciplinary event occurs.

Step Two: Written Warning

If your performance does not improve with the five (5) month period, or if you are again in violation of SPI Systems practices, rules or standards of conduct, your supervisor will discuss the problem with you, emphasizing the seriousness of the issue and the need for you to immediately remedy the problem. Your supervisor will advise you that you are now at the second formal level of disciplinary action. After the meeting your supervisor will write a memo to you summarizing the discussion and your agreement to change. A copy of the memo to be sent to your personnel file.

The Written Warning will remain in effect for three (3) months.

Step Three: Decision-Making Leave / Counseling Session

If your performance does not improve within the three (3) month period following the Written Warning, or if you are again in violation of SPI Systems practices, rule or standards of conduct, you will be placed on Decision-Making Leave. The Decision-Making Leave is the third and final step of SPI Systems's disciplinary process.

Decision-Making Leave is a paid, one (1) day disciplinary suspension. Employees on Decision-Making Leave will spend the following day away from work deciding whether to commit to correcting the immediate problem and to conform to all of the company's practices, rules and standards of conduct, or to quit and terminate their employment with SPI Systems.

If your decision following the Decision-Making Leave is to return to work and abide by SPI Systems practices, rules and standards of conduct, your supervisor will write a letter to you explaining your commitment and the consequences of failing to meet this commitment. You will be required to sign the letter to acknowledge receipt. A copy will be placed in your personnel file.

You will be allowed to return to work with the understanding that if a positive change in behavior does not occur, or if another disciplinary problem occurs within the next five (5) months, you will be terminated.

If you are unwilling to make such a commitment, you may either resign or be terminated.

Crisis Suspension

If you commit any of the actions listed below, or any other action not specified but similarly serious, you will be suspended without pay pending an investigation of the situation. Following the investigation you may be terminated without any previous disciplinary action having been taken.

1. Theft
2. Falsification of SPI Systems's records
3. Failure to follow safety practices
4. Breach of Confidentiality Agreement
5. Threat of, or the act of, doing bodily harm
6. Willful or negligent destruction of property
7. Use and/or possession of intoxicants, drugs or narcotics.

The provision of this Disciplinary Policy is not a guarantee of its use. SPI Systems reserves the right to terminate employment at any time, with or without reason. Additionally, SPI Systems reserves the right to prosecute any employee for any of the above infractions.

Introductory Period

Your first ninety (90) days of employment at SPI Systems are considered an Introductory Period, and during that period you will not be eligible for benefits described in this Employee Manual unless otherwise required by law. This Introductory Period will be a time for getting to know your fellow employees, your supervisor and the tasks involved in your job position, as well as becoming familiar with SPI Systems's products and services. Your supervisor will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a "getting acquainted" time for both you, as an employee, and SPI Systems, as an employer. During this Introductory Period, SPI Systems will evaluate your suitability for employment and you can evaluate SPI Systems as well. Please understand, however, that completion of the Introductory Period does not guarantee continued employment, as employment is always at-will. You are free to terminate your employment at any time, with or without reason, and SPI Systems may choose to terminate your employment at any time, with or without reason.

At the end of the Introductory Period, your supervisor will discuss your job performance with you. This review will be similar to the job performance review that is held for regular full-time or part-time employees on an annual basis.

A former employee who has been rehired after a separation from SPI Systems of more than one (1) year is considered an introductory employee during their first ninety (90) days following rehire.

Immigration Law Compliance

All offers of employment are contingent on verification of your right to work in the United States. On your first day of work you will be asked to provide original documents verifying your right to work and, as required by federal law, to sign Federal Form I-9, Employment Eligibility Verification Form. If you at any time cannot verify your right to work in the United States, SPI Systems may be obliged to terminate your employment.

New Employee Orientation

On your first working day, you will be asked to complete employment paperwork. Depending on your department's workload, your supervisor will introduce you to your co-workers and office layout. Please feel free to ask your colleagues any questions not answered during your orientation.

Work Schedule

Business Hours

Our regular operating hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday. The normal workweek consists of five (5) days, each eight (8) hours long, Monday through Friday.

Your particular hours of work and the scheduling of your meal period will be determined and assigned by your supervisor. Most employees are assigned to work a forty (40) hour work week. Should you have any questions concerning your work schedule, please ask your supervisor.

Attendance

SPI Systems would like you to be ready to work at the beginning of your assigned daily work hours, and to reasonably complete your projects by the end of your assigned work hours. Please let your supervisor know if you will be away from your work station for an extended period of time and when you expect to return.

Absence or Lateness

From time to time it may be necessary for you to be absent from work. SPI Systems is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise.

If you are unable to report to work, or if you will arrive late, please contact your supervisor immediately. If you know in advance that you will need to be absent, please request this time off directly from your supervisor.

When you call in to inform SPI Systems of an unexpected absence or late arrival, simply ask for your supervisor. If you're arriving to work late, please let your supervisor know when you expect to arrive for work. If you are unable to call in yourself because of an illness, emergency or for some other reason, be sure to have someone call for you.

Absence from work for three (3) consecutive days without notifying your supervisor or the personnel administrator will be considered a voluntary resignation.

If you are absent because of an illness for three (3) or more successive days, your supervisor may request that you submit written documentation from your doctor stating you are able to resume normal work duties before you will be allowed to return to work.

A consistent pattern of questionable absences can be considered excessive, and may be cause for concern. In addition, excessive lateness or leaving early without letting your supervisor know will be considered a "lateness pattern" and may carry the same weight as an absence. Other factors, like the degree and reason for lateness will be taken into consideration.

Your supervisor will make a note of any absence or lateness, and their reason, in your personnel file. Be aware that excessive absences, lateness or leaving early may lead to disciplinary action, including possible dismissal.

NOTE: Information on the types of leaves offered and their qualification criteria are included in the "Leaves" section of this Employee Manual.

Severe Weather and Emergency Conditions

In the event of severe weather conditions or other emergencies, the President or your supervisor may decide to close SPI Systems for the remainder of the day. As such, you will be notified as soon as possible by your supervisor. No loss of pay will occur as a result of early dismissal for this reason. Likewise, if you report to work and find that SPI Systems is unexpectedly closed due to an emergency, no loss of pay will occur.

