



EMPLOYEE HANDBOOK

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MESSAGE FROM THE PRESIDENT

Greetings, Valued and Distinguished Employees

It is with great honor, admiration and appreciation that I acknowledge each and every one of you as an intricate building block of Gateway Science and Engineering, Inc. (GSE)

GSE's objective is to deliver superior value and to satisfy its clients' needs. I strongly believe that you, the GSE employee, is our most valued asset and as such that each and every one of you embraces the opportunity to strive and contribute to meeting that objective thus providing the key to GSE's continuing success. The key to meeting that objective, I believe, is that each employee be allowed the freedom for creativity and full self-expression in fulfilling his or her responsibilities. I encourage you to undertake and complete the job at hand with creativity, full self-expression, partnership, and enthusiasm in a way that will meet our objective of providing quality service to our clients as well as maintaining an amicable, positive work environment. It is imperative that all GSE employees strive to uphold the values of our Company and work to the best of their abilities in a safe, conscientious and service-oriented manner. You are also encouraged to take on additional and/or related responsibilities on your own initiative in an effort to further contribute to your growth and to ensure that our goals and objectives, priorities, and deadlines are achieved in a professional, ethical manner.

The intention of the "Employee Handbook" is to provide each employee with access to and complete understanding of GSE employee policies, practices, and procedures so that each employee has knowledge of the ground rules of how GSE operates. It is designed to help you become acquainted with employee benefits GSE provides for you, and contains information vital to you and your work. Our policies are based on common sense, good judgment, legal requirements and consideration for your wellbeing. It is a tool for you to distinguish what your commitments are to GSE as a contributing and dedicated employee and what GSE's commitments are to you.

It is important that each employee read and understand this updated handbook. This request is critical not only for each employee to get clarity on any new or changed policies and procedures but to avoid any potential for conflict. In keeping with GSE's objective and philosophy, we want to avoid situations where stated rules and procedures may conflict with meeting our objectives with integrity. The basic rules, policies, and procedures have been documented in this handbook to help you understand what your commitments and obligations are to GSE and to delineate the terms and provisions of your employment. The policies outlined in this handbook are neither meant to be, nor

should be considered all-inclusive, and are not being administered as such.

Please feel free to call Management and/or the Human Resources Administrator at any time to assist you with any questions or concerns you may have. We will assume that you fully understand the contents of this handbook if you do not request support or assistance.

We hope you find rewarding opportunity and satisfaction in your accomplishments with GSE. It is my intention to create an atmosphere of openness, friendliness and trust to ensure that you, our employee, will enjoy working at GSE so that we can all share an enthusiasm, energy and excitement about our services, our company and our clients as part of the "Gateway Family Culture." Our continued success depends on your contribution and dedication to our combined efforts and commitments through your support and allegiance.

With best wishes,

Art M. Gastelum
President & CEO

INTRODUCTION AND EMPLOYMENT

ABOUT OUR COMPANY

With over 27 years of professional experience, GSE's multi-faceted services are customized for each project, providing clients with the best, qualified professionals and support personnel in the industry. Established in 1993 as a Local, Hispanic Small/Minority Business Enterprise, GSE is a full service firm dedicated to construction and engineering disciplines. GSE can assign either an individual or a comprehensive team utilizing various project delivery systems such as P3, Design Bid Build, Multi-Prime, Owner's Authorized Representative, Construction Manager at Risk, and Design Build.

Market Sectors

- Transportation
- Education
- Housing
- Utility
- Government
- Healthcare
- Sports
- Marine
- Entertainment

Professional Services

- Project and Construction Management
- Inspection and Specialty Inspection Services (DSA, OSHPD, ICC)
- CASp, Certified Access Specialist, ADA Specialists
- Quality Assurance & Quality Control
- Construction Documentation, Photography, Webcam and Video Services
- Sustainability, LEED Certification
- Project Controls
- Information Technology Management and Help Desk Support
- Computer Automated Design (CAD)
- Utility Coordination and Design Review
- Expediting and Entitlement Services
- Third Party Agency Coordination
- Building Information Modeling (BIM) Revit/Navisworks Management

OUR PHILOSOPHY

To Our Clients

Our clients are our most valued asset and provide the key to our future success. We strive to deliver superior value and satisfy all client needs. What sets us apart from our competition is our capability to offer our clients specialized technical expertise as demanded by the most discriminating clients. With over 250 years of combined professional experience, our Company's multi-faceted services are customized for each project, providing Clients with the best, qualified professionals and support personnel in the industry.

To Our Employees

Since we consider our employees' contributions critical to meeting our business goals, we believe in effective communication, cooperation and consideration. We believe in teamwork through shared responsibility and involvement in the decision making process. We strive to create atmosphere of openness and trust to ensure that our employees will share an enthusiasm, energy, and excitement about our services, our Company and our clients.

Integrity

We strive to maintain the highest standards of fairness and ethics in all business with our clients, fellow colleagues and employees.

EQUAL OPPORTUNITY POLICY

GSE believes that all persons are entitled to equal employment opportunity. This means that we are committed to nondiscrimination in all aspects of our personnel actions such as employment, compensation, benefits, promotional opportunities and terminations. These transactions will be administered without regard to race, color, religion, creed, sex, gender identity, pregnancy, national origin, ancestry, citizenship, age, marital status, physical and mental disability, medical condition, sexual orientation, veteran status, genetic information, or any other characteristics protected by state and federal law.

NONDISCRIMINATION ON BASIS OF DISABILITIES

In furtherance of our nation and state's commitment to end discrimination against qualified disabled individuals and in accordance with the provisions of Americans with Disabilities Act as well as the state's Fair Employment and Housing Act (FEHA), including all regulations properly issued thereunder to protect the right of qualified disabled persons, it is our company policy that: No program or activity administered by GSE shall exclude from participation, deny benefits to or subject to discrimination any

individual solely by reason of his or her disability. Equal employment opportunity will be extended to qualified disabled persons in aspects of the employer-employee relations, including recruitment, hiring, upgrading, training, promotions, transfer, discipline, layoff, and termination. We further affirm that we will provide reasonable accommodation to the known physical or mental limitations of an otherwise qualified disabled employee or applicant.

As part of its commitment to make reasonable accommodations, the company also wishes to participate in a timely, good faith, interactive process with the disabled applicant or employee to determine effective reasonable accommodations, if any that can be made in response to a request for accommodations. Applicants and employees are invited to identify reasonable accommodations that can be made to assist them to perform the essential functions of the position they seek or occupy. They should contact the Human Resources Administrator at the home office as soon as possible to request the opportunity to participate in a timely interactive process. By working together in good faith, the company hopes to implement any reasonable accommodations that are appropriate and consistent with its legal obligations.

REPORTING DISCRIMINATION

If you believe you have been subjected to any form of discrimination, or know of someone within our company that may have been subjected to discrimination, you should promptly report the facts to the Human Resources Administrator at the Home Office right away. If possible, provide facts in writing and include any relevant details such as who is involved and names of witnesses. The Human Resources Administrator will investigate your issue/complaint immediately and attempt to resolve the situation. If it is determined that unlawful discrimination has occurred, effective remedial action will be taken to deter any future discrimination. You should feel free to report claims or inquiries without fear of any type of retaliation for bringing this to our attention.

POLICY AGAINST HARASSMENT

At GSE, we believe that in order to succeed, we must create and foster a supportive work climate, one in which each person is valued as an individual and treated with dignity. Such an environment will stimulate people to do their best and encourage initiative, innovation, and teamwork in pursuit of our business goals. This handbook describes our vision of a supportive work environment and our need to make such an environment a reality. We specifically focus on harassment guidelines and our commitment to eliminate not only harassing behavior but also any behavior that is intimidating and counterproductive.

In a supportive work environment, employees feel motivated and energized. Respect for the individual and appreciation of diversity is the guiding principle that remains constant over time. We believe each person, regardless of level or personal identity has valuable ideas and talents to offer. These should be encouraged.

We support the development and expression of individual competence. We need to perpetuate a participatory environment with two-way communication where employees share in an awareness of problems in suggesting solutions. We expect all employees to treat others fairly.

a. Valuing Diversity

We appreciate and respect personal differences in race, color, creed, sex, gender, religion, marital status, veteran status, age, national origin, ancestry, physical or mental disability, medical condition, sexual orientation and other such categories. And we respect different opinions and viewpoints. We recognize that it is our individuality that helps us develop diverse solutions and approaches to the business challenges we face. We realize that looking at things from different perspectives can lead to innovative ideas.

To achieve our company's goals as well as those of our employees, we need the contributions and talents of each individual.

b. Anti-Harassment Policy

One threat to a supportive culture is harassment. It contributes to low morale and productivity and takes a devastating toll on the work force. Harassment in any form undermines the abilities and potential of employees and the company.

However, defining harassment and its many nuances is difficult. Conduct one person finds objectionable may not be offensive to another.

We hope to shed light on this complex issue. The intent is not to instill fear or ill will in the work place or to discourage mutually and friendly exchanges between employees, but to enhance awareness and prevent unlawful harassment.

c. What is Unlawful Harassment?

Harassment is offensive conduct relating to an individual's race, color, creed, sex, gender, religion, marital status, veteran status, age, national origin, ancestry, citizenship, physical or mental disability, medical condition, sexual orientation or other protected status. Unlawful harassment has the purpose or effect of:

- creating an intimidating, hostile, or offensive environment;

- interfering with an individual's work performance;
- Adversely affecting an individual's employment opportunity.

Unlawful harassment may take many forms including:

- VERBAL CONDUCT – such as epithets, derogatory or suggestive jokes or comments, slurs or unwanted sexual advances, invitations or comments.
- VISUAL CONDUCT - such as derogatory or sexually oriented posters, cartoons, drawings or gestures.
- PHYSICAL CONDUCT – such as assault, blocking normal movement or interference with work directed at you because of your sex or other protected characteristic.
- USE OF COMPUTERS – including the Internet and the e-mail system, to transmit, communicate or receive sexually-suggestive, pornographic or sexually explicit pictures, messages or material.
- THREATS AND DEMANDS – to submit to sexual requests in order to keep your job or avoid some other loss, and offers of job benefits in return for sexual favors.
- RETALIATION – for having reported harassment.

In line with this, managers, supervisors, or anyone in a leadership position are prohibited from fraternizing or becoming romantically involved with one another, with any subordinate employee in their chain of command, or with any non-management employee of the Company.

This policy covers all employees and other business associates such as clients, employees of clients, vendors, suppliers or independent contractors. Contractors and other business associates are also forbidden to engage in any form of sexual harassment as defined above.

Any suspected acts of harassment must be immediately reported to the Human Resources Administrator or the President of GSE.

d. The Reporting Process

What can you do if you feel you have been subjected to harassment or to intimidating, counterproductive behavior not in keeping with our vision of a supportive work place? We have created a resolution process, designed to foster mutual respect and fair treatment for all individuals; this process is tailored to help you resolve your concern in the manner you find most comfortable.

Employees are encouraged to help eliminate unwelcome behavior by talking with the offending party directly. Let them know that you find their behavior unacceptable. However, we recognize there may be employees who do not wish to do so and need assistance in resolving their concerns.

- Any employee who feels that he or she has been subjected to or a witness to harassment should immediately report such conduct to the Human Resources Administrator or the President of GSE. The Company will immediately investigate every complaint, including complaints made “off the record.”
- Immediate, thorough and complete investigations will be made of any and all harassment complaints. Anyone found to have engaged in harassment will be subject to appropriate disciplinary actions, up to and including possible termination of employment.
- While every effort will be made to investigate and resolve harassment complaints lodged in good faith, management prohibits claims that an employee knows are false or made with the intent of taking revenge against, or otherwise harm a fellow employee without provocation. Employees, who make such accusations knowing that they are not justified by the facts, are subject to disciplinary action, up to and including termination of employment.
- Employees, supervisors, and/or managers who become aware of any violation of this policy must immediately advise the Human Resources Administrator of GSE. In this way, the Company can ensure that such conduct does not occur and that appropriate remedial action may be taken.

e. NO Retaliation

Any employee who makes a complaint or raises an issue of unlawful harassment will **NOT be subjected to reprisal or retaliation**. Each employee shall, without fear of reprisal or retaliation, cooperate in the investigation of a complaint of harassment as defined in this policy.

f. Penalty for Violation of Harassment Policy

Any employee who has been found to have committed an act of unlawful harassment will be subject to disciplinary action, which may include discharge from employment.

INDEPENDENT CONTRACTORS

Independent contractors are considered independent business people who are in business for themselves and are hired to perform services for the Company rather than provide tangible goods. GSE uses the guidelines of appropriate State and Federal regulations to determine an individual's independent contractor status. Written agreements may not override the state and federal regulations. To ensure compliance with the laws governing independent contractor status, all agreements to hire an independent contractor must be pre-approved by the Chief Financial Officer (CFO) and/or the Director of Operations.

EMPLOYMENT APPLICATIONS

All applicants for employment are required to complete GSE's approved Application for Employment Form before they are considered a viable candidate or interviewed for any position within our Company. Management relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring and employment process. Misrepresentations, falsifications, or material omissions in any of this information or data may result in the individual's exclusion from further consideration for employment or, if the person has been hired, termination of employment.

POST-OFFER BACKGROUND SCREENING

Because we are committed to the highest standards of responsible hiring practices the Company has established a program that will reduce the risk of violence in the workplace, avoid negligent hiring liability, detect falsified employment applications, and help to provide the safest environment possible for our employees, clients and the general public.

Finger printing and investigation into the information submitted by the potential hire such as background, criminal records, etc. will reduce the liability caused by hiring employees with activities in their background that, undetected, might adversely impact our operations. In addition, GSE will request a DMV report on your driving record as well as proof of insurability for driving GSE owned vehicles, Client owned vehicles, and use of personal vehicle for business purpose. This standardized investigation program will be mandatory on all candidates for hire once a contingent offer of employment is made. No management representative will have the authority to by-pass this important step in our Company's hiring process.

All information received will be kept in a separate confidential file and revealed to only those with a "need to know" authority. Those individuals who will be screened will be advised in writing prior to any background check and be required to authorize such background checks, driving record, and insurability. In addition, if requested, they will be provided an opportunity to review the results of any background check performed.

