



The Halcyone Corporation

The Halcyone Corporation Personnel Guidelines

The Personnel Policies and Guidelines below describe essential information about the Halcyone Corporation. You should refer to the Employee Handbook or the Safety Policy for any matters not addressed in these guidelines. Please consult your supervisor or the Halcyone Corporation's Human Resources Manager for any questions that you may have.

The following topics are covered in these guidelines:

- Equal Employment Opportunity
- Disability Accommodation
- Immigration Law Compliance
- Sexual Harassment Policy
- Anti-Harassment Policy
- Safety
- Drug and Alcohol Use
- Workplace Violence Prevention
- Employee Conduct and Work Rules
- Progressive Discipline
- Problem Resolution Procedure

Please read the following statements and sign the enclosed sheet to indicate your receipt and acknowledgement of these guidelines.

Employee acknowledgement forms should be returned to our office via email attachment, fax or mail prior to your start date.

Thank you,
The Halcyone Corporation Management Team

Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Halcyone are based on qualifications and abilities. Halcyone does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, citizenship, pregnancy, veteran's status, age, mental or physical disability, or any other personal characteristic protected by law.

Halcyone will make reasonable accommodations for qualified individuals with known mental or physical disabilities unless doing so would result in an undue hardship on the company. This policy governs all aspects of employment with the Halcyone Corporation.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor. Employees can raise concerns and make reports without fear of reprisal.

Disability Accommodation

Halcyone is committed to complying fully with the Americans with Disabilities Act ("ADA") and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis. Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position. Qualified individuals with disabilities are entitled to equal pay and other forms of compensation as well as equal treatment in job assignments, classifications, organizational structures and position descriptions.

Immigration Law Compliance

Halcyone is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Halcyone within the past three years, or if their previous I-9 is no longer retained or valid.

Sexual Harassment Policy

Halcyone strongly believes that every employee is entitled to a work environment free from sexual harassment. Sexual harassment is a form of employee misconduct that interferes with work productivity and wrongly deprives employees of a work environment in which employees are treated with dignity and respect. Sexual harassment is a form of sexual discrimination that is prohibited by state and federal law.

Sexual harassment is defined as unwelcome sexual or gender-based conduct that creates a hostile, intimidating or offensive work environment. It also exists when an employee exercises or threatens the authority of his or her position to control, influence, direct, or affect the job, duties, earnings, or career of another employee in order to obtain a sexual favor. In other words, it includes unwelcome sexual advances, requests for sexual favors, and other verbal, physical or visual conduct of a sexual nature, particularly where:

- a) Submission to such conduct is made a condition of employment;
- b) Submission or rejection of such conduct is used as a basis for employment decisions affecting the individual; or
- c) The conduct has the purpose or effect of substantially interfering with work performance.

All decisions regarding employment benefits, opportunities, and performance are made on the basis of merit and without discrimination or condition upon submission to any sexual or amorous conduct.

Sexual harassment may take on many forms. Examples of sexual harassment may include, *but are not limited to*, repeated offensive or unwelcome comments, unnecessary physical contact or touching, lewd or off-color humor, sexual innuendo, unwanted propositions, obscene gestures, excessive flirtation, or the display of sexually suggestive pictures or cartoons.

Halcyone expressly prohibits and will not tolerate sexual harassment in any form by or against any employee of Halcyone or management or other third party individuals who have a relationship with Halcyone which enables Halcyone to exercise some control over the individual's conduct in places and activities that relate to Halcyone (e.g., customers, vendors, visitors, etc.) If an employee believes he/she has experienced sexual harassment, then he/she is encouraged to directly inform the offending person(s) that such conduct is offensive and must stop.

If you do not wish to communicate directly with the alleged harasser(s), or if direct communication has been ineffective, then the person with the complaint is encouraged to immediately notify any supervisor of Halcyone.

Sexual Harassment Policy (cont'd)

Halcyone will promptly conduct an investigation into all good-faith complaints and take appropriate corrective action that may include discipline, up to and including termination of the offending party. In the course of handling complaints, Halcyone will strive to maintain confidentiality to the extent possible under the circumstances.

All employees should note that retaliation against an employee who has complained of sexual harassment or against individuals cooperating with the investigation of a sexual harassment complaint is unlawful and will not be tolerated. Halcyone guarantees that no employee will be subject to any form of retaliation or discipline for lodging any good-faith complaints of sexual harassment. Retaliation is a form of illegal sexual harassment that is against this policy and will be treated in the same manner as other forms of sexual harassment.

Anti-Harassment Policy

Halcyone is committed to providing a work environment that is free of unlawful harassment. Engaging in actions, writings, or comments based on an individual's race, color, religion, sex, sexual orientation, marital status, national origin, pregnancy, veteran's status, age, mental or physical disability, or any other legally protected personal characteristic is a violation of this policy. Unlawful harassment (both overt and subtle) is a form of employee misconduct that is demeaning to another person, undermines the integrity of the employment relationship, and is strictly prohibited. While it is not always easy to identify precisely what conduct constitutes harassment, prohibited conduct certainly includes but is not limited to slurs, epithets, derogatory comments, unwelcome jokes, teasing, or other similar verbal or physical conduct. At Halcyone freedom from unlawful harassment is not only a legal commitment it is a moral commitment as well.

Halcyone will not tolerate unlawful harassment in any form by or against any employee of Halcyone. This policy against harassment also covers other (third party) individuals who have a relationship with Halcyone, which enables Halcyone to exercise some control over the individual's conduct in places and activities that relate to Halcyone (e.g. customers, vendors, etc.).

If an employee believes he or she has experienced unlawful harassment, then he or she is encouraged to directly inform the offending person(s) that such conduct is offensive and must stop. If the employee does not wish to communicate directly with the alleged harasser(s), or if direct communication has been ineffective, then that employee is encouraged to immediately notify any Halcyone supervisor.