Compensation

The goal of SPI Systems's compensation program is to attract potential employees, meet the needs of all current employees and encourage well-performing employees to stay with our organization. With this in mind, our compensation program is built to balance both employee and SPI Systems needs.

Wage and Salary Policies

Compensation Philosophy

It is SPI Systems's desire to pay all regular employees' wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable. Compensation may vary with individual and company performance and in compliance with all applicable statutory requirements.

There is no overtime without prior approval of a supervisor.

SPI Systems applies the same principles of fairness to all employees, regardless of organizational level, race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status, veteran status, political affiliation, or any other factor protected by law.

Basis for Determining Pay

Several factors may influence your rate of pay. Some of the items SPI Systems considers are the nature and scope of your job, what other employers pay their employees for comparable jobs (external equity), what SPI Systems pays their employees in comparable positions (internal equity), and individual as well as SPI Systems performance.

Pay Cycle

Payday is normally on the 15th and the last day of the month of every month for services performed during the previous pay cycle with one week in arrears. If the pay cycle ends on a Saturday, the pay cycle will be observed on Friday. If the pay cycle ends on Sunday, the pay cycle will be observed on Monday. The semi-monthly pay schedule is made up of twenty-four (24) pay periods per year.

Changes will be made and announced in advance whenever SPI Systems holidays or closings interfere with the normal pay schedule.

Paycheck Distribution

Paychecks are distributed at 5:00pm on the close of the pay cycle.

Mandatory Deduction From Paycheck

SPI Systems is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify this number, please request a new W-4 form from your supervisor immediately. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. We advise you to check your pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments, will be explained whenever SPI Systems is ordered to make such deductions.

NOTE: Please see "Wage Garnishments" later in this section for further information.

Payroll Advances

In emergency situations, SPI Systems may grant you an advance on your next payroll. Please see your supervisor for further instructions.

Error in Pay

Every effort is made to avoid errors in your paycheck. If you believe that an error has been made, tell your supervisor immediately. He/she will take the necessary steps to research the problem and to assure that any necessary correction is made promptly.

Wage Garnishments

We hope you will manage your financial affairs so that we will not be obligated to execute any court-ordered wage garnishments. However, when court-ordered deductions are to be taken from your paycheck, you will be notified.

SPI Systems acts in accordance with the Federal Consumer Credit Protection Act, which places restrictions on the total amount that may be garnished from your paycheck.

NOTE: Please see the Mandatory Deductions From Paycheck Policy earlier in this section for further information.

Performance and Compensation Reviews

Performance Reviews

Because we want you to grow and succeed in your job, SPI Systems conducts a formal review annually for each employee. New employees may be reviewed near the end of their Introductory Period. A review may also be conducted in the event of a promotion or change in duties and responsibilities.

During a formal performance review your supervisor may cover the following areas:

1. The quality and quantity of your work
2. Strengths and areas for improvement
3. Attitude and willingness to work
4. Initiative and teamwork
5. Attendance
6. Customer service orientation
7. Problem solving skills
8. Ongoing professional growth and development

Additional areas may also be reviewed as they relate to your specific job.

Your review provides a golden opportunity for collaborative, two-way communication between you and your supervisor. This is a good time to discuss your interested and future goals. Your supervisor is interested in helping you to progress and grow in order to achieve personal as well as work related goals – perhaps he/she can recommend further training or additional opportunities for you. The performance review gives your supervisor an opportunity to suggest ways for you to advance and make your job at SPI Systems more fulfilling.

Your supervisor can answer any questions you may have about the performance review process.

Compensation Reviews

SPI Systems's compensation reviews are usually given with performance reviews. Any applicable compensation increase will appear in the pay period ending after the date granted. Compensation increases may be retroactive in the case of late reviews. Having your compensation reviewed does not necessarily mean that you will be given an increase due to individual and/or company performance.

An individual's pay will depend on how consistently he/she performs over a given period of time. During the review, significant performance events that occurred throughout the year will be discussed. The overall performance rating will influence the compensation adjustment.

In addition to individual job performance reviews, SPI Systems periodically conducts a review of job descriptions to insure that we are fully aware of any changes in the duties and responsibilities of each position, and that such changes are recognized and adequately compensated.

Benefits

SPI Systems is committed to sponsoring a comprehensive benefits program for all eligible employees. In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits which will enhance your job satisfaction. We are certain you will agree the benefits program described in this Employee Manual represents a vary large investment by SPI Systems.

A good benefits program is a solid investment in SPI Systems's employees. SPI Systems will periodically review the benefits program and will made modifications as appropriate to the company's condition. SPI Systems reserves the right to modify, add or delete the benefits it offers.

Eligibility for Benefits

If you are a full-time employee, you will enjoy all the benefits described in this Employee Manual as soon as you meet the eligibility requirements for each particular benefit. Coverages are available to you and your dependents as defined in the benefit summary plan descriptions.

If you are a part-time employee, you will enjoy only those benefits specifically required by law, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

No benefits are available to you during your Introductory Period, except as otherwise provided by law.

NOTE: Please see Introductory Period in the Employment section of this Employee Manual for further information.

Employee Purchase of SPI Systems's Product

Employees giving discounts to friends is one of the most common abuses any company can face – we understand that it can be tempting to give friends a “good deal”.

This is our company's policy concerning employee discounting:

The employee purchase privilege is offered for the use of the employees and the members of their immediate family. Under no circumstances should company products be removed from the premises unless accompanied by a receipt from SPI Systems. Employees are permitted to buy company products at a discount for personal use but it is an abuse of the employee purchase to buy items from SPI Systems on behalf of people outside your immediate family. SPI Systems considers such behavior a form of theft and violators will be treated accordingly.

Merchandise must be checked out by someone other than yourself. The purchase may be paid for by check (with invoice number on the check) or charged to SPI Systems. If you charge the purchase to SPI Systems, you must pay the account in full within thirty (30) days or the outstanding balance will be deducted in full from your next paycheck. Non-stock items must be paid for in advance and are not returnable or exchangeable.

We must continually work together to remove the threats posed by unauthorized employee purchasing. This is a priority at SPI Systems. As an employee of SPI Systems, you are entitled to purchase merchandise at ten (10) percent above SPI Systems's cost, plus tax and freight, if applicable. What you buy must be for your own personal use or that of your immediate family and not for resale or use by others.

Leaves

Both paid and unpaid time off may be granted to eligible employees, according to the following leave policies. Please consult your supervisor for further information.