ALCOHOL AND ILLEGAL DRUG ABUSE

GSE is firmly committed to a policy against the use of alcohol, illegal drugs, or other controlled substances. Use of these substances, whether on or off the job can adversely affect the employee's work performance, efficiency, absenteeism and health and safety and therefore seriously impair the employee's contribution to our Company. The use, possession or sale of illegal or controlled substances by any person on Company time, or on Company premises or at Client locations, is prohibited. It is expected that each employee arrive for work on time, fit to perform all applicable duties and responsibilities. Employees who report to work or become unfit to perform their jobs fully and satisfactorily may create safety hazards for themselves and others. Employees, who use, sell or are in possession of or under the influence of non-prescribed or unlawful drugs or controlled substances or alcohol while on duty, including company and client parking lots, or at any of our client work-sites will be subject to disciplinary action that could include immediate termination from employment.

All employees must comply with this policy as a condition of employment. Should an employee be convicted of a drug-related crime, or arrested on felony charges, he or she must notify the Human Resources Administrator immediately if possible, but no later than five days of the conviction or arrest. Appropriate personnel action, including possible discipline and/or participation in a drug abuse assistance or rehabilitation program, may result after notice of the conviction is received. Employees may use physician prescribed medications, provided that the use of such drugs does not adversely affect job performance or the safety of the employee or other individuals in the work place.

Employees who have a problem with alcohol or drugs and who decide to enroll voluntarily in a rehabilitation program will be given unpaid time off to participate in the program unless it would result in an undue hardship to the Company and its clients to provide the time off. If any employee requests time off to participate in such a program, the company will make reasonable efforts to keep the fact that the employee enrolled in the program confidential.

Employees who request this type of leave may use vacation or sick/emergency benefits while on this leave. However, additional benefits will not be earned during the leave of

absence. This leave will be subject to the same provisions and rules as apply to other leaves.

VERIFICATION OF RIGHT TO WORK

Current Federal Law requires that we must verify all employees' right to work in the United States. This verification requires the Company to ask you to submit valid personal documentation within three days from your start date, which follows the guidelines as outlined on the Federal "I-9" document. This completed document will be maintained in our separate confidential file.

"AT-WILL" EMPLOYMENT

The employment relationship between you, the employee, and the Company can be maintained only as long as both are mutually comfortable and satisfied. Here at GSE, your employment is considered "at-will." This means that the terms and conditions of your employment may be changed with or without cause or notice, including but not limited to termination, demotion, promotion, transfer, compensation, benefits, duties and location of work. Your status as an at-will employee cannot be changed except through a written agreement signed by the President of the Company.

JOB RESPONSIBILITIES

While you are employed at our Company your supervisor will explain your job responsibilities and the performance standards expected of you. A written Job Description is also available for your reference. From time to time, you may be asked to work on a special project or assist with other work necessary or important to the operations of the Company. Your cooperation and assistance in performing such additional work is expected.

The Company reserves the right to reassign, change or transfer job positions, or assign additional job responsibilities at any time, with or without notice or change in pay rate.

SECURITY

GSE is committed to providing a workplace that promotes safety and security for all our employees and visitors. Protection of business assets people and property as well as sensitive information- is a necessity and vital to the success of any organization. In order to accomplish these objectives and safeguard the safety of employees, employees are expected to immediately report unauthorized visitors including at Client worksites (this includes employees that have terminated their employment status with the Company) and exercise reasonable care to safeguard personal items brought to work. Such items should **never** be left unattended or in plain view. The Company is not able to take responsibility for our employees' property.

Also, remember that no employee has a reasonable expectation of privacy in the workplace and that all items brought onto our property are subject to inspection. Examples of these items include, but are not limited to, packages, brief cases, purses, wallets, handbags, lunch containers, tool containers and vehicles. Employees who refuse to allow these inspections may be subject to disciplinary action, up to and including discharge.

COMPANY-OWNED SUPPLIES AND EQUIPMENT

GSE may provide you with equipment, tools and services to aid you in performing your job. At the time they are issued to you, you will be asked to acknowledge and sign a document identifying the items issued. While you hold your position with our Company, these assets are your responsibility and should not be used for personal reasons. Any misuse, breakage, or loss of the items should be reported immediately to your supervisor and to the Human Resources Administrator. Remember you are held responsible for willful misconduct or misuse or loss of Company or client owned property. Equipment includes, but is not limited to, computers, telephone system, fax machine, copier, cellular and wireless phones, pagers, tools, etc.

When the Company has assigned a desk, or storage area for employees' use, the Company will also supply locks and keys and will retain a passkey for all locks. Employees are not permitted to use their own personal locks and have no reasonable expectation of privacy in any desk or storage area used by them. Management reserves the right to inspect the contents of desks or other storage areas at any time and may remove any Company or Client owned property and other items that may be in violation of Company rules and policies.

VIOLENCE-FREE WORKPLACE

Management is firmly committed to preventing workplace violence and to maintaining a safe work environment. GSE has adopted the following guidelines to deal with intimidation, harassment, terrorism, or other threats of (or actual) violence that may occur during operational hours. All employees, including management, temporary employees, client employees as well as any outsiders working at our facilities, including assigned client worksites should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, roughhousing, or other conduct that may be dangerous to others. Unauthorized firearms, weapons, and any other dangerous or hazardous devices or substances are prohibited at all times, on company properties as well as Client sites.

Conduct that threatens, intimidates, or coerces another employee, client employee, visitor, or any other member of the public at any time, including off-duty periods, will not be tolerated. All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to GSE's management and the Human Resources Administrator. This includes threats by employees, client employees, as well as threats by visitors, vendors, clients, solicitors, or other members of the public. All suspicious individuals or activities must also be reported to the highest level of management at your work site immediately. Do not place yourself in peril. If you see or hear a commotion or disturbance near you, do not try to intercede or see what is happening.

Management will promptly and thoroughly investigate all reports of threats (or actual) violence and of suspicious individual activities. For this reason, any employee who has obtained a temporary restraining order should report this to the Human Resources Administrator in confidence.

The identity of the individual making a report will be protected as much as is practical and protected by law. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending the investigation.

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, if appropriate, notification to the law enforcement authorities. We encourage our employees to bring their differences with other employees to the attention of management before the situation escalates into inappropriate behavior or potential violence. Management is eager to assist in the resolution of employee disputes, and will not retaliate against employees for raising such concerns.

EMPLOYEE CATEGORIES

In order to determine an employee's classification and eligibility for various benefits, the following categories have been established.

Regular Full-Time – Employees who regularly work a minimum of 40 hours per week on a continuing basis. Full-time regular employees are eligible for all employer-sponsored benefits upon meeting applicable qualifications.

Regular Part-Time – Employees who regularly work less than 40 but more than 10 hours a week are considered regular part-time employees. Regular part-time employees

are not typically eligible to receive and participate in benefits except where mandated by law.

Temporary – Temporary employees are defined as those employees holding jobs for limited duration arising out of special projects, abnormal workloads or emergencies (usually up to but no more than six months). Temporary employment may be full-time or part-time. While temporary employees are considered an important part of our operations, company sponsored benefits are not generally available to them unless mandated by law.

Interns are Temporary – are employees who work in a temporary position with an emphasis on on-the-job training rather than merely employment, making it similar to an apprenticeship. Interns are usually college or university students, but they can also be high school students or post graduate adults seeking skills for a new career. Student internships provide opportunities to gain experience in their field, determine if they have an interest in a particular career, create a network of contacts, or gain school credit. Once an intern expresses an interest in working an Internship program with GSE, an Application for Employment and proof of active Student status with an accredited college or university, community college, or trade school must be completed for consideration. Once identified and an offer for employment is made and accepted, all hiring steps are taken; for example, the complete post-offer background screening as established by GSE must be completed, and all policies and expectations of our employees apply to all Interns for the duration of each assignment. The duration of the individual internship is synchronized with the academic term of the student's academic institution which is typically twelve to sixteen weeks in length. The Human Resources Administrator will have the responsibility to oversee the Internship Program and the Site Manager is responsible for ensuring each prospective Intern meets all qualifications and monitors the Intern's progress in the respective assigned program.

Since the Intern derives the benefit of the opportunity to work in his chosen career, company sponsored benefits are not generally available to interns unless mandated by law.

WORK HOURS AND SCHEDULES

Our standard workweek begins at 12:01 a.m. each Sunday morning and ends at midnight on the following Saturday. Our normal workday is defined as the twenty-four (24) hour period beginning at 12:01 a.m. and ending at midnight. Depending on departmental or project business requirement, some employees may be required to work different schedules, hours of work for each function will be determined based on staffing requirements to meet the needs of our clients and our business objectives.

Therefore, you may be asked to work an earlier or later schedule. Your work schedule will be discussed at the time of hire or status change.

MEAL AND REST PERIODS

Non-exempt employees, who are scheduled to work more than five (5) hours in a day, are required to take a minimum of a thirty-minute meal period before, or no later than on the completion of five (5) hours of work.

You may not voluntarily work through your meal period. However, if an emergency arises and your manager asks you to work, your manager must approve this in **advance** of you working through your meal period. Meal periods vary in different functions and/or work sites, and are considered unpaid time away from work. Two ten (10) minute rest periods are provided with pay, as near as possible in the middle of each four (4) hour period that you work. Neither meal nor rest periods may be saved or be used at another time or to make up a late arrival or shorten your workday.

LACTATION ACCOMODATION

As mandated by California law, GSE will accommodate employees who wish to express breast milk while at work and should make arrangement with their supervisor to do so. Where such arrangements are made during an employee's normal rest period, the time will be paid. If special arrangements are made to provide nonexempt employees extra time beyond or in addition to her normal rest period, the time may be unpaid. Efforts will be made to provide a private place for the employee to express breast milk.

ATTENDANCE AND PUNCTUALITY

As an employee of GSE you have accepted the responsibility of performing your job tasks on a regular basis. Excessive absenteeism and lateness cause extra burden on your co-workers and clients in the delivery of quality services. Your attendance and punctuality will be an important factor considered when you are being evaluated. When compelling personal reasons require your absence from work, you should request permission from your Project Manager/Supervisor. The Company requires as much advance notice as possible for scheduling work. If illness or some other emergency causes an unplanned absence, you must notify your Project Manager/Supervisor at least one (1) hour in advance (if possible) of your scheduled workday each day you are going to be absent. If your Manager/Supervisor is unavailable, please contact the next higher level of authority at the place you work. It is not acceptable to report your absence to a co-worker. Failure to call in may result in disciplinary action.

Excessive lateness or absence will be subject to disciplinary action up to and including termination of employment. Whenever appropriate, your manager will discuss and document the problem with you on the third occurrence within a month's timeframe. This

discussion is usually documented for your file. Should you have additional occurrences, you may be issued a warning in writing and any further occurrences may result in discharge from employment. Please note that if you come in one to seven minutes late, you are still considered as late, even though you will not lose wages. **As a guide**, excessive lateness or absence is defined as more than three (3) occurrences in a month's time. Illness that forces the employee to be absent two or more consecutive days will be counted as one (1) occurrence. This attendance policy provides disciplinary guidelines that the Company may apply in its discretion and does not alter the at-will nature of your employment.

All employees must report to their manager after being late or absent, give an explanation of the circumstances surrounding their lateness or absence and, when applicable, certify that they are fit to return to work. The manager is responsible for contacting the Human Resources Administrator who will assist with determining whether the attendance issue is protected by law and how the lateness or absence will be recorded in your attendance record.

Frequent absences due to illness or when an employee returns to work on the fifth (5th) day after a medical related absence, may require a release from your doctor in order to return to work. Any employee, who is absent for three (3) consecutive workdays without proper notification, or justification, will be considered as having voluntarily resigned from employment as of the end of the third (3rd) work day missed..

CONFIDENTIALITY OF INFORMATION

Employees will have access to and become acquainted with a variety of private, sensitive and proprietary information that is considered "Company Confidential," owned by the Company and/or its clients and used in the operation of the Company's business. The protection of GSE's confidential business information and trade secrets is vital to its interests and success. All employees will be required to sign a Confidentiality Agreement as a condition of employment. Regardless of whether an employee signs a Confidentiality of Information Agreement, each employee of the Company is required to maintain the confidentiality of GSE's and its clients' trade secrets and confidential, sensitive and proprietary information, to prohibit their disclosure to unauthorized third parties and to refrain from using such information for the benefit of the employee or anyone else. Such confidential information includes, but is not limited to, the following examples:

- Compensation data and other data concerning employees and independent contractors
- Client lists and other client identifying information

- Financial information regarding GSE, its clients, vendors, and its employees
- Marketing strategies and data
- Inventions and discoveries
- Pending projects and proposals
- Pricing formulas, billing rates and cost lists
- Upcoming service offerings

Further, the Company's business may include access to private, confidential communications of both its clients and their customers. Company policy as well as various federal and state laws prohibits your use or disclosure of any private, personal information or communications you have access to, except for the sole and express purpose of performing the services requested by GSE's clients.

It is the responsibility of all GSE employees to safeguard Company information and information of its clients as well as the client customers. The nature of our business and the economic wellbeing of GSE are dependent upon protecting and maintaining proprietary information. Your continued employment with GSE depends on your strict compliance with this policy.

Employees, who disclose or use any of the Company's or its clients' confidential, sensitive or proprietary information, or the personal information of the customers of GSE's clients, are subject to disciplinary action, up to and including termination. The Company specifically reserves its right to take legal action for violation of this policy, even if the employee or former employee does not actually benefit from such use or disclosure.

DUPLICATION OF BUSINESS RECORDS

GSE considers all of its records, including, but not limited to, employee records, documents containing and/or referencing client information, and all financial data of any kind or nature, confidential, sensitive, and proprietary information. Employees are, therefore, strictly prohibited from duplicating by any means, including electronically, any such records, unless required to do so during the course of their regular job duties. Moreover, such records should not be removed from the Company or client premises without prior approval from the President of GSE. Employees are expected to use all reasonable precautions in handling confidential information, such as not leaving it in plain sight for others.