Anti-Harassment Policy (cont'd)

Halcyone will promptly conduct an investigation into all good-faith complaints and take appropriate corrective action, which may include discipline up to and including termination of the offending party. In the course of handling complaints, Halcyone will strive to maintain confidentiality to the extent possible under the circumstances.

All employees should note that retaliation against an employee who has complained of unlawful harassment or against individuals cooperating with the investigation of an unlawful harassment complaint is unlawful and will not be tolerated. Halcyone guarantees that no employee will be subject to any form of retaliation or discipline for lodging any good-faith complaints of unlawful harassment. Retaliation is a form of illegal harassment that is against this policy and will be treated in the same manner as other forms of unlawful harassment.

Safety

To assist in providing a safe and healthful work environment for all employees, Halcyone encourages open communication relating to health and safety issues.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, or bring them to the attention of any Halcyone supervisor. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey all safety rules set out in Halcyone's Safety Policy and of the client company and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor.

EMPLOYEES WHO VIOLATE SAFETY STANDARDS, WHO CAUSE HAZARDOUS OR DANGEROUS SITUATIONS, WHO FAIL TO REPORT OR EMPLOY AVAILABLE REMEDIAL MEASURES, MAY BE SUBJECT TO DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify their Halcyone supervisor.

Drug and Alcohol Use

It is The Halcyone Corporation's desire to provide a drug-free, healthful and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. Individuals under the influence of drugs or alcohol in the workplace pose serious safety and health risks, not only to themselves, but also to all those who surround or come into contact with them.

While on Halcyone premises, or on the premises of a Halcyone client, or while conducting any business-related activities, no employee may use, possess, manufacture, distribute, dispense, sell, or be under the influence of alcohol, illegal drugs, or controlled substances. The legal use of prescribed drugs is permitted on the job only if it is pursuant to the instructions of a licensed medical practitioner, it does not impair an employee's ability to perform the essential functions of the job safely and effectively, and it does not endanger other individuals in the workplace. This extends to instances and places where you are in a position to be regarded or identified as representing The Halcyone Corporation; such as traveling.

Your continued employment with Halcyone is conditioned upon your full compliance with this policy. Any violations of this policy may result in disciplinary action, up to and including immediate termination of employment. Such violations may also result in civil or criminal liability.

Workplace Violence Prevention

Halcyone is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, Halcyone has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, must be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons and other dangerous or hazardous devices or substances are prohibited from the premises of Halcyone or a client of Halcyone without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a client, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, color, religion, sex, sexual orientation, citizenship, national origin, veteran's status, marital status, pregnancy, mental or physical disability, age, or any other characteristic protected under law.

Workplace Violence Prevention (cont'd)

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to any Halcyone supervisor. This includes threats by employees, as well as threats by clients, vendors, solicitors, or other members of the public. All suspicious individuals or activities should also be reported as soon as possible. Do not place yourself in peril.

Halcyone will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, Halcyone may suspend employees, either with or without pay, pending investigation or take any other steps, which, at its sole discretion, it deems appropriate.

ANYONE DETERMINED TO BE RESPONSIBLE FOR THREATS OF (OR ACTUAL) VIOLENCE OR OTHER CONDUCT THAT IS IN VIOLATION OF THESE GUIDELINES WILL BE SUBJECT TO PROMPT DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT AND POSSIBLE CIVIL OR CRIMINAL ACTION.

Halcyone encourages employees to bring their disputes or differences with other employees to the attention of their supervisor. Halcyone is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

To ensure orderly operations and provide the best possible work environment, Halcyone expects employees to follow rules of conduct that will protect the interests and safety of all employees and Halcyone.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of conduct rules that may result in disciplinary action, up to and including termination of employment:

Employee Conduct and Work Rules

- Theft, vandalism or inappropriate removal or possession of client property.
- Falsification of Halcyone or client records.
- Reporting to work under the influence of alcohol or illegal drugs.
- Unethical conduct or conflicts of interest.
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating vehicles during business hours.
- Gross negligence or improper conduct leading to damage of Halcyone-owned or client-owned property.

- Gross insubordination.
- Violation of safety or health rules.
- Sexual or other unlawful or unwelcome harassment or discrimination.
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
- Using threatening language.
- Unexcused absenteeism or tardiness.
- Failing to report personal injury.
- Unauthorized use of a client company vehicle.
- Speeding or reckless driving in a client company vehicle or while on company business, including “road rage.”
- Conviction of a crime.

Progressive Discipline

The purpose of this policy is to state Halcyone’s position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. Halcyone’s own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence and prepare the employee for satisfactory service in the future.

Progressive discipline means that, with respect to most disciplinary problems, these steps may be followed: a first offense may call for a verbal warning; a next offense may be followed by a written warning; another offense may lead to a suspension; and, still another offense may then lead to termination of employment.

Halcyone recognizes that there are certain types of employee problems that are serious enough to justify either a suspension or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and The Halcyone Corporation.

Problem Resolution Procedure

If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with The Halcyone Corporation in a reasonable, business-like manner, or for using the open door policy.

This policy applies to employees and departing or former employees. If a situation occurs when employees or former employees believe that a condition of employment or a decision affecting them is unjust or inequitable, they are encouraged to speak with their supervisor. If their direct supervisor is unavailable or an employee believes it would be inappropriate to contact their direct supervisor, such employee may present the issue to the Human Resources Manager of The Halcyone Corporation. At such time, the appropriate supervisor or Human Resources Manager will direct the employee to outline the problem in writing. The supervisor or Human Resources Manager will then review the problem as well as make any adjustment deemed appropriate to resolve the problem.