Holidays

Recognized Holidays

Regular full-time employees are eligible for holiday pay.

The following holidays are recognized by SPI Systems as paid holidays:

Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day
New Year's Day

The holiday schedule for the current year is posted in the office.

Holiday Policies

All national holidays are scheduled on the day designated by common business practice.

In order to qualify for holiday pay, you must work the scheduled workday immediately before and after the holiday. Only excused absences will be considered exceptions to this policy.

You are not eligible to receive holiday pay when you are on an unpaid leave of absence.

Vacations

If an employee takes vacation time before it is earned, it is considered to be a salary advance. If the employee then terminates his/her employment before accruing the vacation advanced, the employer is permitted to deduct from the employee's final paycheck the amount of pay for the unearned vacation time ONLY IF the employee was informed in writing that the unearned vacation pay would be deducted from the final paycheck.

Vacation is a time for you to rest, relax, and pursue special interests. SPI Systems has provided paid vacation as one of the many ways in which we show our appreciation for your work, knowledge, skills, and talents; all of which contribute to SPI Systems a leader in its field.

Only regular full-time employees are eligible to accrue vacation. Part time employees are not eligible. Vacation hours begin accruing upon hire but are not accrued until after the introductory period.

Amount of Vacation

Eligible employees accrue vacation for each month of service. The vacation rate is based on length of employment, as follows:

Years of Employment	Monthly Accrual Rate (In hours)	Total Accrual per Year (In days)
First Year	3.333	5
Second Year	6.666	10
Five Year	10	15

Vacation Policies

SPI Systems will always try to let you use your vacation time as desired, but vacations cannot interfere with your department's operation. Therefore, your vacation must be approved by your supervisor at least two (2) weeks in advance. If any conflicts arise in vacation requests, preference will be given to the employee with the longest length of continuous service.

Normally, only accrued vacation may be taken. You may not receive advance vacation pay (for vacation time taken in excess of your vacation accrual balance) without written authorization from your supervisor. Such authorization is at the discretion of your supervisor, and must be granted in advance of your vacation. Any amount of advanced vacation paid but not yet accrued at the time of termination of employment will be deducted from your final paycheck.

All vacation time must be taken in full day increments, unless otherwise authorized in writing. Specific vacation dates must be approved by your supervisor. Your supervisor has the responsibility to maintain adequate staffing levels and has the authority to limit the approval of vacation requests in order to meet operational needs. Requests will normally be granted as long as your absence will not seriously affect SPI Systems's operations. Usually, only one employee may be out on a vacation day in a department at any one time.

If you have unused vacation days upon the termination of your employment with SPI Systems, then that time will be forfeited.

Accumulation Rights

Employees are encouraged to use their vacation to take regular time off each year. If they do not, vacation will accrue until the employee has reached a maximum of 15 vacation days. At this point, no further vacation will be accrued until the employee uses vacation hours equal to the amount accruable during one month.

Exceptions to this policy may be made in unusual circumstances. Each case will be viewed on a individual basis by management.

Sick and/or Personal Leave

Only regular full-time employees are eligible to accrue Sick and/or Personal leave. Part-time employees are not eligible. Sick and/or Personal leave hours begin accruing after completing your Introductory Period

Amount of Sick and/or Personal Leave

Years of Employment	Monthly Accrual Rate (in hours)	Total Accrual Per Year (in days)
One year	4	4
Two years	4	4
Five or More	4	4

Sick and/or Personal Leave Policies

If you are a non-exempt employee, you may use your Sick and/or Personal leave in units of no less than two (2) hours at any one time. Please let your supervisor know that you will be absent from work due to illness as early as possible. Normally, only accrued Sick and/or Personal leave may be taken.

In addition to utilizing sick leave in the event of your own illness, Sick and/or Personal leave may also be used for the purpose of visiting doctors, dentists or other recognized practitioners. Sick and/or Personal leave may also be used for the purpose of tending to a serious illness suffered by a member of your immediate family, in the event the illness requires personal time and attention. For purposes of this policy, immediate family includes spouse, child, parent, or sibling living in your home.

SPI Systems may, in its sole and absolute discretion, require a doctor's certificate verifying the necessity for absence(s) and the specific illness, injury, or other disability to which the absence is attributed.

In the event of an illness or injury which is covered by workers' compensation insurance, this Sick and/or Personal Leave Policy will not apply, but will defer to state statutes.

Accumulation Rights

Sick and/or Personal leave may not be carried over and accumulated from year to year. Sick leave not used during the year will be canceled out and not paid for.

Other Paid Leaves.

Election Day

We encourage you to exercise your voting privileges in local, state and national elections. However, since the polls are open for long periods, you are encouraged to vote before or after regular working hours. If necessary, you may take up to two (2) hours

leave from work to vote in a governmental election or referendum. You will be expected to notify your supervisor at least one (1) week in advance.

School or Visit Leave

Parents or legal guardians of school children from kindergarten through grade twelve (12) are allowed to take up to four (4) hours of paid time off per school year per child to visit the child's school.

Funeral (Bereavement) Leave

Up to three (2) working days of leave with pay (not charged to other leave time) shall be granted to regular, full-time employees upon request to make arrangements for and attend funeral services of the employee's spouse, child, parent, parent-in-law, grandparent, grandparent-in-law, granddaughter, grandson, daughter-in-law, daughter or son of the employee's spouse or domestic partner, and any relative living in the household of the employee or domestic partner.

With your supervisor's approval, you may take up to one full day without pay to attend funerals of other relatives and friends. If you prefer, unused personal leave or a day of accrued vacation may be used for this purpose.

Funeral leave pay will only be made to employees for actual time spent away from work for the funeral or its arrangements. For example, if the death occurs at a time when work is not scheduled, payment will not be made. If a holiday or part of your vacation occurs on any of the days of absence, you may not receive holiday or vacation pay in addition to paid funeral leave.

Jury Duty

It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, you must notify your supervisor within forty-eight (48) hours of receipt of the jury summons.

SPI Systems will pay your eight (8) hours of wages per day for a maximum of five (5) days of service, as required by state law.