CONFLICTS OF INTEREST/ETHICS POLICY

GSE is engaged in a variety of activities that have the common goal of promoting the interests of our clients. It must be understood that the Company's reputation and

relationships with outside organizations and individuals, as well as its relationships with its employees are of utmost importance. In addition, these relationships are often the product of longstanding associations and/or substantial investments of the Company's resources, energies, and efforts. Employees at all levels throughout the Company are therefore required to comply with this conflict of interest policy. GSE has the right to insist upon the undivided loyalty of all employees throughout their employment. In keeping with this right, GSE requires the following commitments from all employees:

1. Every employee of GSE has a legal and ethical responsibility to promote the Company's best interests. No employee may engage in any conduct or activities that are inconsistent with the Company's best interests or that in any manner disrupts, undermines, or impairs the Company's relationships with any client or prospective client, vendor, or any outside organization, person or entity with which GSE has or proposes to enter into an arrangement, agreement, or contractual relationship of any kind.
2. GSE desires to conduct its business activities without improper interference from current or former employees. No current or former employee may disrupt, damage, impair or interfere with the Company's business in any manner. For example, no employee or former employee may induce any employee to leave GSE, or induce an employee, consultant or other individual to sever that person's relationship with the Company. In addition, no current or former employee can interfere with or raid the Company's employees, disrupt its relationships with clients, agents, representatives or vendors, or otherwise interfere with GSE business, employment relationships or activities.
3. GSE requires the complete commitment of all employees. As such, employees may not engage in any outside activity or accept work in any outside position that either interferes with their ability to devote their full and best efforts to the Company's interests or raises an actual or potential conflict of interest or the possible appearance of a conflict of interest. Employees who have any questions whatsoever regarding this policy or the potential impact of outside employment or outside activities on their position with GSE should contact Human Resources before accepting any outside position or engaging in such an activity.
4. GSE reserves the right to determine that other relationships that are not specifically covered by this policy represent actual or potential conflicts of interest. In any case where the Company determines, in its sole discretion, that a relationship between an employee and a nonemployee or an employee and an outside organization or individual presents an actual or potential conflict of interest, GSE may take whatever action it determines to be appropriate to avoid or prevent the continuation of the actual

or potential conflict of interest. Such action may include, but is not necessarily limited to, transfers, reassignments, changing job responsibilities, or, where it deems such action appropriate, disciplinary action up to and including the possibility of immediate termination.

5. Business dealings with suppliers and/or clients should not result in financial or material gains for any of our employees. Bribes, unauthorized bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employee are considered conduct that is unauthorized and detrimental to the best interest of the Company. An actual or potential conflict of interest also occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee, a relative, or another individual due to a relationship with the employee as a result of this Company's business dealings.

Personal gain may result not only in cases where an employee, relative, or another individual has a significant ownership in a firm with which this Company does business, but also when an employee, relative, or another individual receives any kickback, bribe, gifts, or special consideration as a result of any transaction or business dealings involving the Company. If a supplier or anyone else insists on giving you special treatment or tips, report the situation to your supervisor immediately to avoid any misunderstanding or misconduct. Any employee who participates in such practice may be subject to disciplinary action, up to and including immediate discharge and legal action.

Employees have an obligation to conduct themselves within guidelines that prohibit actual or potential conflicts of interest. It is management's intent to provide general direction regarding this policy so that our employees may have clarification on issues related to the subject of acceptable standards of activities.

If you become aware of a possible violation of this policy, please contact the President of the Company or the Human Resources Administrator immediately. No retaliatory action will be taken against any employee who raises this issue.

OUTSIDE EMPLOYMENT OR BUSINESS ACTIVITIES

GSE is concerned that outside business activities and other employment relationships may adversely affect an employee's commitment to work for and contribute to GSE. Such activities can create distractions, conflicts of interest, scheduling problems, fatigue and other problems that could negatively impact an employee's performance or the company's interests. Based on these considerations, employees may not own or actively participate or engage in any outside business activity or employment

relationship without obtaining the prior, written authorization of the Human Resources Administrator.

EMPLOYMENT OF RELATIVES

Our Company does not maintain a strict policy that prohibits employment of relatives in all circumstances. However, there are significant restrictions on the employment of relatives under some circumstances. For example, we may refuse to place one relative under the direct supervision of the other relative for business reasons of supervision, safety, security or moral. For the same reasons, we may refuse to place both relatives in the same department or facility if the work involves potential conflicts of interest or hazards that are greater for relatives than for other individuals.

Our Company will not tolerate favoritism based on any special relationships between employees. If there is a conflict of interest, whether it be with relatives, domestic partners, or non-relatives, the problem will be dealt with on a case-by-case basis. Should you ever have a concern about a potential or actual conflict of interest situation, you are encouraged to discuss the issue in confidence with the Human Resources Administrator to expedite a resolution.

REGISTERED DOMESTIC PARTNERS DEFINED

GSE recognizes domestic partners as "family" and "relatives" of our employees. The domestic partner of an employee is recognized in a number of benefit programs, providing all other applicable eligibility requirements are met. For this purpose, the Company's definition of a Domestic Partner is: another adult with whom the employee has chosen to share their life in an intimate and committed relationship of mutual caring, who is at least 18 years of age, is competent to contract at the time the domestic partnership is registered, is not legally married to anyone, and has **registered the partnership with the Secretary of the State of California**. The Company also defines the "domestic partner's child" as the biological, foster, or adopted child; stepchild; or legal ward of the registered domestic partner. A "domestic partner's child" also may be someone for whom the domestic partner has accepted the duties and responsibilities of raising.

CHANGE OF STATUS

Whenever there is a change in your classification, status, wage rate or other employment status related activities; the Company will provide you with written notification. This may be done on a Personnel Action Notice (PAN) form and is used at our Company to process and communicate employment-related changes to be included in your individual personnel file. This PAN form should also be used to request paid time off such as vacation, sick/emergency pay, leave of absence, etc.

COMPENSATION & PAY PRACTICES

EXEMPT AND NONEXEMPT EMPLOYEES

In compliance with State and Federal laws and regulations, the Company has established the following classification for all positions:

Nonexempt - Includes employees who are covered by the provisions of applicable State wage and hour laws and the federal Fair Labor Standards Act. Nonexempt employees earn their pay by the hours that they work. Such employees might include, but are not limited to, clerical and other support positions.

Exempt - Includes employees who, by virtue of their job responsibilities and tasks, are classified as exempt from the overtime provisions of State wage and hour laws and the federal Fair Labor Standards Act. Such employees who may qualify as exempt are executives, administrative, professional employees, outside sales representatives and certain computer professionals.

OVERTIME

Employees shall be paid for their hours worked in accordance with all legal requirements. Employees who qualify as administrative, executive, or professional employees within the parameters of the state and federal wage and hour laws are exempt from overtime pay and are not subject to this policy. All employees who are classified as nonexempt qualify for overtime pay. All overtime work by nonexempt employees must be **approved in advance** by the employee's Supervisor/Manager. Because unauthorized overtime is against Company policy, employees who work unauthorized overtime are subject to discipline, possibly including termination from employment.

- **Time worked** – Employees shall record all time worked, including time worked over their normal schedule, on the time sheet or time card at the time it actually occurs.
- **Overtime** – Overtime is calculated at one and one-half (1 and ½) times the employee's regular rate of pay for all time over eight hours in one workday, or 40 hours in one workweek. Overtime is computed on the basis of a nonexempt employee's total hours worked in a workday and a workweek. Hours paid that are not worked, e.g., holidays, sick/emergency days, and vacations, do not count as hours worked for calculating overtime.

- **Double-Time** – Overtime hours worked in excess of twelve (12) in anyone workday; and all hours worked beyond eight (8) on any seventh consecutive day in any one workweek are paid at double time (2x the employee's base rate).

Exempt employees:

Exempt employees are not entitled to receive overtime pay even though they may have to work hours beyond their normal schedules, as work demands require. An exempt employee will receive his or her full salary for any week in which that employee does any work, subject to the following:

- a) The exempt employee's salary may be reduced for full days of absence due to vacation, holiday or personal business, and for incomplete initial and final weeks of work.
- b) An exempt employee's salary will not be reduced due to partial weeks of work due to service as a juror, witness or in the military, or for lack of work. However, the employee will not be paid for full weeks missed.

This pay policy is intended to comply with the salary pay requirements of current State and Federal laws, and shall be construed in accordance with these laws and regulations. Employees are encouraged to bring any question concerning discrepancies in their pay to their manager or the Human Resources Administrator immediately after receiving their pay, so that any inadvertent error may be corrected.

MAKE-UP TIME

Non-exempt employees who miss scheduled work as a result of personal obligations may request the opportunity to make up the amount of time missed on another day within the same workweek in which the time was missed. Time that is made up under this policy will be compensated at a straight-time rate. In order to qualify, the make-up time must not cause the employee to exceed 11 hours of work in any one workday or 40 hours in the workweek. The employee must also submit a signed request to make up the missed time at straight time for each occasion that make-up work is requested.

Time may be made up only if the employee's written request is approved in advance by the Human Resources Administrator. Employees should understand that the employer does not encourage employees to miss work as a result of personal obligations and later make up time missed under this policy. This policy allows make-up time only when it is sought by the employee and found to be consistent with the employee's desires and the employer's business and staffing needs. The Human Resources Administrator has sole and absolute discretion to approve a request in writing (see Make-up Time Request

Form) as a courtesy to the employee when circumstances make such approval appropriate.

TRAVEL TIME

Nonexempt employees, who are required to travel on company business, will be paid for all time spent traveling with the exception of travel from home to work and back. Most travel time is considered work time will be paid according to applicable State and Federal laws. However, because traveling does not normally require the employee to employ his/her skills, pay for travel time may be at a rate of pay that is less than the employee's normal rate of pay. Rate of pay for travel time will be agreed on a case-by-case basis for each instance of the need to travel.

TIMEKEEPING

Accurately recording time worked is the responsibility of every **nonexempt** employee as well as the Company. State laws require all nonexempt employees to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked means all the time actually spent on the job performing assigned duties.

Nonexempt employees must accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period by recording this time on their time sheets every day. Departure from work for any reason unrelated to our Company operations must also be accurately recorded. Overtime work must always be approved before it is performed. Failure to accurately record work time on the designated time sheets will be subject to discipline and may lead to termination from employment.

Altering, falsifying, using white-out, or tampering with time records, or recording time for another employee as well as asking another employee to record time for you is considered a serious violation of our policies and may result in severe disciplinary action, up to and including termination of employment.

It is the employees' responsibility to sign their time records to certify the accuracy of all work time recorded. Coordinating activity and element codes provided you must also be submitted for client billing purpose. Your manager will review and then initial the time record before submitting it for payroll processing. In addition, if corrections or modifications need to be made on the time record, put a line through the incorrect information (do not erase or use whiteout). Both the employee and the manager are required to verify the accuracy of the changes by initialing each change on the time record.

Even though some **exempt** positions are paid a fixed salary that is intended to cover all of the earned compensation, no matter how much time is spent on the job in any one workweek. Some exempt employees are required to submit job costing time sheets to allocate time spent on client jobs. Job Code numbers will be provided for allocation purpose. Full cooperation on this requirement is expected.

All weekly time sheets will be due no later than the Monday morning. Time sheets not turned Monday morning on payroll weeks may result in the employee receiving a mailed check instead of direct deposit. Repeat offenders may be subject to disciplinary action.

COMPENSATORY TIME OFF

Nonexempt employees are entitled to overtime pay whenever they perform overtime work. The company and state law does not permit employees to take time off in lieu of receiving overtime pay. Accordingly, employees should not request the opportunity to make-up time for time missed if the make-up time will result in overtime work. No individual within the company, including the employee's supervisor/manager, has the authority to grant time off in lieu of overtime compensation.

Exempt employees earn a fixed salary that is intended to cover all of the compensation to which they are entitled. The Company does not maintain any compensatory time off plan or arrangement. Accordingly, any time off that is provided an exempt employee is done on an informal basis. Neither extra compensation nor compensatory time off will, under any circumstances, be owed or payable to an exempt employee upon separation of employment for any reason.

REPORT-IN-PAY

Nonexempt employees who report to work expecting to work a full eight (8) hour shift and work is not available, will receive a minimum of four (4) hours pay at their normal rate or the actual hours worked, whichever is greater. This provision does not apply if (a) work is not available due to equipment failure or causes beyond the Company's control; or (b) if the employee voluntarily leaves prior to the completion of one-half of the eight-hour workday.

PAYROLL DEDUCTIONS

Both federal and state laws require that income tax be withheld from your paycheck. The amount will vary based upon your individual circumstances, including the number of exemptions you claim. You may change the number of exemptions at any time, subject to IRS limitations, by completing a new W-4 Form. These forms are available in the Human Resources office.

The federally administered Social Security (FICA) and Medicare programs require withholding of a certain percentage of your wages. An amount equal to this amount is contributed by the Company for your benefit.

California State Disability Insurance (SDI) represents an additional deduction from your paycheck. This contribution entitles you to weekly income benefits should you become disabled and are unable to work or to take care of a spouse or child.

GARNISHMENTS

Garnishments will be handled as required by the governing authorities, and amounts will be deducted in accordance with the instructions the Company receives from the governing authorities. We will, however, honor federal and state guidelines that protect a certain amount of an employee's income from being subject to garnishment. Employees are encouraged to keep their personal financial obligations in order.

PAY DAY

GSE employees are paid bi-weekly. You will receive your paycheck on the Friday following the completion of each two-workweek pay period. Any overtime worked during either workweek will be included in this paycheck.

Whenever possible, should a payday fall on a Company-observed holiday, your check will be given to you on the previous regular workday.

YOUR PAY CHECK

Paychecks, not predestinated as direct deposit, are mailed out to your current address on file. When you receive your paycheck, please check the attached earning record carefully. Should some part of it not be clear, please contact Human Resources, who will be glad to clarify your pay or take care of any corrections necessary.

If you are not able to receive your paycheck through the mail, or cannot personally pick it up, and need to have someone else pick it up, please give that person a note signed by yourself authorizing the individual to pick up your check. For your protection, management will not release your paycheck to anyone other than yourself without your written permission. The Company may deduct certain amounts from your pay only when authorized by yourself or mandated by any government agency or the courts.

DIRECT DEPOSIT

GSE has arranged to issue pay in the form of direct deposit to your designated bank account. Any employee may voluntarily elect to receive their pay through direct deposit

by completing and signing a written consent form. This form and additional information on this benefit is available, please check with the Human Resources Administrator.

EXPENSE REIMBURSEMENT

The Company will reimburse employees for reasonable and authorized expenses incurred on behalf of the Company's business. All travel and other business expenses must be pre-approved by your manager or executive management and reported within one (1) month from the time they are incurred. All reimbursable expenses must be submitted on the approved expense report form accompanied by all appropriate receipts and documentation and signed by you and your manager. Every attempt will be made to issue reimbursement for approved expenses within two (2) weeks from the time the expense report form is received in the Accounting Office. Failure to report expenses in a timely manner may jeopardize timely reimbursement for expenses or lead to disciplinary action. For more detailed information on allowable expenses, please refer to the Company Travel and Expense Reimbursement Policy available from your Project Manager or Department Head.

If you are required and authorized to use your personal vehicle to conduct Company business, you will be reimbursed for your actual mileage at the current IRS allowable rate. If you drive on Company business you must possess a valid current driver's license and maintain current insurance coverage on your personal automobile and follow the rules of the road when you are driving. Reimbursement for mileage may also be requested on the Company's Expense Report Form. The Company is not responsible for vehicle or property damage, citations, or parking tickets issued while you are driving your personal vehicle on Company business or parking in an unauthorized parking area.