Unpaid Leaves

Occasionally, for medical, personal or other reasons, you may need to be temporarily released from duties of your job with SPI Systems. It is the policy of SPI Systems to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

Time off for any reason during a working day will count first against your allotted sick days or personal days, as appropriate, in hourly, quarter day, half day or full day increments. Once you used all of your accrued sick or personal days, the time may be counted against your accrued vacation time. Thereafter, unless specifically excepted, any time off will be without pay.

Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment.

All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable.

There are several types of unpaid leaves for which you may be eligible.

Family / Medical Leave of Absence

SPI Systems will not discriminate against employees as a result of the approved use of family care or medical leave or a proper request for such leave. Requests for family care and medical leave will be considered without regard to race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, religion, creed, physical or mental disability, marital status or veteran status.

In general, a leave of absence is an official authorization to be absent from work without pay for a specified period of time. Eligible employees may be entitled to job-protected family or medical leaves of absence, if they are unable to come to work due to

pressing family or medical concerns as described within this Family / Medical leave of Absence Policy, which shall be administered in accordance with applicable state and federal laws as follows:

1. Employees are eligible if they have been actively employed for twelve (12) months, and worked at least 1250 hours (an average of twenty-five (25) hours per week) during those twelve (12) months. This twelve (12) month period “rolls back” from the date of leave to the prior twelve (12) month period.
2. Employees may request one (1) or more family care or medical leaves, however, the total amount of leave taken cannot exceed twelve (12) work weeks in any twelve (12) month period. You may request an intermittent leave or reduced schedule leave to care for a seriously ill family member or if you have a serious health condition that warrants such a request.
3. A family leave shall be granted upon the birth or adoption of a child of the employee, or upon the serious health condition of the employee’s child, spouse, or parent.
4. A medical leave shall be granted upon the employee’s own serious health condition.
5. In appropriate circumstances, we may require you to be examined by a company designated PHYSICIAN, AT SPI System’s expense.
6. In the event of a serious health condition to the employee or his/her child, spouse, or parent, creating a need for unforeseeable family or medical leave, the employee must provide us with notice, as soon as practicable, of any needed time off, and a written doctor’s certificate. The certification must include the date on which the health condition occurred, the probable duration of the condition, an estimate of the amount of time you need to be off work to care for the family member or for your own health condition, and confirmation that the nature of the condition warrants you to be away from work to care for yourself or your dependent.
7. Employees shall be required to give thirty (30) days advance notice in the event of a foreseeable medical treatment. To assist us in arranging work assignments during your absence, we ask that you give us prior notice, to the extent possible, of an expected birth or adoption, as well as an indication, to the extent known, of your expected return date. To facilitate your return to work, we also ask that you provide us with two (2) weeks advance notification of your intended return date. Failure to do so may delay your return date.
8. For purposes of this policy, a child is defined as a natural, adopted, or foster child, a stepchild or a legal ward. If the child is over eighteen (18), he/she must be unable to care for himself/herself due to a serious illness.
9. A parent is defined as the employee’s or his/her spouse’s natural, adoptive, or foster parent, stepparent, or legal guardian.
10. A serious health condition is defined as a disabling physical or mental illness, injury, impairment, or condition involving (1) inpatient care in a hospital, nursing home, or hospice; or (2) outpatient care requiring continuing treatment or supervision from a health care professional.
11. Leave of absence rights available to you under other sections of our policy shall be counted towards the total time off available under this section.
12. A Family Care Leave that relates to the birth or adoption of a child must be completed within twelve (12) months of the birth or adoption.
13. Upon completion of a leave granted under this section, you shall be reinstated to your original position, or an equivalent one.
14. If, due to your own medical circumstances, you are no longer able to perform your original job, we will attempt to transfer you to alternate suitable work, if available.
15. You must use any accrued vacation or other accrued paid time off, during your family care or medical leave. If the leave is related to your own serious health condition, you must use any accrued sick leave during your medical leave.
16. While on leave of absence provided for under this policy, we will continue your group health insurance benefits under the same terms as provided to other employees, for up to a maximum of twelve (12) weeks during any one (1) year period. If your leave extends beyond twelve (12) weeks, you shall be offered the opportunity to purchase continuing coverage under state and federal COBRA continuation rules.
17. Other accumulated fringe benefits such as retirement, service credits, sick pay, vacation pay, and the like shall be preserved at the level accrued as the commencement of the leave, but shall not accrue further during any such leave period.
18. The pay allowances while on disability leave are based on an employee’s length of service, as well as the state in which she/he is employed. Disability laws may vary from state to state, and at all times our disability leave policy will be in compliance with the laws of the state in which you are employed.
19. During a period of disability, you may be eligible for disability per benefits. Please refer to that applicable plan documents for details on eligibility, benefit amounts, and other particulars.
20. If additional family care or medical leave is required you must, prior to expiration of the family care or medical leave, submit additional certification to SPI Systems.

Disability (Including Pregnancy) Leave of Absence

SPI Systems may grant an unpaid leave of absence for illness, disability or pregnancy. To request a disability leave of absence from your supervisor, you should submit, or have someone submit for you, a statement of ill health or disability from your doctor. (Pregnancy is treated, for the purposes of this policy, the same as an illness or disability). An approved disability leave may be granted for up to thirty (30) days. If necessary, you may request extensions in three (3) day increments for a maximum of ninety (90) days. Whenever possible, you are required to give as much notice as possible for your pending need for a disability leave of absence.

In the case of pregnancy, please inform your supervisor as soon as possible of the date you and your doctor anticipate that you will begin your leave. Your job status will be protected in that we will make every effort to hold your position open, or return you to a similar position if one is available, for which you may be qualified.

At the time the disability leave begins, any accrued personal leave or sick leave will be used. Vacation time previously accrued (but not used) at that time will also be paid if the employee so desires. These benefits do not continue to accrue during a leave of more than thirty (30) days. This policy applies to all employees. Your group insurance booklet should be reviewed to determine your insurance coverage during a leave of absence.

Employees who must remain away from work for more than the period of time allowed above will be considered terminated from employment. They are welcome to re-apply subject to SPI System's usual hiring policies.

Employees who develop an illness or physical condition which requires medical treatment or restrictions and precautions will be required to submit a physician's statement. This statement must give approval that continued full time employment in his/her present position will not jeopardize his/her health or the safety of others, in the event she/he continues to work. A similar statement is required upon return from a disability leave.

Should your attendance or job performance suffer during the period preceding and/or following a disability leave, we will accommodate you to the extent provided by law.