EMPLOYEE BENEFITS

INTRODUCTORY STATEMENT REGARDING BENEFIT PROGRAMS

GSE has established a number of benefit programs for its eligible employees. Although this handbook does not restate all of the features of these benefit programs, it provides brief summaries to acquaint employees with some of the key features of the programs. It is important to remember that additional terms, conditions, and limitations regarding program eligibility and benefit entitlement often exist.

The Human Resources Administrator has been given the responsibility of the internal administration of respective benefit plans. This means that the Human Resources Administrator has the maximum discretionary authority permitted by law to interpret, construe, and make determinations regarding plan participation, enrollment and eligibility for benefits, to determine the validity of claims, and to resolve any all claims

and disputes regarding the rights and entitlements of individuals to participate in the plans. You will be provided written notice of deadlines along with the paperwork needed to enroll in the various plans. This deadline is non-negotiable. Most federal and state laws provide for a single notice to the employee that clearly states the deadline for submission and the specific consequence of missing this deadline. Consequences of missing deadlines could include ineligibility for enrollment in the specific company sponsored benefit.

PERFORMANCE EVALUATIONS

Performance evaluations are an important part of the Company's Human Resources practices. GSE has established a performance evaluation process in an effort to provide our employees with an objective, consistent and fair way to gauge the employee's on-the-job effectiveness. The evaluation should inform the employees of their standing in the company and communicate expected standards of performance. It is also used to discuss work standard, areas where improvement is needed, and possible opportunities.

Whenever possible, nonexempt employees may receive a written performance evaluation after the completion of the first three (3) months on the job following a transfer or promotion to a new position. The Company makes every effort to perform written performance evaluation on all employees annually, usually after completion of each anniversary year.

Merit based pay adjustments are awarded in an effort to recognize an employee's performance. The decision to award such an adjustment is at the sole discretion of management, dependent on factors that include company profitability and the information documented at the time of the evaluation. **Increases are never guaranteed.**

Employees on approved, unpaid leaves of absence are not eligible for performance evaluations until they are back on an active work status for a reasonable length of time. Completed evaluations will be reviewed in a private meeting between the employee and his/her immediate supervisor. Employees are encouraged to provide comments and give input on their evaluation. Each employee entitled to review the evaluation, sign the completed form, and receive a copy.

GROUP HEALTH INSURANCE

GSE provides a comprehensive health insurance program for eligible employees and their dependents. Dental, Vision, and chiropractic insurance is also available in this program. Regular, full-time employees that work at least forty (40) hours per workweek on a regular basis are eligible to participate in this Company sponsored program. Eligibility for this program begins on the 1st of the month following the date of hire.

Complete details of this program will be given to you during your new hire orientation and are available from the Human Resources Administrator. Benefit summaries in the official plan documents shall control. Currently, GSE pays up to \$550 for company sponsored health benefits or [Whichever is less] towards the monthly premium for the employee and their eligible dependents. In addition, GSE also pays for a Life Insurance policy on each eligible employee valued at \$15,000.

Employees who choose to decline health insurance benefits must complete a waiver upon hire. The waiver must be updated annually during the open enrollment period should be employee decide to continue to decline company sponsored health benefits. Only employees that utilize the company sponsored health benefits will receive the company monthly contribution. The monthly contribution cannot be used as additional compensation in lieu of utilizing company sponsored health benefits.

Should any significant changes in the cost of coverage provided by our health insurance carrier occur, the Company reserves the right to re-evaluate the group benefits and funding of premiums for its employees.

CONTINUATION OF GROUP HEALTH INSURANCE (COBRA)

Your group health insurance coverage terminates on the last day of the month in which your employment terminates or your work hours are reduced (for example when you change from full-time status to a part-time status). Under federal law you and/or your family who are participants in the group health insurance plan, may have the opportunity to continue health coverage should your employment terminate, or your employment status changes due to a reduction in work hours, or other events causing ineligibility for insurance benefits. In accordance with the federal COBRA guidelines, you may choose to continue your coverage for up to 18 months (or longer if you qualify). A small COBRA administration fee may be charged in addition to the premium.

Should you experience a qualifying event such as layoff due to the economy, the federal government has provided for a temporary subsidy to assist qualified individuals choosing to continue health insurance coverage after termination through COBRA. The amount and duration of the subsidy will be contained in the COBRA election notices provided to terminating employees.

California employees may have the ability to continue coverage beyond the maximum period of 18 months allowed under the federal COBRA. Eligible employees will receive an option to continue coverage under CAL-COBRA beyond the federal period of an additional 18 month period. In order to qualify, participants must meet the applicable requirements and pay the premiums in a timely manner. The premium rates for the

period covered by CAL-COBRA may be higher than those in effect during the first 18 months under federal COBRA. More detailed information will be given you at your orientation, change in full-time status, termination of employment, or at any time you request it. Please contact the Human Resources Administrator for more information on this program.

SUPPLEMENTAL BENEFITS

(NO LONGER OFFERED, DUE TO MINIMAL PARTICIPATON EFFECTIVE 10/2017)

GSE has expanded the employee benefit program by providing employees with the opportunity to purchase affordable supplemental individual insurance through American Family Life Assurance Company of Columbus (AFLAC). Plans obtained may be pre-tax eligible and qualify for a process of reimbursement, known as Flexible Spending Account, through the Section 125/Cafeteria Plan. Details about the entire policy are available from the Human Resource Administrator.

PRE-TAX BENEFIT OPTION - SECTION 125

The Company has arranged to provide eligible employees with the opportunity to set aside funds to be used for medical and/or dependent day care costs from their gross income before it is taxed. This saving is provided under the guidelines of the Internal Revenue Service Code Section 125. Complete details of this program will provided to you during your new hire orientation and are available from Human Resources. Eligibility for this program begins on the first day of the month following the date of hire for all regular, full-time employees.

TAX DEFERRED SAVINGS AND PROFIT SHARING PLAN - 401(k)

Through the Company sponsored 401(k) Plan you may build financial security for retirement or to meet your other long-term savings goals.

GSE's 401(k) Profit Sharing Plan ("Plan") has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. This Plan is a type of qualified retirement plan commonly referred to as a 401(k) Plan. As a participant in the Plan, you may elect to contribute a portion of your compensation to the Plan. In addition, your Employer MAY also make profit sharing contributions to the Plan on your behalf.

Recently, GSE has adopted an automatic salary deferral feature. This means that employees who are currently waiting to participate will begin the automatically deferring a portion of their current compensation upon participation effective date.

At any time, after you become a participant, you may complete a salary deferral agreement to select an alternative deferral amount or to elect not to defer under the

Plan. Should you elect not to defer, GSE may refund within 3 months of the first payroll in which money was deferred. This may only be done if you notify the Human Resources Administrator within a reasonable period of time prior to the end of the 3 month period. As a participant, you will be automatically enrolled to set aside 3% of your salary or you may elect to defer your compensation by a specific percentage or dollar amount and have that amount contributed to the Plan. You generally are not taxed on your contributions until you withdraw those amounts from the Plan.

As a regular full-time employee, you will be eligible to participate for purposes of salary deferrals on the 1st day of the Plan Year quarter on the completion of 3 months of active service. For purposes of salary deferrals, your Entry Date will be the first day of the Plan Year quarter coinciding with or next following the date you satisfy the eligibility requirements.

Eligibility for Company Matching Contributions – As a regular full-time employee, you may be eligible to participate if you are 18 years of age and have completed one (1) year of active service [or a minimum of 1000 hours]. Eligibility begins on the first day of the Plan Year quarter coinciding with or next following the date you satisfy eligibility requirements.

You are immediately vested in any money you contribute and any investment earnings on your contributions to the plan. Company contributions and associated earnings will vest over a six (6) year active employment period as follows:

<u>Years of Service</u>	<u>Percentage</u>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Please contact the Human Resources Administrator for more information and a detailed summary description of this benefit.

EMPLOYEE REFERRAL PROGRAM

This program has been established to encourage current employees to submit qualified candidates for open regular full-time positions.

The Company will grant a monetary referral award to eligible employees who recommend a qualified candidate for any specific current open position. The amount of award will be determined based on the open position requirements.

Please contact the Human Resources Administrator for specifics. In order to be a qualified candidate, the candidates' experience must meet the minimum requirements as stated in the open position posting. The Award is earned only if the candidate is subsequently hired, and successfully completes six (6) months of continuous employment.

The referring employee must obtain an Employee Referral Form from the Human Resources Administrator, in order to be considered for a possible referral bonus. The completed form along with the candidate's resume and Employment Application must then be submitted to the Human Resources Administrator for consideration. You must be active on the payroll with GSE at the time the award becomes payable in order to receive this additional compensation.

If not immediately hired, candidates submitted to the Human Resources Administrator by active employees, will remain in our recruitment files for a period of one (1) year from the receipt of the completed Employee Referral Form. After this one year period, the candidate must be resubmitted in order to qualify for the referral bonus.

SICK/EMERGENCY PAY

GSE provides sick/emergency pay to all employees who work for the company thirty (30) days or more and may be taken once the employee has completed ninety (90) days of employment. Sick/emergency pay may be used for your own or a family member's diagnosis, care, or treatment of an existing health condition or preventive care or for reasons relating to domestic violence, sexual assault or stalking. Such reasons include a judicial action, such as obtaining restraining orders, or appearing in court to obtain relief to ensure your health, safety, or welfare, or that of your child. Family members include the employee's parent, child, spouse, registered domestic partner, grandparent, grandchild, and sibling.

Full Time Employees

GSE grants up to a maximum of five (5) days (40 hours) of sick/emergency pay per anniversary year to each full-time regular employee. This benefit begins accruing at the time of hire at a rate of 1.54 hours each pay period that the employee remains active on the payroll. If needed, employees may begin using accrued sick/emergency pay after the completion of 3 months of active employment.

Accrued and unused sick/emergency pay may be carried over from year to year to a maximum of sixty (60) hours. Once this maximum accrual is reached, all additional accrual will stop until usage brings it below the 60 hour maximum. Should your employment terminate, you will not be paid for unused sick/emergency pay.

Part Time and Temporary Employees

GSE grants twenty four (24) hours of sick/emergency pay upon completion of 30 days of employment and each January 1st thereafter. You may use sick/emergency pay upon completion of 90 days of employment. Unused sick/emergency pay will not rollover from one year to the next and will not be paid at termination of employment.

Employees working in a city with ordinances regarding paid sick leave, will be granted sick leave according to that City's ordinance. For example, the City of Los Angeles and Santa Monica have ordinances for paid sick leave. Information on the specific requirements may be requested from Human Resources.

This benefit applies to both nonexempt and exempt employees. It is Company policy to deduct from your sick/emergency pay bank when you miss time. Exempt employees will have deduction for whole days missed only, nonexempt employees in hourly increments. Sick leave must be indicated on the employee's time sheet as a note on the day sick leave was taken and the number of hours.

Employees who are unable to report to work due to illness or injury must notify their Manager at least one hour before the scheduled start of their work shift. In order to plan for absences, as much notice as possible for scheduled appointments is required.

VACATION BENEFIT

GSE provides vacation benefits to eligible employees for rest and relaxation. Only regular full-time employees, who normally work 40 hours or more per work week, are eligible to earn vacation benefits. You are encouraged to use your vacation time, as this benefit is designed to provide you with an opportunity to rest and enjoy a departure from the normal work routine. In line with this, management does not generally grant vacation pay in lieu of taking time off. Should special circumstances arise, the Company may consider paying earned vacation time in lieu of time off. Employees on approved leave of absence are not eligible to accrue vacation benefits during the leave.

Vacation accrual begins on the first day of employment. Earned vacation pay is calculated based on the employee's regular rate of pay at the time the vacation is taken.

Maximum Accrual - unused accrued vacation time may be carried forward to the following anniversary year but only up to a maximum accrual equal to the vacation hours that would accrue in one-and-three quarters (1.75) years of continuous service.

When vacation accrual reaches the maximum as indicated above, you will stop accruing additional vacation time until your vacation bank is reduced below the maximum accrual limit.

Scheduling Vacation – After the completion of the first three (3) months of continuous employment you may request earned vacation time off as follows: should you wish to schedule time off, you need to do so by completing a PAN Form indicating the first day you wish your vacation to begin and the day that you plan to return to work. Whenever possible, this should be done at least two (2) weeks prior to leaving for vacation. This form requires your signature as requestor and your manager's signature approving the work schedule. You must then submit the signed PAN request to the Human Resources Administrator who will provide you with a final approval before you take time off for vacation. Management will strive to accommodate each employee's choice. However, it does reserve the right to schedule vacations to accommodate business or project needs.

Vacation time will not be paid in advance of earned accrual as outlined above. However, if vacation time has been earned, you may request that you receive your vacation pay immediately preceding the beginning date of your approved vacation time off. This may only be granted with a two-week advance notice.

All earned vacation time will be paid at the employee's current base rate at the time the vacation is taken.

Holidays Occurring During Vacation - If an observed Company holiday occurs during the employee's scheduled vacation, no deduction from accrued vacation will be made for the holiday.

Vacation Pay on Termination - Employees who terminate employment will receive all unused accrued vacation pay, calculated at the employee's base rate of pay at the time of and up through the date of termination.

PAID HOLIDAYS

The Company observes eight (8) paid holidays per calendar year. Regular full-time employees will receive their regular base rate of pay for each observed holiday listed below, up to the hours they are normally scheduled to work. The following are considered paid holidays:

- NEW YEAR'S DAY
- LABOR DAY

- PRESIDENTS' DAY
- MEMORIAL DAY
- INDEPENDENCE DAY
- THANKSGIVING DAY
- DAY AFTER THANKSGIVING
- CHRISTMAS DAY

When a paid holiday falls on a weekend, the holiday will normally be observed as follows:

- ❖ A holiday that falls on a Saturday will normally be observed on the preceding Friday.
- ❖ A holiday that falls on a Sunday will normally be observed on the following Monday.

In order to be eligible to receive holiday pay, you must be a regular full-time employee and have worked the regular scheduled workday immediately preceding and following the holiday. If you are absent, or leave early on one or both of these days because of illness or injury management reserves the right to verify the reason for the absence before approving holiday pay.

Approved, scheduled vacation days will be considered "time worked" for considering eligibility of holiday pay.

If Management requests that any eligible nonexempt employee works on a recognized holiday, and the employee actually works on that day, he/she will receive the holiday pay at the current base rate, plus his/her base pay at straight-time rate for the hours worked on the holiday.

Paid time off for holidays will NOT be considered "time worked" for the purpose of calculating overtime.