Military Leave of Absence

Employees who serve in U.S. military organizations or state militia groups may take the necessary time off without pay to fulfill this obligation, and will retain all of their legal rights for continued employment under existing laws. These employees may apply accrued personal leave and unused earned vacation time to the leave if they wish, however, they are not obliged to do so.

You are expected to notify your supervisor as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during this absenc.

Personal Leave of Absence

In special circumstances, SPI Systems may grant a leave for a personal reason, but never for taking employment elsewhere or going into business for yourself. You should request an unpaid personal leave of absence from your supervisor. A personal leave of absence must not interfere with the operations of your department or SPI Systems. Your supervisor will submit your request to the appropriate member of management for final approval.

A personal leave of absence may be granted for up to twenty (2) days. If your leave is extended for more than twenty (2) days, vacation and other benefits will no longer continue to accrue. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. Failure to return from a leave at the time agreed will result in termination of employment.

Accepting Other Employment or Going Into Business While on Leave of Absence

If you accept any employment or go into business while on a leave of absence from SPI Systems, you will be considered to have voluntarily resigned from employment with SPI Systems as of the day on which you began your leave of absence.

Insurance Premium Payment During Leaves of Absence

SPI Systems will continue to pay its share of the insurance premiums for employee coverage and dependent coverage for a maximum of three (3) months while you are on a disability leave of absence. While you are on any other type of unpaid leave of absence from SPI Systems, you will be responsible for paying the total premiums for your coverage and that of your dependents.

Failure to do so may result in loss of coverage and possible refusal by the insurance carrier to allow your coverage to be reinstated. Please consult with your supervisor to set up a payment schedule.

SAFETY

General Employee Safety

SPI Systems is committed to the safety and health of all employee and recognizes the need to comply with regulations governing injury and accident prevention and employee safety. Maintaining a safe work environment, however, requires the continuous cooperation of all employees.

SPI Systems will maintain safety and health practices consistent with the needs of our industry. If you are ever in doubt about how to safely perform a job, it is your responsibility to ask your supervisor for assistance. Any suspected unsafe conditions and all injuries that occur on the job must be reported immediately. Compliance with these safety rules is considered a condition of employment. Therefore, it is a requirement that each supervisor make the safety of employees an integral part of her/his regular management functions. It is the responsibility of each employee to accept and follow established safety regulations and procedures.

SPI Systems strongly encourages you to communicate with your supervisor regarding safety issues.

Reporting Safety Issues

All accidents, injuries, potential safety hazards, safety suggestions and health and safety related issues must be reported immediately to your supervisor. If you or another employee is injured, you should contact outside emergency response agencies, if needed. If an injury does not require medical attention, a Supervisor and Employee Report of Accident Form must still be completed in case medical treatment is later needed and to insure that any existing safety hazards are corrected. The Employee's Claim for Worker's Compensation Benefits Form must be completed in all cases in which an injury requiring medical attention has occurred.

Federal Law (Occupational Safety and Health Administration) requires that we keep records of all illnesses and accidents which occur during the workday. The Texas Worker's Compensation Act also requires that you report any workplace illness or injury, no matter how slight. If you fail to report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards which might be present on the job. Should you have any questions or concerns, contact your supervisor for more information.

Parking Lot

You are encouraged to use the parking areas designated for our employees. Please keep in mind that the parking spaces adjacent to or in front of our building(s) are for customers and visitors only. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will help eliminate accidents, personal injuries, damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your supervisor.

SPI Systems cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents.

Safety Rules

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all SPI Systems activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production.

Below are some general safety rules to assist you in making safety a regular part of your work. Your supervisor may post other safety procedures in your department or work area.

Working Safely

Safety is everyone's responsibility. Remind your co-workers about safe work methods. Start work on any machine only after safety procedures and requirements have been explained. Immediately report any suspected hazards and all accidents to your supervisor.

Lifting

Ask for assistance when lifting heavy objects or moving heavy furniture. Bend your knees, get a firm grip on the object, hold it close to your body and space your feet for good balance. Lift using your stronger leg muscles, not your weaker back muscles.

Materials Handling

Do not throw objects. Always carry or pass them. Use flammable items, such as cleaning fluids, with caution. Also, stack materials only to safe heights.

Trash Disposal

Keep sharp objects and dangerous substances out of the trash can. Items that require special handling should be disposed of in approved containers.

Cleaning Up

To prevent slips and tripping, clean up spills and pick up debris immediately.

Preventing Falls

Keep aisles, work places and stairways clean, clear and well lighted. Walk, don't run. Watch your step.

Handling Tools

Exercise caution when handling objects and tools. Do not use broken, defective or greasy tools. Use tools for their intended purpose only. Wear safety glasses or goggles whenever using a power tool.

Falling Objects

Store objects and tools where they won't fall. Do not store heavy objects or glass on high shelves.

Work Areas

Keep cabinet doors, and file and desk drawers closed when not in use. Remove or pad torn, sharp corners and edges. Keep drawers closed. Open only one drawer at a time.

Using Ladders

Place ladders securely. Do not stand on boxes, chairs or other devices not intended to be used as ladders.

Electrical Hazards

Do not stand on a wet floor while using any electrical apparatus. Keep extension cords in good repair. Don't make unauthorized connections or repairs. Do not overload outlets.

Fire Extinguishers

Know where fire extinguishers are and how to use them.

Report Injuries

Immediately report all injuries, no matter how slight, to your supervisor.

Ask Questions

If you are ever in doubt regarding the safe way to perform a task, please do not proceed until you have consulted a supervisor. Employees will not be asked to perform any task which may be dangerous to their health, safety or security. If you feel a task may be dangerous, inform your supervisor at once.

We strongly encourage employee participation and your input on health and safety matters. Please obtain a Safety Suggestion Form from your supervisor for this purpose. Employees may report potential hazards and make suggestions about safety without fear of retaliation. We appreciate and expect this type of involvement! The success of the safety program relies on the participation of all employees. Though it is SPI Systems's responsibility to provide for the safety, health and security of its workers during working hours, it is the responsibility of each employee to abide by the rules, regulations and guidelines set forth.

Remember, failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions.

Weapons

SPI Systems believes it is important to establish a clear policy that addresses weapons in the workplace. Specifically, SPI Systems prohibits all persons who enter company property from carrying a handgun, firearm, knife, or other prohibited weapon of any kind without prior permission.