BEREAVEMENT PAY

In the event of a death in the immediate family of a regular full-time employee, the Company will allow up to (5) five days off with (3) of the days paid, calculated at regular base rate, to arrange and attend the funeral. Immediate family for this purpose is defined as current spouse, current registered domestic partner, child or spouse/registered domestic partner's child/sibling, parent, current parent in-laws, brother, sister and grandparents and grandchildren, spouse's or partner's grandparents and grandchildren; or person legally acting in one of these capacities or another relative residing with employee. The days of bereavement leave do not need to be taken consecutively but they must be completed within three months of the date of death of the family member

The Company has 30 days from the first day of the leave to request documentation supporting the need for leave. Documentation may include a death certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution or governmental agency.

PROFESSIONAL DEVELOPMENT

Management is committed to providing as many opportunities for continuing education as possible. During your regular course of employment, your manager will attempt to give you as much assistance as possible in training you to do your job. Some employees may need to attend training programs, seminars, conferences, lectures, meetings or other outside activities for the benefit of the Company or the individual employees' job responsibilities. Attendance at such activities, whether required by the Company or requested by individual employees, requires the written approval of the executive management. If you wish to take advantage of this type of training or education, submit a written request detailing all relevant information, including date, hours, location, cost, expenses, and the nature, purpose and justification for attendance. Attendance at any such event is subject to the following policies on reimbursement and compensation: For attendance at events required or authorized by the management of GSE customary and reasonable expenses will be reimbursed upon submission of proper receipts. Acceptable expenses generally include registration fees, materials, meals, transportation and parking. Reimbursement policies regarding these expenses should be discussed with executive management in advance of incurring the expense. Once you have received approval, you may schedule your training.

For nonexempt employees, attendance at authorized outside training activities may be considered hours worked for calculating pay, depending on the circumstances.

The Company reserves the rights to request reimbursement for your school, training, or certification costs should you voluntarily resign within one (1) year from the time you complete your training.

TIME OFF TO VOTE

In accordance with the state election code, the Company will grant time off to vote without loss of pay only under the following conditions:

- ❖ The employee is a registered voter;

- ❖ The employee's regular schedule is such that the employee would not have sufficient time to vote without taking work time off;

- ❖ The time requested be only at the beginning or end of the regular work schedule and will not exceed two (2) hours. Under existing state voting laws, polls are open from 8:00 am until 8:00 p.m. on election days. Any request for paid time off to vote, must have the advance approval of your manager and the Human Resources Administrator.

WORKERS' COMPENSATION INSURANCE

All of our employees are protected by Worker's Compensation Insurance for work-related injuries and illnesses. GSE pays the entire cost of this insurance. This insurance provides, as prescribed by Law, payments starting on the fourth day of disability unless you are hospitalized, in which case you do not have to wait for benefit payments. The first three (3) days are covered under our sick/emergency pay program if you are eligible. Payments may include disability pay, medical and hospital expenses. The Company will pay for lost wages directly related to the injury for the day of the work-incurred injury only.

If you ever have an accident or injury on the job (no matter how minor), immediately report this incident, or no later than by the end of your workday, to your supervisor and to the Human Resources Administrator. Arrangements will be made to have you taken to a provider for medical treatment if necessary. If you prefer to have your personal physician treat you on the day of the accident, you must have filed a written notification with Human Resources, prior to the date of injury, indicating your preference and your personal physician's acceptance.

Please be aware that the law considers the false or material misrepresentation or submission of fraudulent facts in an effort to obtain workers' compensation benefit payments a felony, punishable by law.

SOCIAL SECURITY

As an employee of GSE, you are covered under the provisions of the federal social security law (FICA). The amount of deduction from your wages for social security taxes is matched by the company. The total contribution by you and the company is credited toward your social security benefit, which may be available at the time you are eligible to retire.

UNEMPLOYMENT INSURANCE

The Company also pays the entire cost of your unemployment insurance benefits. California state and federal funds allow for weekly benefits should you become unemployed through no fault of your own. Determination of your eligibility is made by the state with input from you and from GSE. Please ask the Human Resources

Administrator how to file a claim at the time of your separation from service, we will be happy to explain your rights under the law.

STATE DISABILITY INSURANCE

In the state of California, the law requires that a small percentage of your paycheck be deducted for disability insurance to compensate you should you need to miss work due to a non-work-related accident or illness. The first seven days of disability are considered to be a waiting period. Benefits begin on the eighth day of disability. Your doctor, the local California Employment Development Department office, or the EDD webpage have the forms available to complete should you need to file a claim.

PAID FAMILY LEAVE (CALIFORNIA)

Your contributions to the State Disability Insurance fund may also make you eligible to receive Paid Family Leave (PFL) benefits when you stop working or reduce your work hours to care for a family member who is seriously ill or to bond with a new child. AB 1041 adds a “designated person[s] to the list of covered family members for whom an eligible employee make to leave under PFL. The State Disability Insurance program administers the Paid Family Leave (PFL) program. Under this State administered program, you may be eligible to receive Paid Family Leave (PFL) benefits when you stop working or reduce your work hours to care for a family member/designated person who is seriously ill or to bond with a new child. The Company limits an employee to one named, designated person per 12 month period. An explanation of these benefits is posted on the company Bulletin Board [usually posted in the break room] or available from Human Resources.

The Company is not under any obligation to guarantee reinstatement to your position should you wish to apply for PFL.

HOUSEKEEPING

All employees are expected to keep their work areas clean and organized. People using common areas such as lunchrooms or restrooms are expected to keep them sanitary.

Please clean up after meals and dispose of trash properly. Your co-workers and our clients appreciate it.

EMPLOYEE PARKING

Employees working at the corporate office, may park in designated areas within the parking structure immediately adjacent to the building. The Company pays the entire cost of the parking pass for its corporate employees. In order to apply and receive a parking pass, you are required to complete an application for the parking pass. Should

you lose or destroy this pass, the Company may charge you for the replacement fee of \$30.

Employees working at project sites, may park in designated areas if space permits. If project site parking permits are required, the Human Resources Administrator will coordinate your permit with the specific site. If space is unavailable, you must park in permissible public areas in the vicinity of our work site. There are spaces marked "for handicapped individuals". Do **not** park in these spaces unless you have an official permit. Spaces designated for clients, contractors, Company vehicles, or management are not available for employee parking.

Do not block aisles or other parked cars. Drive at a safe speed at all times. Park in authorized area only. GSE is not responsible for paying citations for employees who park in unauthorized areas. Lock your car, as management is not responsible for theft and/or damage to your vehicle while parked in the designated parking areas.

USE OF COMPANY VEHICLES

Vehicles may be provided to certain employees for conducting GSE's business. These vehicles are to be used for no other purpose other than official company business. Likewise, no employee may transport passengers in company vehicles that are not on official company business. Employees shall not utilize company vehicles for personal reasons or benefit without specific permission of the Director of Operations or Human Resources. Once every year, employees must provide proof of an acceptable driving record and active status on automobile insurance policy, in order to be allowed to continue to drive company owned vehicles.

LEAVES OF ABSENCE

GENERAL INFORMATION

GSE may grant leaves of absence to employees in certain circumstances. All leaves of absences, if granted, will be granted **without pay**. It is important to request any leave in writing as far in advance as possible, to keep in touch with your supervisor and the Human Resources Administrator during your leave, and to give prompt notice if there is any change in your return to work date. If your leave expires and you fail to return to work without contacting the Human Resources Administrator, the company will assume that you do not plan to return and that you have voluntarily terminated your employment. Leaves are granted with the understanding that you will not obtain other employment or apply for unemployment insurance while you are on an approved leave of absence. Acceptance of other employment or application for unemployment insurance benefits while on leave will be treated as a voluntary resignation from your employment at GSE.

Misrepresenting reasons for applying for a leave may result in disciplinary action, possibly including immediate termination from employment.

- ❖ Vacation, sick/emergency pay, and certain other benefits will not accrue while you are on a leave of absence. You are also not entitled to holiday pay, bereavement pay, performance reviews or salary increased/adjustments while on leave. Upon return from a leave of absence, you will be credited with the full employment status that existed prior to the start of the leave. You will not receive accrual credit for the time during the leave, except that you will retain your original date of hire.
- ❖ If you are ill, or have to be absent from work for some other reason as outlined below, submit a written request, (you may use our Personnel Action Notice (PAN) form for this purpose), indicating the reason and period of time needed for the Leave. This request must be submitted to your supervisor. Your supervisor will coordinate designation of Leaves with the Human Resources Administrator. Such leaves of absences, if granted, will be granted **without pay**.
- ❖ While on approved Leave, the company will make every effort to hold your job open for the period of the approved leave. However, due to business needs, there will be times when positions cannot be held open. Accordingly, it is not possible to guarantee reinstatement.

If your position is unavailable when you are ready to return from an approved leave, every effort will be made to place you in a comparable position for which you are qualified. If such a position is not available, you will be offered the next available and suitable position for which you are qualified. If you do not accept the position offered, the Company may consider your decline as a voluntary resignation from employment, effective the day such refusal is made. The following are types of leaves that may be considered and or granted at the Company's discretion except where mandated by law:

MEDICAL DISABILITY

Any full-time employee who is temporarily unable to work due to a non-work related medical condition, may, upon request, be granted a leave without pay for the period of his or her disability, provided such period shall not exceed four (4) months. The term medical condition as used in this policy encompasses all temporary medical disabilities.

Notification Requirement. It is your responsibility to provide Human Resources with the following information:

- a) A certification from your treating doctor verifying the existence of the disability

- b) The anticipated dates the leave of absence will begin and end
- c) Periodic updates to your supervisor and Human Resources at least monthly during the leave concerning your status, expected date of return, and intention to return to work upon expiration of this leave.
- d) Immediate notification of a need to change the duration of the leave.

Should a Medical Leave be granted, all available sick/emergency pay or earned vacation time must be used in combination with this unpaid leave.

Group Health insurance may be continued after the end of the month of the date the approved leave begins. Extension of health insurance through COBRA will be offered to employees. Medical insurance coverage should be discussed with the Human Resources Administrator prior to the commencement of the unpaid leave whenever possible.

Before returning to work following a medical leave of absence, you must submit your treating doctor's release that states your ability and the date you able to return to work. You may not report to work without this release from your treating physician.

When applicable, an approved medical leave will be run concurrently with FMLA/CFRA.

FMLA/CFRA

Family and Medical Leave Act/California Family Rights Act

GSE will grant FMLA/CFRA in accordance with the requirements of applicable federal and California laws in effect at the time the leave is granted. No greater or lesser leave benefits will be granted than those set forth in such state or federal laws. In certain situations, the federal law requires that provisions of state law apply. In any case, employees will be eligible for the most liberal benefits available under either law. Please contact your supervisor and the Human Resources Administrator as soon as you become aware of the need for a family or medical leave. The following is a summary of the relevant provisions.

- a. **Employee Eligibility FMLA** - to be eligible for federal family and medical leave benefits, you must meet all following requirements: (1) have worked for GSE for a total of at least 12 months in the preceding seven years; (2) have worked at least 1,250 hours over the previous 12 months; and (3) work at a GSE worksite where at least 50 employees are employed.

- b. **Employee Eligibility CFRA** - to be eligible for California Family Rights Act benefits, you must meet all following requirements: (1) have worked for GSE for a total of at least 12 months in the preceding seven years; (2) have worked at least 1,250 hours over the previous 12 months
- c. **Leave Available** - Eligible employees may take the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either 12 or 26 weeks within a 12-month period depending on the reason for the leave. A 12-month period begins on the date of an employee's first use of FMLA/CFRA. Successive 12-month periods will be calculated based on a rolling 12 month period; measured backward from the date and employee uses family medical leave. Leave may be used for one or more of the following reasons:
- for the birth of a child, or to care or bond with a newly born child. Or placement of a child with the employee and/or the employee's registered domestic partner for adoption or foster care;
 - to care for an immediate family member such as a spouse, registered domestic partner, child, or child of the registered domestic partner, or parent with a serious health condition (CFRA will additionally cover grandparents, grandchildren, parents-in-law, designated persons, and siblings);
 - because of the employee's serious health condition that makes the employee unable to perform the employee's job; to care for a covered service member with a serious injury or illness related to certain types of military service (see Military Family Leave or Paid Family Leave for more details); or,
 - Because of a qualifying exigency arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty in the Uniformed Services (up to 12 weeks). In support of a contingency operation. In this case, if you are eligible and your family member (as described above) is recovering from a serious illness or injury sustained in the line of duty on active duty may request a leave of up to 26 work weeks in a single 12-month period to care for the service member.

Under some circumstances, employees may take FMLA/CFRA intermittently -- which means taking leave in blocks of time, or by reducing their normal weekly or daily schedule.

Pregnant employees may have the right to take a pregnancy disability leave in addition to a family and medical leave; such employees should contact Human Resources regarding their individual situations. Certain restrictions on these benefits may apply.

- d. **Notice and Certification** - Employees requesting use of FMLA/CFRA are required to provide the following for consideration:

- [1] 30-day advance notice when the need for leave is foreseeable;
- [2] medical certification from health-care provider (both prior to the leave and prior to reinstatement);
- [3] periodic recertification; and
- [4] periodic report during the leave.

When leave is needed to care for an immediate family member or the employee's own serious health condition, and is for planned medical treatment, the employee must try to schedule treatment so as not to unduly disrupt the operations in the department or performance of services under our contracts.

- e. **Compensation During Leave** – Approved FMLA/CFRA time is unpaid time off. You will be required to use unused accrued vacation and/or sick/emergency pay to cover some or all of the FMLA/CFRA. The use of paid time-off will not extend the length of the leave to which you are otherwise entitled. As stated in the General Information Section of this policy, you will not accrue additional vacation and sick/emergency pay while out on approved FMLA/CFRA.
- f. **Health Coverage During Leave** - GSE will continue to pay its share of your group health insurance premiums for an employee on FMLA/CFRA for up to a maximum of 12 weeks if such insurance was provided before the leave was taken and on the same terms as if the employee had continued to work. The full costs of maintaining group health insurance coverage will be recovered from the employee upon return from the leave if the employee does not pay such costs during the leave.

Employees on FMLA/CFRA who do not receive continued paid coverage, or whose paid coverage ceases after 12 weeks, may continue their group health insurance coverage through GSE in conjunction with federal and state COBRA guidelines by making monthly payments to the company [or its designee] for the amount of the

relevant premium. Please contact the Human Resources Administrator for further information regarding continued health insurance coverage related to this leave. Life Insurance and other coverage that is in effect when the leave begins will be continued automatically at the employee's expense. The full costs of maintaining these programs will be recovered from the employee upon return from the leave if the employee does not pay such costs during the leave.

- g. **Job Reinstatement** – Any employee who complies with the provisions of these regulations will be granted reemployment upon expiration of an approved leave, provided the leave does not exceed 12 weeks, or in the case of a leave to care for a covered service member, 26 weeks. The employee will be reemployed in the same or equivalent position as that which he or she occupied when the leave commenced. However, an employee returning from a FMLA/CFRA has no greater right to reinstatement than if the employee had been employed continuously rather than on leave. For example, if an employee on FMLA/CFRA would have been laid off had he/she not gone on leave, or if an employee's position were eliminated during the leave, then the employee would not be entitled to reinstatement. An employee's use of FMLA/CFRA will not result in the loss of any employment benefit that the employee earned or was entitled to before using family and medical leave.
- h. **Failure to Return after FMLA/CFRA Leave** – Any employee who fails to return to work as scheduled after FMLA/CFRA leave or exceeds the 12-week entitlement (or in the case of military caregiver leave, the 26-week FMLA entitlement), will be subject to the Company's standard leave of absence and attendance policies. This may result in termination of employment if you have no other Company-provided leave available to you that applies to your continued absence.

MILITARY CAREGIVER/FAMILY LEAVE

Employees who are eligible for leaves under the conditions of GSE's Family and Medical Leave (FMLA) policies are entitled to military family leave under federal law for either of two reasons:

1. An eligible employee may request up to 12 weeks of leave because of "any qualifying exigency" arising out of the fact that the spouse, son, daughter, or parent of the employee is on active duty, or has been notified of an impending call to active duty status, in support of a contingency operation.
2. An eligible employee who is the spouse, son daughter, parent, or next of kin of a covered service member who is recovering from a serious illness or injury sustained in the line of duty on active duty is entitled to up to 26 weeks of

leave in a single 12-month period to care for the service member. This military caregiver leave is available during "a single 12-month period" during which an eligible employee is entitled to a combined total of 26 weeks of all types of family and medical leave.

PREGNANCY DISABILITY LEAVE (PDL)

If you are **disabled** due to pregnancy, childbirth, or related medical conditions, GSE will grant an unpaid leave for a period not to exceed four (4) months (or 88 work days for full-time employees). Employees who are affected by pregnancy or a related medical condition are also eligible to transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties if available, if such a transfer is medically advisable and certified as such by an attending physician.

- a) **Leave Available** – The pregnancy disability leave is for any period or periods of actual disability caused by an employee's pregnancy, childbirth or related medical conditions up to four (4) months [or 88 work days for a full-time employee] for pregnancy.
- b) PDL does not need to be taken in one continuous period of time, but can be taken on an as-needed basis. Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and recovery from childbirth would all be covered by the employee's PDL.
- c) **Notice and Certification Requirements** - Employees requesting to take pregnancy disability leave must provide the Human Resources Administrator with a certification from a health-care provider. The certification should include the following information:

[1] The date on which the employee becomes disabled due to pregnancy or the date of the medical advisability for the request for transfer;

[2] The probably duration of the period of disability;

[3] A statement that, due to the disability, the employee is unable to work at all or to perform any one or more of the essential functions of her position without undue risk to herself, the successful completion of her pregnancy or to other persons, or a statement that, due to her pregnancy, a transfer is medically advisable.

- d) **Compensation During Leave** - Pregnancy disability leaves are provided without pay. However, employees may utilize accrued vacation time and other accrued paid time off during the leave. All such payments will be coordinated with any state disability or other wage reimbursement benefits for which you may be eligible. At no time shall an employee receive a greater total payment than the employee's regular salary.

- e) **Health Coverage During Leave** - The employee taking pregnancy disability leave may continue coverage of Group Health Insurance on the same basis as employees granted Medical Leave or, if applicable, FMLA Leave. Extension of health insurance through COBRA will be offered to employees on approved Pregnancy Disability Leave. Medical insurance coverage should be discussed with the Human Resources Administrator prior to the commencement of the unpaid leave whenever possible.

- f) **Job Reinstatement** - Upon the submission of a medical certification from a health care provider that the employee is able to return to work, the employee may be offered the same position held at the time of the leave or an equivalent position in accordance with applicable law. However, the employee is not entitled to any greater right to reinstatement than if the employee had been employed continuously rather than on leave. For example, if the employee would have been laid off if she had not gone on leave, then the employee would not be entitled to reinstatement. Similarly, if the employee's position has been filled in order to avoid undermining GSE's ability to operate safely and efficiently while the employee was on leave, and there is no equivalent position available, then reinstatement would be denied.

WORK RELATED DISABILITY

GSE will grant a medical leave for work related disabilities in accordance with state laws. A leave of absence for a work-related disability shall be extended to the employee for the duration of the work-related disability. As an alternative and whenever possible, GSE will try to reasonably accommodate such employees with modified work. All Work Related Disability Leaves will run concurrent with FMLA/CFRA when applicable.

- a) **Notice and Certification Requirements** - Employees must report all accidents, injuries and illnesses no matter how small to their immediate manager and the Human Resources Administrator. In addition, the employee must provide GSE with a certification from the designated health-care provider.

- b) **Compensation During Leave** - Work Related Disability leaves are granted without pay. However, employees may utilize accrued time off during the leave. All such payments will be coordinated with any workers' compensation, state disability or other wage reimbursement benefits for which the employee may be eligible. At no time shall an employee receive a greater total payment than the employee's regular salary.

- c) **Health Coverage During Leave** - Employees on work related disability leave longer than four (4) months, may continue their group health insurance coverage through GSE in conjunction with federal and state COBRA guidelines by making monthly payments to GSE for the amount of the relevant premium. Health insurance will be continued by GSE during the first four (4) calendar months of the leave provided the employee contributes his/her share of the monthly premium. Affected employees must contact the Human Resources Administrator for more detailed information and to make arrangements for continuation of insurance.

- d) **Reinstatement** – GSE will retain employees on an extended leave of absence for work-related disabilities until one of the following situations occurs:
 - [1] The employee is released for full or partial duty.

 - [2] The Company receives medical evidence satisfactory to it that the employee will be permanently unable to return to work.

 - [3] The employee directly or indirectly informs the company that he/she does not intend to return to the Company. For example: by accepting other employment that is inconsistent with the intent to return to the job, moving out of the state, etc.)

Employees who provide a physician's statement that indicates the employee is fit to return to work, will be returned to their former position, if possible, or will be offered the first available opening in a comparable position for which the employee is qualified.

MILITARY

Military leaves of absence are granted without pay. However, in order to be eligible, employees must submit written verification from the appropriate military authority. The company will reinstate those employees returning from military leave to their same position or one of the comparable seniority, status, and pay if they:

- a) obtain and provide a certificate of satisfactory completion of service;
- b) apply within 3 months after release from active duty or within such extended period, if any, as their rights are protected by law; and
- c) are qualified to fill their former position.

Exceptions to this policy will occur wherever necessary to comply with applicable laws.

SPOUSAL MILITARY LEAVE

In California, qualified employees may take up to 10 days of unpaid leave when their spouse or registered domestic partner is serving in the Armed Forces, National Guard or Reserves, and is home on leave from the service.

To be eligible for this leave, the employee must meet the following:

- a) have worked a regular schedule of an average of 20 or more hours per week;
- b) must be a spouse or registered domestic partner of a member of the armed forces who has been deployed to an area of military conflict; and
- c) provide GSE with notice, within 2 business days of receiving official notice that the spouse or registered domestic partner will be on leave from deployment, of the intention to take the leave authorized by the statute;
- d) submit written documentation certifying that the employee's spouse will be on leave for deployment during the time the leave is requested.

SCHOOL ACTIVITIES

Under certain circumstances, eligible employees may be entitled to take time off without pay to participate in activities of their child's school or a licensed day care facility. In order to be eligible for time off under this policy, any employee must be a parent, guardian, or grandparent of a child who is in kindergarten or a grade between 1 and 12, inclusive, or attending a licensed child day care facility. In addition, the employee must provide reasonable notice of the planned absence to the Human Resources Administrator before taking the time off. GSE limits time off for this purpose to 40 hours in any single year or more than 8 hours off in any calendar month.

Any employee who is granted time off under this leave, must utilize any earned vacation time. In addition, the company requires that documentation from the school or licensed

day care facility be submitted to substantiate the fact that the employee participated in the activity on a specific date and a particular time.

VICTIMS OF CRIMES

If any employee is the victim of certain specified felony crimes, or who are an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim, time off may be necessary to seek judicial relief to help ensure the health, safety, or welfare of the employee or family member. This may include efforts to obtain a restraining order, medical services, or other injunctive relief from a court.

If any employee needs time off from work for one of these purposes or any other purpose protected by law, reasonable written notice must be provided to the Human Resources Administrator. If an unscheduled or emergency court appearance is required for the health, safety or welfare of the domestic violence or sexual assault victim or a child, the employee must provide evidence from the court or prosecuting attorney that he or she has appeared in court within a reasonable time after the court appearance.

VOLUNTEER CIVIL SERVICE LEAVE

GSE will grant unpaid time off to any employee who is required to perform emergency duty as a volunteer firefighter, or other legally eligible emergency personnel or reserve peace officers. In the event that any employee needs to take time off to perform such emergency duty, the supervisor and the Human Resources Administrator must be informed immediately upon notification of call up for duty. The company will allow unpaid time off for the term of your duty but not to exceed 14 days per calendar year to engage in fire or law enforcement training or duty.

LITERACY ASSISTANCE

The Company wishes to assist employees who require time off to attend an adult literacy education program. Any employee who needs time off to attend such a program should inform the Human Resources Administrator in confidence. The Company will make reasonable accommodations for the employee by providing unpaid time off unless it would cause an undue hardship for the department to do so. The Human Resources Administrator will make every effort to safeguard the privacy of the fact that an employee is enrolled in an adult literacy education program.

JURY DUTY

GSE encourages employees to serve on jury duty when called. For this reason, the Company will compensate full-time, regular employees at their regular base rate of pay for serving up to 2 days of jury duty. Additional time off to serve on jury duty will be

granted for the length of time necessary; however, additional time off for nonexempt employees is granted without pay. Exempt employees will receive their full weekly salary for any week in which they perform any work and also serve on a jury. Employees must notify their manager and the Human Resources Administrator immediately upon receipt of notification to appear by submitting a copy of the notice.

WITNESS DUTY

Any employee required by law to appear in court as a witness may take unpaid time off or draw on any available accrued vacation time. Exempt employees will receive their full weekly salary for any week in which they perform any work in addition to appearing in court as a witness. Management requests the employee provide us with reasonable advance notice and proof of notice to appear.

PERSONAL LEAVE

Full-time regular employees may request a personal leave of absence without pay for a reasonable period of time but not to exceed one (1) month. Request for extensions of personal leave due to special circumstances, may be considered and determined on an individual basis.

Personal leaves are not guaranteed. Requests for a personal leave will be considered on the basis of a combination of factors, including the employee's length of service, performance, position, responsibility level, the reason for the request, whether other individuals are already out on leave, and the expected impact of the leave on operations at GSE and its customers.

Requests for leaves must be submitted in writing and approved in writing by the Human Resources Administrator and Manager jointly, before the leave begins. Requests for extensions of leaves must also be submitted in writing and approved in writing by the Human Resources Administrator before the extended period of a leave begins. GSE is not able to guarantee reinstatement from a leave in all circumstances, but will make a reasonable effort to return an employee to his or her former position or a comparable position for which the employee is qualified. It is the employee's responsibility to be available and report to work at the end of the approved leave. Any employee who fails to report to work on the day after the leave expires will be considered to have voluntarily resigned.

PAID FAMILY LEAVE (PFL, CALIFORNIA)

Your contributions to the State Disability Insurance fund may also make you eligible to receive Paid Family Leave (PFL) benefits when you stop working or reduce your work hours. Paid Family Leave (PFL) provides benefits to individuals who need to take time

off work to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner. Benefits are also available to parents who need time to bond with a new child entering their life either by birth, adoption, or foster care placement. Additionally, benefits are available to those who participate in a qualifying event because of the military deployment of their spouse, registered domestic partner, parent, or child to a foreign country. The State Disability Insurance program administers the Paid Family Leave (PFL) program. The Company is not under any obligation to guarantee reinstatement to your position should you wish to apply for PFL. An explanation of these benefits is posted on the company Bulletin Board [usually posted in the break room] or available from Human Resources.

ORGAN/BONE MARROW DONATION LEAVE

GSE Employees who have been employed for at least ninety (90) days and who provide written verification to the company that they are an organ or bone marrow donor are entitled to receive a job protected, paid leave of absence that may be taken in one or more periods in order to donate.

Eligible organ donors are entitled to a paid leave of absence not to exceed thirty (30) business days in any one-year period of time. In addition, eligible organ donors are entitled to an additional unpaid leave of absence not to exceed (30) business days in any one-year period of time. GSE employees will be required to use up to two (2) weeks of their paid sick leave or paid vacation for organ donor leave.

Eligible bone marrow donors are entitled to a leave of absence not to exceed five (5) business days in any one-year period. GSE employees will be required to use up to five (5) days of their paid sick leave or paid vacation for bone marrow donor leave. Organ and bone marrow donation leave does not run concurrently with, nor will it be counted against, FMLA or CFRA leave.

PERFORMANCE AND CONDUCT

PHILOSOPHY OF EMPLOYEE MANAGEMENT

It is GSE's philosophy that we can best meet our goal to provide quality products and services to our customers by creating an environment where employees are motivated by a desire to contribute to our business goals. We believe this can best be achieved in an atmosphere of mutual trust and respect between management and employees. Oppressive rules and harsh discipline foster fear, mistrust, and demoralization. This, in turn, will result in polarization between management and employees creating a company of mediocre service. We believe that employees with healthy morale benefit our clients,

and that creates a pleasant and comfortable work environment for employees and management.

The following are the basic principles of our employee management philosophy. Managers, Supervisors as well as Employees are expected to conduct themselves accordingly:

1. Management should maintain objectivity towards all employees at all times. Allow no personal biases of any kind to influence employee evaluations and/or discipline. Employees should accept and respond to corrective action given by their managers in a positive manner.
2. Management should explain reasons for assignments, rules or procedures in an effort to teach and motivate improved performance.
3. Management should listen to employees' suggestions for improved efficiency or concerns over working conditions or safety and, if necessary, take appropriate action including bringing the matter to the attention of the Human Resources Administrator. Employees should feel free to bring their suggestions and ideas and concerns to management without fear of reprisal.
4. Management should not take disciplinary action without clear evidence of wrongdoing. Employees should be open to input and direction from management on how they are expected to perform or behave.
5. Management should impose discipline on employees using civil discussion. Maintain calm control at all times. Allow employees the opportunity to explain. Attempt to counsel and teach the employee. Do not threaten, act confrontational, yell or swear. Employees should also listen to the counseling and ask questions applying control. Employees should also not threaten, act confrontational, yell or swear.