The only exception to this policy will be police officers, security guards or other persons who have been given written consent by SPI Systems to carry a weapon on the property.

Any employee disregarding this policy will be subject to immediate termination.

Fire Prevention

Know the location of the fire extinguisher(s) in your area and make sure they are kept clear at all times. Notify your supervisor if an extinguisher is used or if the seal is broken. Keep in mind that extinguishers that are rated ABC can be used for paper, wood, or electrical fires. Make sure all flammable liquids, such as alcohol, are stored in approved and appropriately labeled safety cans and are not exposed to any ignition source.

In Case of Fire

If you are aware of a fire, you should:

- Dial 911 or the local fire department
- If possible, immediately contact your supervisor. Evacuate all employees from the area.
- If the fire is small and contained, locate the nearest fire extinguisher. This should only be attempted by employees who are knowledgeable in the correct use of fire extinguishers.
- If the fire is out of control, leave the area immediately. No attempt should be made to fight the fire.

When the fire department arrives, direct the crew to the fire. Do not re-enter the building until directed to do so by the fire department.

Emergency Evacuation

If you are advised to evacuate the building, you should:

- Stop all work immediately.
- Contact outside emergency response agencies, if needed.
- Shut off all electrical equipment and machines, if possible.

- Walk to the nearest exit, including emergency exit doors.
- Exit quickly, but do not run. Do not stop for personal belongings.
- Proceed in an orderly fashion, to a parking lot near the building. Be present and accounted for during roll call

Do no re-enter the building until instructed to do so.

Housekeeping

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times – it is a required safety precaution.

If you spill a liquid, clean it up immediately. Do not leave tools, materials, or other objects on the floor which may cause others to trip or fall. Keep aisles, stairways, exits, electrical panels, fire extinguishers, and doorways clear at all times.

Easily accessible trash receptacles and recycling containers are located throughout the building. Please put all litter and recyclable materials in the appropriate receptacles and containers. Always be aware of good health and safety standards, including fire and loss prevention.

Please report anything that needs repairing or replacing to your supervisor immediately.

Office Safety

Office areas present their own safety hazards. Please be sure to:

- Leave desk, file cabinet drawers firmly closed when not in use.
- Open only a single drawer of a file cabinet at a time.
- Arrange office space to avoid tripping hazards, such as telephone cords or calculator electrical cords.
- Remember to lift things carefully and to use proper lifting techniques.

Property and Equipment Care

It is your responsibility to understand the equipment needed to perform your duties. Good care of any equipment that you use during the course of your employment as well as the conservative use of supplies, will benefit you and SPI Systems. If you find that equipment is not working properly or in any way appears unsafe, please notify your supervisor immediately so that repairs or adjustments may be made.

Security

Maintaining the security of SPI Systems buildings and vehicles is every employee's responsibility. Develop habits that insure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise
- When you leave SPI System's premises make sure that all entrances are properly locked and secured.

Smoking

Smoke only in designated smoking areas. Please be courteous and concerned about the needs of your fellow employees and others. Please do not smoke in restricted areas.

Please remember to conform to our customer's smoking policies when working at a customer's site.

All employees are expected to abide by this policy while at work.

Separation of Employment

Termination

SPI Systems operates under the principle of at-will employment. This means that neither you nor SPI Systems has entered into a contract regarding the duration of your employment. You are free to terminate your employment with SPI Systems at any time, with or without reason. Likewise, SPI Systems has the right to terminate your employment, or otherwise discipline, transfer, or demote you at any time, with or without reason, at the discretion of SPI Systems.

SPI Systems hopes and expects that you will give at least two (2) weeks notice in the event of your resignation.

Return of Company Property

Any SPI Systems property issued to you, such as product samples, computer equipment, keys, or company credit card must be returned to SPI Systems at the time of your termination. You will be responsible for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization form for this purpose.

Former Employees

Depending on the circumstances, SPI Systems may consider a former employee for re-employment. Such applicants are subject to SPI Systems's usual pre-employment procedures. To be considered, an applicant must have been in good standing at the time of their previous termination of employment with SPI Systems.

Post-Employment Inquiries

SPI Systems does not respond to oral requests for references. In the event your employment with SPI Systems is terminated, either voluntarily or involuntarily, your supervisor, may be able to provide a reference to potential employers only if you have completed and signed a release form.

As an employee of SPI Systems, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, please forward the information request to your supervisor.

Workplace Policies

This Employee Manual is designed to answer many of your questions about the practices and policies of SPI Systems. Feel free to consult with your supervisor for help concerning anything you don't understand.

Communications

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all SPI Systems methods of communication, including this Employee Manual, discussions with your supervisor, memoranda, staff meetings, training sessions, and company e-mail.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits.

Company and Department Meetings

On occasion, we may request that you attend a company meeting during working hours. Your attendance is required.

Monthly notes are kept on the SPI system's WEB site and are the responsibility of the Employee to keep up with them. Also kept on the WEB site and also the employee's responsibility to know, are employee manual, Standard Operating Procedures (SOP), holiday schedule, and other pertinent information.

Computer Software (Unauthorized Copying)

SPI Systems does not condone the illegal duplication of software. The copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U.S. Code states that "it is illegal to make or distribute copies of copyrighted material without authorization (Section 106). The only exception is the users' right to make a backup copy for archival purposes (Section 117).

The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless a backup copy is not provided by the manufacturer. Unauthorized duplication of software is a federal crime. Penalties include fines up to and including \$250,000, and jail terms of up to five (5) years.

Even the users of unlawful copies suffer from their own illegal actions. They receive no documentation, no customer support and no information about product updates.

According to the U.S. Copyright Law, illegal reproduction of software can be subject to civil damages and criminal penalties, including fines and imprisonment. SPI Systems employees who make, acquire or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include termination.

Computers, Electronic Mail, and Voice Mail Usage Policy

SPI Systems makes every effort to provide the best available technology to those performing services for SPI Systems. In this regard, SPI Systems has installed, at substantial expense, equipment such as computers, electronic mail, and voice mail. This policy is to advise those who use our business equipment on the subject of access to and disclosure of computer-stored information, voice mail messages and electronic mail messages created, sent or received by SPI Systems's employees with the use of SPI Systems's equipment.