PROBLEM SOLVING PROCESS

Employees who have any questions or problems are encouraged to bring them to the attention of their immediate supervisor. If an employee is unable to resolve these questions or problems after this discussion, he/she may contact the Human Resources Administrator to discuss the questions or problems further. The Human Resources Administrator will attempt to investigate the employee's concerns and provide the employee with a response as soon as reasonably possible.

Every effort will be made to provide employees an opportunity to raise their questions or problems in confidence and without fear of reprisal or discrimination. The company will make every effort to investigate and settle an employee's problem on a fair and equitable basis.

STANDARDS OF CONDUCT

Like all other organizations, we at GSE require order and discipline to succeed and to promote efficiency, productivity, and cooperation among employees. For this reason, it may be helpful to identify some examples of types of conduct that are impermissible and that may lead to disciplinary action, possibly including immediate discharge from employment. Although it is not possible to provide an exhaustive list of all types of impermissible conduct and performance, the following are some examples:

1. Rude, discourteous, abusive or inconsiderate treatment of a customer, employee of customer, supplier, any member of management, coworker or visitor to GSE or any of its assigned worksites.
2. Not following GSE's standards of conduct.
3. Obtaining employment based on false or misleading information, or falsifying information or making material omissions in any company document or record.
4. Malicious or willful destruction or damage to the company's property or supplies, or the property of another employee, customer, supplier or a visitor.
5. Theft or unauthorized removal or possession of property from the company, fellow employees, customers or anyone in the work place.
6. Bringing dangerous or unauthorized materials, such as explosives, firearms, weapons, or other similar items into the work place.
7. Possession, distribution, sale, use or being under the influence of alcoholic beverages or illegal drugs while on duty or while operating a vehicle or potentially dangerous equipment leased or owned by the company.
8. Unsatisfactory job performance.
9. Insubordination, including improper conduct toward a supervisor or refusal to do assigned work in the appropriate manner.

10. Noncompliance or disregard for safety rules or safe work practices.
11. Excessive lateness or absenteeism from work without acceptable justification.
12. Falsifying or destroying any timekeeping record, recording work time for another employee or asking another employee to record work time for you.
13. Leaving work premises or your job during working hours without notification or without proper authorization.
14. Actual or threatened violence or any other action that endangers others, property, or disrupts work.
15. Sleeping or appearing to be asleep on the job.
16. Smoking in unauthorized areas within or outside our work sites.
17. Harassment, threats, intimidation or coercing any other employee, or otherwise violating the company policy against harassment.
18. Failure to abide by set standards for lunch and break periods, and working unauthorized overtime.
19. Maintaining or engaging in an outside business or financial interest that conflicts, in any manner, with the interest of the company.
20. Disclosing confidential or proprietary information (this includes, but is not limited to, information on Company customers, their customers, vendors and information about other employees). Disclosing trade secrets.
21. Entering the work site or remaining on the premises while not on duty without authorization.
22. Using company equipment, time, materials and facilities for personal use, without proper authorization.
23. Failure to comply with company policies, procedures and practices.
24. Failure to immediately report an on-the-job injury or illness.

25. Falsifying expense reports.
26. Accepting bribes or gifts or other forms of compensation from current or potential customers, vendors, or competitors without the expressed approval of the President of GSE.

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

CORRECTIVE ACTION FOR JOB PROBLEMS

Any violation of company policies, improper behavior, or conduct may warrant disciplinary action. Although the employment relationship may be terminated at will by the employee or the company, without following any formal system of discipline or warnings, the company often exercises its discretion to use a discipline process to ensure a fair method of coaching and/or disciplining employees. When followed, the discipline system is intended to give employees advance notice of problems with their conduct or performance in order to provide them an opportunity to correct any problems. Normally, the corrective action involves documented coaching, and one or more written warnings, before an employee is discharged. However, exceptions or deviations from the normal process may occur whenever serious offenses occur or whenever the company deems that circumstances warrant that one or more steps in the process be skipped.

TERMINATION OF EMPLOYMENT

Since employment with the company is based on mutual consent, both the employee and GSE have the right to terminate employment at will, with or without cause or notice at any time. The following are examples of some of the most common circumstances under which employment is terminated:

Resignation (Voluntary Quit) - employment termination initiated by the employee who chooses to leave their employment voluntarily. GSE requires this notification to be submitted in writing indicating the intended last day worked. Management would appreciate, but does not require, a notice of resignation from the employee whenever possible.

Discharge - employment termination initiated by management of the company with the support of Human Resources.

Layoff - involuntary employment termination initiated by management for business reasons, as a result of reorganization, economics, client contract completion, and/or position elimination.

Retirement - voluntary retirement from active employment status initiated by the employee.

Your supervisor will schedule an exit interview for terminating employees with the Human Resources Administrator. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to the company, or return of employer-owned property. Suggestions, complaints, and questions can also be discussed. At this time, employees will receive their final pay in accordance with applicable state law. Upon termination, accrued benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

ACCESS TO PERSONNEL FILES AND PAYROLL RECORDS

Employees may request the opportunity to inspect the contents of their own personnel file. Such requests must be submitted to the Human Resources Administrator provided a minimum of 48 hours of notice is given. The actual inspection will be held in the presence of the Human Resources Administrator. Please contact your supervisor who will set an appointment for you should you wish to review your personnel file. Employees are usually given copies of documentation that is signed by them and entered into their personnel file.

Payroll records - Employees may submit a written or verbal request to inspect a copy of their payroll records. These requests must be submitted directly to the Human Resources Administrator. The HR Administrator will honor the request within 21 days of the date the request is received. Employees who wish to obtain a copy of payroll records may be asked to reimburse the company for the actual cost of making the copies. Where an inspection request is made by a former employee, the individual may be required to provide satisfactory evidence of his or her identity.

JOB REFERENCES

It is the policy of GSE not to provide any job references for current or former employees. Accordingly, if any employee or representative of the company is asked for information of any kind, such as job reference or pay verification, the individual should be directed immediately to the Human Resources Administrator, without making any "off the record" statements. It is important to point out that this policy extends to all forms of

information about the current and/or former employee. It extends to information regarding inquiries about an individual's performance, character, attitude, and attendance, credit information, background, employment history, conduct, penal history, family circumstances, or domestic issues.

Since employee information and records are considered private, strict adherence to this policy is mandatory. Any individual who violates this policy will be subject to disciplinary action, up to and possibly immediate termination from employment.

LAYOFF POLICY

The Company is very interested in continued increases in its growth and productivity. Accordingly, we attempt to avoid cutbacks and reductions in force whenever feasible. However, if the Company determines that a reduction in the workforce is warranted because of cancellation of a project, lack of work, reorganization, or other considerations, the following factors will be considered:

Performance and demonstrated job skills, productivity, and ability to perform the available work will be primary criteria in determining layoff status.

In general, a layoff is expected to result in final loss of employment, therefore all earnings and unused accrued vacation will be paid out on the last day of employment. Extension of benefits and other important employee information will be provided and discussed during an exit interview that will be conducted with all individuals on the last day of employment.

SAFETY & HEALTH

SAFETY STATEMENT

Every employee is responsible for safety. To achieve our goal of providing a completely safe work place, everyone must be safety conscious. Please report any unsafe or hazardous conditions directly to your supervisor immediately. Every effort will be made to remedy problems as quickly as possible.

In keeping with this commitment, the Company has established an Injury and Illness Prevention Program as part of its safety program. A copy of this written program is available for your review in the Human Resources office in Pasadena. Other worksites may access this plan through their assigned Safety Coordinator.

Employees must understand that compliance with safety requirements is a condition of employment and will be evaluated, together with other aspects of an employee's

performance, as part of the performance appraisal process. It is therefore essential that all employees comply fully with the standards and practices that are designed by management to promote a safe and healthful working environment. As part of our policy, management has established programs to train and retrain employees as appropriate to assist them to avoid dangerous or unhealthful conditions and to remedy problems or hazards before they cause accidents or injuries.

Part of the Company's Injury and Illness Prevention Program [IIPP] include safety meetings, training programs, posting safety notices and safety tips, and provides for periodic communications to employees regarding safety matters. Periodic inspections to identify unsafe conditions and work practices as well as investigations of occupational injuries and illness will be conducted. Every effort is made to correct unsafe or unhealthy conditions, work practices, or procedures in a timely manner. It is essential that all employees cooperate in achieving these objectives and assist the Company to provide a safe work place for everyone.

General Safety Rules for all Employees

The following is a listing of general safety rules that are most important, but certainly not all encompassing. Failure to observe any safety rule may result in disciplinary action up to and including termination of employment.

1. All injuries or accidents, no matter how minor, must be reported to your supervisor/manager and the Human Resources Administrator immediately.
2. Follow all established safe job procedures. Changes in regular job procedures require the approval of your supervisor/manager.
3. For your safety, the use or possession of alcohol and other drugs are prohibited in the work place. Any employee using or under the influence of drugs or intoxicating substances and appearing to be unable to perform the essential functions of the job, shall not be allowed on the job while in that condition.
4. Machines and equipment must be maintained in safe operating condition, and operated and inspected according to the manufacturer's recommendations.
5. All defective equipment must be reported to your manager immediately. Only designated personnel may make repairs to this equipment.
6. Keep aisles and walkways clean and clear. This applies to all fire doors, exits and entrances. Keep your work place clean and orderly.

7. Clean up spills as soon as possible. This is not only a slip hazard but is against environmental laws.
8. Take pride in your work place. Keep it clean. Dirty and disorderly conditions are the cause of many accidents and fires.
9. Wear suitable clothing to work.
10. Never engage in roughhousing or practical jokes. Serious injury may result from such actions.
11. Never operate any equipment unless you are thoroughly familiar with and trained on it.
12. Fighting or horseplay is prohibited at all times.
13. Always walk, never run.
14. Learn the safe way to lift heavy objects.
 - a) Do not lift any load over 50 lbs. by yourself; get help.
 - b) Face the load squarely and secure a firm footing with your feet properly spread.
 - c) Bend your knees and get a grip on the load
 - d) Keep a straight back and lift by straightening your legs.
 - e) Lift gradually, not suddenly.
 - f) Keep the load close to your body and do not twist your body.

FITNESS FOR DUTY

Each employee is expected to arrive for work punctually and be fit to perform all applicable duties and responsibilities. Employees who report to work or appear to become unfit to perform their jobs fully and satisfactorily may create a safety hazard for themselves and others. Fitness for duty is essential if the employee is to perform all their assigned duties and tasks satisfactorily. If you report to work and are deemed to be

unable to perform the functions of your job satisfactorily, you may be sent home without pay until you are able to satisfactorily perform the functions of your assigned job.

SMOKING

Smoking is prohibited within all of our work sites, facilities and vehicles. "Smoking" is defined as holding a lit cigar or cigarette or lighted pipe of any kind. It also includes the emitting or exhaling of smoke of any kind. Those wishing to smoke may do so in the designated smoking areas outside. Smoking is permitted only in the designated marked areas before starting time, during breaks or lunch and after work. Failure to comply with this policy will result in disciplinary action. This policy applies equally to all employees, temporaries, independent contractors, clients, suppliers, and visitors.

EMERGENCY PREPAREDNESS

Emergencies include all accidents, medical situations, earthquakes, fire, and other threats of violence. The company has developed a written Emergency Preparedness Plan as part of its overall Injury and Illness Prevention Program (IIPP). The following is some helpful information as to what you should do in case you become aware of an emergency in the work place:

Fire – tips

- Closing doors – reduces the amount of oxygen the fire needs to burn.
- Using water – reduces heat
- Using Type B, C extinguishers – smothers the fire from reduction in oxygen.
- Removing nearby plastics, papers, wooden pallets/crates – takes away the sources of fuel for the fire.

Here's what you should remember to do:

- In an emergency, use regular exits and or emergency exits; If you encounter smoke, get down on your hands and knees. Air is cleaner and cooler close to the floor; then crawl to the nearest exit.
- Do not panic – experiencing a sudden overpowering terror usually comes from not knowing what to do.
- If your clothes catch on fire, stop where you are, drop down to the ground while covering your face with your hands and roll on the flames to smother them. Remember, **STOP, DROP, and ROLL.**

- If you can, cool a burn with cold water for 15 to 20 minutes, get medical attention if available.

Earthquake – tips:

- During an earthquake, get under a desk or table – protect your head
- Stay away from windows and/or objects that can fall
- Do not be surprised if electricity goes off
- Do not smoke or use matches or lighters in case there are gas leaks
- After an earthquake, check for injured; assist and locate First Aid and/or call 911; use your cell phone if the regular telephone system does not work.
- Check for fires
- Open doors carefully, watch for falling objects
- Arrange protection from debris and broken glass
- Cooperate with Public Safety Officials
- Be prepared for aftershocks – Above all – remain calm

Bomb Threat – tips:

- Should you receive a written threat or suspicious package, prevent anyone else from handling it
- Notify the Facility Manager and the Emergency Coordinator for the Facility
- Follow instructions of the trained Emergency Response Team
- Should you receive a telephoned threat, remain calm and write down the exact wording of the threat. Ask questions such as
 - When is the bomb going to explode?
 - Where is the bomb right now?
 - What does it look like?
 - Why are you doing this?

- While on the telephone listen to any background sounds, the caller's voice and accents. Do not put the caller on hold and don't hang up until the caller does.
- Immediately notify the top official at the Facility and the Safety Coordinator.

Medical Emergency – tips:

- First Aid may be administered by trained personnel only. If you are not trained, do not attempt to assist the injured party. Call the Paramedics by dialing 911; or
- Inform the Management at your facility or the Safety Coordinator who will take care of obtaining help.
- Remain with the injured party, keep him comfortable and warm – do not attempt to move them.
- The Company does provide CPR and First Aid training from time to time. This training is arranged by the Human Resources Administrator.

More details of various areas of responsibilities are available with the Safety Coordinator designated to your work facility. Take the time to be knowledgeable.

COMMUNICATION

NEW HIRE ORIENTATION

Normally new employees are scheduled for an orientation on the first day of employment. This orientation includes a review of our Company's personnel policies and on safety rules and practices. During this time, employees are asked to complete new-hire documents and questionnaires as well as to provide proof of their legal right to work in the United States.

In addition, employees may receive orientation their specific departmental procedure and how to perform their new duties and tasks in a safe manner.