This policy also sets forth policies on the proper use of the computer, voice mail and electronic mail systems provided by SPI Systems.

SPI Systems property, including computers, electronic mail and voice mail, should only be used for conducting company business.

Incidental and occasional personal use of company computers and our voice mail and electronic mail systems is permitted, but information and messages stored in these systems will be treated no differently from other business-related information and messages, as described below.

The use of the electronic mail system may not be used to solicit for commercial ventures, religious or political causes, outside organizations, or other non-job related solicitations. Furthermore, the electronic mail system is not be used to create any offensive or disruptive messages. Among those which are considered offensive, are any messages which contain sexual implications, racial slurs, gender-specific comments, or any other comments that offensively address someone's age, sexual orientation, religious or political beliefs, national origin, or disability. In addition, the electronic mail system shall not be used to send (upload) or receive (download) copyrighted materials, trade secrets, proprietary financial information, or similar materials without prior authorization.

Although SPI Systems provides certain codes to restrict access to computers, voice mail and electronic mail to protect these systems against external parties or entities obtaining unauthorized access, employees should understand that these systems are intended for business use, and all computer information, voice mail and electronic mail messages are to be considered as company records.

SPI Systems also needs to be able to respond to proper requests resulting from legal proceedings that call for electronically -stored evidence. Therefore, SPI Systems must, and does, maintain the right and the ability to enter into any of these systems and to inspect and review any and all data recorded in those systems. Because SPI Systems reserved the right to obtain access to all voice mail and electronic mail left on or transmitted over these systems, employees should not assume that such messages are private and confidential or that SPI Systems or its designated representatives will not have a need to access and review this information.

Individuals using SPI Systems's business equipment should also have no expectation that any information stored on their computer – whether the information is contained on a computer hard drive, computer disks or in any other manner – will be private.

SPI Systems has the right to, but does not regularly monitor voice mail or electronic mail messages. SPI Systems will, however, inspect the contents of computers, voice mail or electronic mail in the course of an investigation triggered by indications of unacceptable behavior or as necessary to locate needed information that is not more readily available by some other less intrusive means.

The contents of computers, voice mail, and electronic mail, properly obtained for some legitimate business purpose, may be disclosed by SPI Systems if necessary within or outside of SPI Systems.

Given SPI Systems's right to retrieve and read any electronic mail messages, such messages should be treated as confidential by other employees and accessed only by the intended recipient.

SPI Systems's President will review any request for access to the contents of an individual's computer, voice mail, or electronic mail prior to access being made without the individual's consent.

Any employee who violated this policy or uses the electronic communication systems for improper purposes may be subject to discipline, up to and including termination.

Dress Code and Personal Appearance

Please understand that you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and groomed during working hours or when representing SPI Systems. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our company image. When working at a customer's site, please dress appropriately according to their corporate culture.

Personal appearance should be a matter of concern for each employee. If your supervisor feels your attire and/or grooming is out of place, you may be asked to leave your workplace until you are properly attired and/or groomed. Employees who violate dress code standards may be subject to appropriate disciplinary action.

Keep in mind the discomfort your supervisor would feel if she/he had to address this issue with you.

Drug-Free Workplace Policy

SPI Systems is a community in which responsibilities and freedom are governed by policies and codes of behavior, including penalties for violations of these standards as stated in your Employee Manual. SPI Systems has a standard of conduct which prohibits the unlawful possession, use or distribution of illicit drugs and alcohol by employees on SPI Systems's site and/or client sites or as a part of SPI Systems's activities. SPI Systems will impose disciplinary sanctions on employees ranging from educational and rehabilitation efforts up to and including expulsion or termination of employment and referral for prosecution for violations of the standards of conduct. Each situation will be looked at on a case by case basis.

It is the goal of SPI Systems to maintain a drug-free workplace. To that end, and in the spirit of the Drug-Free Workplace Act of 1988, SPI Systems has adopted the following policies:

1. The unlawful manufacture, possession, distribution, or use of controlled substances is prohibited in the workplace.
2. Employees who violate this prohibition are subject to corrective or disciplinary action as deemed appropriate, up to and including termination.
3. As an on-going condition of employment, employees are required to abide by this prohibition and to notify, in writing and within (5) days of the violation, her/his supervisor of any criminal drug statute conviction they receive.
4. If an employee receives such a conviction SPI Systems shall:
Take appropriate personnel action against the employee, up to and including termination.
5. SPI Systems reserves the right to search and inspect for the maintenance of a safe workplace.

Expense Reimbursement

You must have your supervisor's written authorization (usually by way of a requisition or purchase order) prior to incurring an expense on behalf of SPI Systems. To be reimbursed for all authorized expenses, you must submit an expense report or voucher accompanied by receipts and it must be approved by your supervisor. Please submit your expense report or voucher each week, as you incur authorized reimbursable expenses. In order for SPI Systems to keep records and accounting accurate and current, expense reports or vouchers older than one (1) month old may not be honored.

If you are asked to conduct company business using your personal vehicle you will be reimbursed at the rate of .23 cents per mile. Please submit this expense on your monthly mileage record, which is to be turned in the 1st of the month.

Mileage and reimbursements are to be turned in by the 1st of the month, they are paid on the 15th paycheck. In order for SPI Systems to keep records and accounting accurate and current, expense reports or vouchers older than one (1) month old may not be honored.

Personal Use of Company Property

In some instances, employees may be allowed to borrow certain SPI Systems tools or equipment for their own personal use while on our premises. In no instance may this be done off our premises, or without prior management approval. You understand and agree that SPI Systems is not liable for personal injury incurred during the use of company property for personal projects. As a SPI Systems employee, you accept full responsibility for any and all liabilities for injuries or losses which occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition, and you agree that you are required to pay for any damages or losses that occur while using the equipment or tools for personal projects.

Use of Company Vehicle

If you are authorized to operate a SPI Systems vehicle in the course of your assigned work, or if you operate your own vehicle in performing your job, you must adhere to the following rules:

1. You must be a Texas licensed driver.
2. You must maintain weekly mileage report.
3. You are responsible for following all the manufacturer's recommended maintenance schedules to maintain valid warranties, and for following the manufacturer's recommended oil change schedule.
4. SPI Systems provides insurance on company vehicles, however, you will be considered completely responsible for any accidents, fines, moving or parking violations incurred.
5. You must keep the vehicle clean at all times. You must also wash and vacuum the vehicle as often as necessary. You will be reimbursed for your reasonable expense of keeping the vehicle clean. Please retain any receipts for reimbursement.
6. Persons not authorized or employed by SPI Systems cannot operate or ride in a company vehicle.
7. Prior to operation of any company vehicle, your supervisor will train you on the appropriate steps to take if you are involved in an accident – filling out the accident report, getting names of witnesses and so on.

NOTE: Please see the Driver's License and Driving Record policy in the "Employment" section of this Employee Manual for further information.

Violence in the Workplace Policy

SPI Systems has adopted a policy prohibiting workplace violence. Consistent with this policy, acts or threats of physical violence including intimidation, harassment, and/or coercion, which involve or affect SPI Systems or which occur on SPI Systems property will not be tolerated.

Acts or threats of violence include conduct which is sufficiently severe, offensive, or intimidating to alter the employment conditions at SPI Systems, or to create a hostile, abusive, or intimidating work environment for one or several employees. Examples of workplace violence include, but are not limited to, the following:

1. All threats or acts of violence occurring on SPI Systems's premises, regardless of the relationship between SPI Systems and the parties involved.

2. All threats or acts of violence occurring off SPI Systems's premises involving someone who is acting in the capacity for a representative of SPI Systems.

Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to, the following:

1. Hitting or shoving an individual
2. Threatening an individual or his/her family, friends, associates, or property with harm.
3. Intentional destruction or threatening to destruct SPI Systems's property.
4. Making harassing or threatening phone calls.
5. Harassing surveillance or stalking (following or watching someone).
6. Unauthorized possession or inappropriate use of firearms or weapons.

SPI Systems prohibition against threats and acts of violence applies to all persons involved in SPI Systems's operation, including but not limited to personnel, contract, and temporary workers and anyone else on SPI Systems property. Violations of this policy by any individual on SPI Systems's property will lead to disciplinary action, up to and including termination and/or legal action as appropriate.

Every employee is encouraged to report incidents of threats or acts of physical violence of which he/she is aware. The report should be made to your supervisor.

Receipt and Acknowledgement of SPI Systems Employee Manual

Please read the following statements, sign below and return to your supervisor.

Understanding and Acknowledging Receipt of SPI Systems Employee Manual

I have received and read a copy of the SPI Systems Employee Manual. I understand that the policies and benefits described in it are subject to change at the sole discretion of SPI systems at any time.

At Will Employment

I further understand that my employment is at will, and neither myself nor SPI Systems has entered into a contract regarding the duration of my employment. I am free to terminate my employment with SPI Systems at any time, with or without reason. Likewise, SPI Systems has the right to terminate my employment or otherwise discipline, transfer, or demote me at any time with or without reason, at the discretion of SPI Systems. No employee of SPI Systems can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written approval from the President.

Arbitration

I also acknowledge I have read and understand the Arbitration Policy contained in this Employee Manual and I agree to abide by the policy.

Confidential Information

I am aware that during the course of my employment confidential information will be made available to me, for instance, product designs, marketing strategies, customer lists, pricing policies and other related information. I understand that this information is proprietary and critical to the success of SPI Systems and must not be given out or used outside of SPI System's premises or with non SPI Systems employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not utilize or exploit this information with any other individual or company.

Employee's Printed Name

Position

Employee's Signature

Date

General information

The following are things that most people are already aware of, but they do need to be stated.

1. Office Desk and what is in them are company property and as such can be searched at any time. If we are here over a weekend and we need something that we feel is in your desk, we do have the right to go through it. Common areas and secured areas, of the company, may at times have video/audio surveillance, with recordings being made.
2. Company E-mail, voice mail, any and all files kept on company computers are also company property and can be gone through at any time. None of the above is to have passwords installed unless they are approved by SPI Management. Stated another way, any thing that is inside our offices can be searched or we can ask to have it removed from the premises.
3. Cellular phones/PDA's – If you have one, they are to be used for business purposes only, other than emergencies. The number is not to be given out to customers or friends, exception; sales when necessary can give the number to clients. Phones should, except in rare exceptions, be checked in at the end of the week to the office manager. No passwords should be installed without that password being approved by SPI Management. No confidential information is to be stored on any of these devices. This includes all information that is listed in the non-disclosure agreement, including customer/internal passwords, addresses, etc.
4. Beepers are the same as cellular phones; except the “on call beeper” this beeper is to be kept for a month at a time. It is passed on to the next person on the last Friday of the Month (or the last work day of the month, if the last Friday is a non work day). During the time that you have a beeper it is to be manned 24 hours a day 7 days a week. You are responsible for answering it and either taking care of the problem, or if it is something you can not handle, notifying a person that can.
5. Field Technicians that are assigned a parts kit, acknowledge the fact that if you quit and do not turn in the kit, then the retail price of all components can and will be deducted from your last paycheck. It is further acknowledged that you are responsible for these kits and if they are lost or stolen through carelessness, or losing parts (using parts but not billing for them) that you are responsible for the cost plus ten percent. Kits will be inventoried the 1st of every month, or first work day of the month, by an inventory person, parts that are not accounted for will be billed to the employee at cost plus 10 percent, the employee can either pay for them then or the amount will be deducted from the 15th's paycheck.
6. Company vehicles - these are to be returned to the offices every night, except in very rare circumstances. In those rare instances, a member of SPI's management has to be called and informed. It is your responsibility to make sure that the vehicle you are using has had the maintenance kept up. If not then letting the proper person know of any lapse in maintenance or if there is any trouble and/or problems, fuel is to be kept at least at the half way mark. You are also responsible for keeping the routine maintenance up, checking the log and making sure that every thing looks OK, i.e. oil does not need to be changed or other maintenance items need to be done. If they do then you are to inform SPI of that fact and arrange to have it done.
7. If employee causes any damage through negligence or on purpose to any company property, or does not turn in company property when asked, or at the end of your employment. Then employee is responsible for the cost of damages, replacement, or modifications that have to be made for the protection of SPI's property. One can either make arrangements for payment or the amounts will be deducted from your paycheck. This includes but is not limited to turning in books, office, vehicle keys, and other property that SPI has loaned to or allowed employee to use.
8. Employee pays for their own work shirts.

Employee's signature

Date