Finally, federal and state laws require all employers to report information on newly hired employees with the New Employee Registry. Each state of employment had different requirements. New employees, who work in California, must be reported with the EDD on Form DE34. All new employee reports must be filed no later than 20 days after the day the employee begins work.

BULLETIN BOARDS

The Company bulletin boards are usually located in the break rooms at the work sites. Please ask your supervisor to point out the location of the official company bulletin board. There, you will find notices of state and federal laws, as well as other information regarding changes in policies and other Company announcements. Make it a point to read them frequently and keep informed.

Employees may not post any information on the bulletin board without the approval of the Human Resources Administrator.

COMPANY MAIL

GSE processes incoming and outgoing business mail. The Company's mail system is for business use. For this reason, any mail addressed to an employee at work is considered Company property and may be opened. We are not in a position to receive or mail personal mail or packages for employees and, if received, cannot guarantee that the personal mail will be forwarded to the employee.

Postage meters are installed for business purpose only; employees are not to use the company postage meters to mail their personal mail.

INTERNET, E-MAIL, AND ELECTRONIC COMMUNICATIONS

GSE has established this Internet, e-mail, and electronic communications policy in an effort to make certain that employees utilize electronic communications devices in a legal, ethical, and appropriate manner. We have devised this policy in a manner that addresses the company's legal responsibilities and concerns regarding the fair and proper use of all electronic communications devices within our organization.

This policy extends, by way of example only, to all features of the company's electronic communications systems, including computers, e-mail, connections to the internet and World Wide Web and other internal or external networks, voice mail, video conferencing, faxes, and telephones. Any other form of electronic communication devices used by employees currently or in the future is also intended to be encompassed under this policy.

The company must retain the right and ability to enforce this policy and to monitor compliance with its terms. While computers and other electronic devices are made accessible to employees to assist them to perform their jobs and to promote the company's interests, all such devices, whether used entirely or partially on company premises or with the aid of company equipment or resources, must remain fully

accessible to the company and, to the maximum extent permitted by law, will remain the sole and exclusive property of the company.

Employees should not have any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communication device owned, leased, or operated in whole or in part by or on behalf of the company. GSE retains the right to gain access to any information received by, transmitted by, or stored in any such device, by and through its agents, employees, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval. Employees who are provided access to computers must advise the IT Coordinator of any password they use to gain access to computers or the Internet as well as any changes to such password. Each change must be reported immediately.

Rules – It may not be possible to identify every standard and rule applicable to the use of electronic communications devices. Employees are encouraged to utilize sound judgment whenever using any feature of the communications systems. In order to offer employees some guidance, the following standards should be clearly understood and followed:

- a) GSE's policy against harassment, including sexual harassment, extends to the use of computers, the Internet, and any component of the communications systems. It is expected that employees should not use any electronic communications device in a manner that would violate that policy. For example, employees may not communicate messages that would constitute sexual harassment, may not use sexually suggestive screen savers, and may not receive or transmit pornographic, obscene, or sexually offensive material or information.
- b) In keeping with GSE's anti-discrimination policies, employees may not use any electronic communications device in any way that violates these policies. This includes, for example, transmitting, communicating or posting personal opinions of a discriminatory nature.
- c) Employees may not use any electronic communications device for a purpose that is found to constitute, in the company's sole and absolute discretion, a commercial use that is not for the direct and immediate benefit of the company.
- d) Employees may not use any electronic communications device in a manner that violates the trademark, copyright, or license rights of any other person, entity, or organization.

- e) Employees may not use any electronic communications device in a manner that infringes upon the rights of other persons, entities, or organizations to proprietary, confidential or trade secret information.
- f) Employees may not use any electronic communications device for any purpose that is competitive, either directly or indirectly, to the interests of the company or for any purpose that creates an actual, potential or apparent conflict of interest with the company.
- g) Employees may not use any electronic communications device in a manner that would violate the company's no solicitation rules.
- h) Employees are prohibited from forwarding any GSE emails to any individual outside of the company including an employee's personal email addresses

Employees who violate any aspect of this policy or who demonstrate poor judgment in the manner in which they use any electronic communications devices will be subject to disciplinary action, up to and including the possibility of immediate termination from employment.

PERSONAL WEBSITES/WEB LOGS - BLOGGING

The Internet has become an accessible and powerful means of public communication, whether through e-mail, participation in chat rooms, personal websites or personable web logs, or "blogs." GSE respects the right of employees to use these mediums of self-expression and communication, but expects and insists that employees' use of these vehicles does not damage the company or our working environment.

Employees should observe the following guidelines to ensure that their public activities do not conflict with their responsibilities toward the company, including their duty of loyalty.

If you choose to identify yourself as a Company employee, you are expected to also make clear to your readers that the views expressed on your site do not necessarily reflect the views of GSE by posting a disclaimer in a prominent place (e.g., "*The views expressed are mine alone and do not necessarily reflect the views of my employer*").]

You may not disclose information that is sensitive, proprietary to the company or a third party, confidential, or pertaining to the company's finances. Consult the company's confidentiality policy for guidance about what constitutes confidential information.

You may not post any materials that are obscene, defamatory, profane, libelous, threatening, harassing, abusive, hateful or embarrassing to another person or to any other person or entity. This includes, but is not limited to, comments regarding the company, our employees, business partners or competitors.

It is also expected that you not post inappropriate information or content on your website or in your web log, such as content that would potentially damage the Company's or disgrace you in your capacity as a company employee. Since your site is a public space, you are expected to be respectful to the company, our employees, our customers, our partners and affiliates, and others (including our competitors) as the company itself endeavors to be. You may not attack personally your fellow employees, customers, vendors or shareholders. You may respectfully disagree with company actions, policies, or management.

A good rule of thumb for determining whether the communication is appropriate is to consider: "If this statement I propose to make were published on the front page of the newspaper and attributed to me, would it impair my ability to work with my coworkers on a friendly basis? Would it give an advantage to the company's competition? Would it make our business partners uncomfortable?" If the answer to any of these questions is yes, the communication is inappropriate.

Violations of this policy may result in disciplinary action, up to and including discharge.

UNAUTHORIZED INTERVIEWS

As a means of protecting yourself and the Company, no unauthorized interviews are permitted to be conducted by individuals representing themselves as attorneys, peace officers, investigators, reporters, or someone who wants to "ask a few questions." if you are asked questions about the company or its current or former employees, you are to refer that individual(s) to your manager. A decision will then be made as to whether that individual may conduct any interview and they will be introduced to you by your manager with a reason for the questioning. Similarly, if you are aware that an unauthorized interview is occurring at the Company, immediately notify your manager or the President.

KEEPING CURRENT ON EMPLOYEE INFORMATION ON FILE

It is important that you keep your supervisor and the Human Resources Administrator informed of any changes in important information. Your present address and telephone number are essential for many purposes, including Company mailings to your home. It is your responsibility to inform us immediately of any changes. If your marital status or dependents change, you may have to change the number of exemptions claimed for

income tax withholding purposes and to add or delete members of your family to the employer's health insurance program.

Please contact the Human Resources Administrator who will provide you with the format for change notification.

PERSONNEL RECORDS

Your records are considered confidential and are available only to your immediate management and then only on a need-to-know basis. Upon request and your permission, the Human Resources Administrator will only verify your dates of employment and position held. Any other information such as earnings will not be released without your written approval, except as mandated by law.

TELEPHONES/CELL PHONES

The GSE telephone lines are intended solely for business use and should not be used or tied up for personal phone calls. Accordingly, it is expected that GSE employees refrain from making or receiving personal telephone calls during working hours unless there is an urgent need. Calls should be made only when necessary, should be kept as brief as possible, and should be made during break and lunch periods. Incoming personal calls are discouraged, except in emergencies. No personal long distance or toll calls are to be charged to the Company's telephone under any circumstance.

Personal Cell Phones - Cell phones may be brought to work, but must be set on "vibrate" or any other "silent" signal during working hours. While at work employees are expected to exercise the same discretion in using personal cellular phones as is expected for the use of the company's phones. Excessive personal calls during the workday, regardless of the phone used, can interfere with employee productivity and be distracting to others. A reasonable standard is to limit personal calls during work time to no more than one per day if needed. Employees are therefore asked to make any other personal calls during non-work time where possible and to ensure that friends and family members are aware of the Company's policy. GSE will not be liable for the loss or damage to employees' personal cell phones brought into the workplace.

Company-Owned Cell Phones - Where job or business needs demand immediate access to an employee the Company may issue a business cell phone to an employee for work-related communications. In order to protect the employee from incurring a tax liability for the personal use of this equipment, such phones are to be used for business reasons only. Phone logs will be audited regularly to ensure no unauthorized use has occurred.

No employee using a company-owned cell phone should expect any privacy except that which is governed by law. GSE has the right, at any time, to monitor and preserve any communications that use the GSE's networks or information in any way, including data, voice mail, telephone logs, Internet use and network traffic, to determine proper use. Management reserves the right to review or retain company-related data on company-owned cell phones or to release the data to government agencies or third parties during an investigation or litigation. Management may review the activity and analyze use patterns and may choose to publicize these data to ensure that GSE's resources in these areas are being used according to this policy. Furthermore, no employee may knowingly disable any network software or system.

Employees in possession of company cellular phones are expected to protect the equipment from loss, damage or theft. Employees must immediately notify management in the event their company-owned cell phone is lost, stolen or damaged. If it is unable to repair the device, the employee will be responsible for the cost of replacement. Upon resignation or termination of employment, or at any time upon request, the employee may be asked to produce the phone for return or inspection. Employees unable to present the phone in good working condition within the time period requested may be expected to bear the cost of a replacement.

Bring Your Own Device (BYOD) - Employees may be allowed to use their personal cellular phones for work purposes when authorized in writing by management. Employees authorized under the BYOD policy may not use their personal devices for work purposes during periods of unpaid leave. Family and friends (including children) should not use personal devices that are used for company purposes.

Employees authorized to use personal devices under this policy will receive an agreed-upon monthly stipend based on the position and estimated use of the device. The stipend is intended to cover a portion of the phone bill associated with its on-the-job usage as well as the cost to upgrade and/or replace the device. If an employee obtains a plan and/or device that exceeds the monthly stipend, GSE will not be liable for the cost difference.

Employees accessing company resources from their phone (e.g. email) will be required to install "remote-wipe" software prior to accessing company resources. This software allows the company-related data to be erased remotely in the event the device is lost or stolen. GSE will not be responsible for loss or damage of personal applications or data resulting from the use of company applications or the wiping of company information. Employees must immediately notify management in the event their personal device is

lost, stolen or damaged. If IT is unable to repair the device, the employee will be responsible for the cost of replacement.

Upon resignation or termination of employment, or at any time on request, the employee may be asked to produce the personal device for inspection. All company data on personal devices is to be removed only by the IT department and not the employee.

Safety Issues for Cellular Phone Use - Safety must come before all other concerns if using a cell phone while driving. Employees whose job responsibilities include regular or occasional driving are expected to refrain from using their phone while driving. Regardless of the circumstances, including slow or stopped traffic, employees are required to pull off to the side of the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to **use a hands-free device** (also provided), keep the call short and refrain from holding complicated or emotional discussions and keep their eyes on the road. Texting while driving is also unlawful and prohibited per Company policy and state law. Special care should be taken in situations where there is traffic; inclement weather or the employee is driving in an unfamiliar area.

Employees who are charged with violations resulting from the use of their phone or texting while driving will be solely responsible for all liabilities that result from such actions.

As with any policy, management staff is expected to serve as role models for proper compliance with the provisions above and are encouraged to regularly remind employees of their responsibilities in complying.

CLIENT RELATIONS

Service is a key part of our business and all of us must remember that the client always comes first.

Clients are to be treated courteously and given proper attention and full cooperation at all times. Never regard a client's question or concerns as an interruption, or an annoyance. Client inquiries, whether in person or by telephone, must be addressed promptly and professionally.

Never place a telephone caller on hold for an extended period. Direct incoming calls to the appropriate person and make sure the call is received.

Through your conduct, show your desire to assist the client in obtaining the help he or she needs. If you are unable to help a client, refer them to someone who can.

All correspondence and documents, whether to clients or others must be prepared neatly and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

Never argue with a client. If an issue develops or if a client remains dissatisfied, ask your supervisor or the Project Manager to intervene.

EMPLOYEE RELATIONS

PERSONAL BEHAVIOR

As part of our ***Anti-Harassment*** policy, GSE has included ***Personal Behavior*** expectations. Personal behavior is specifically directed toward conduct that may not otherwise fall within the legal definition of harassment, but projects a negative image for the company.

All employees must conduct themselves in a professional manner. Unprofessional behavior in or outside of the work site, such as sexual related conversations, inappropriate and unwelcome touching (i.e., kissing, hugging, massaging, sitting on laps, etc.) of another employee, a client, supplier or any outsider, and any other behavior of a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination of employment.

NON-FRATERNIZATION

GSE desires to avoid misunderstanding, complaints of favoritism, possible claims of sexual harassment and the employee morale and dissension problems that can potentially result from personal or social relationships involving employees in leadership positions (managers, supervisors, leads, etc.) Accordingly, dating between employees, while not prohibited, is often perceived as unprofessional behavior by co-workers and can lead to awkward situations in our workplace. Keep in mind that relationships that do not begin or end with mutual consent can lead to sexual harassment complaints. Employees are also prohibited from engaging in physical contact that would in any way be deemed inappropriate by a reasonable person while anywhere at work, whether during working hours or not.

Employee off-duty conduct is generally deemed private, as long as it is not detrimental to employee performance or the work environment.

An exception to this is a romantic or close personal relationship between a superior and subordinate, which may constitute a conflict of interest. Accordingly, managers, supervisors, or anyone in a leadership position are prohibited from fraternizing or becoming romantically involved with one another, with any subordinate employee in their chain of command, or with any other non-management employee of the company.

Should any supervisor become personally involved with an employee within the line of command, a conflict of interest could occur. Therefore, all such relationships must be disclosed to the Human Resources Administrator or the President, to ensure that steps can be taken to avoid a problem. If potential issues are identified, the company will work with the parties involved to consider options for resolving the conflict. Failure to work with management to resolve a situation that may violate the standards set out in this policy may ultimately be deemed insubordination and may result in disciplinary action up to and including discharge from employment. A refusal to accept an offer to transfer to a reasonable alternative position, if available, will be considered a voluntary resignation.

DRESS AND GROOMING STANDARDS

While working at our Company and at any assigned client sites, it is expected that each employee's dress and grooming should be appropriate to the work situation. Please avoid extremes in dress and behavior. Flashy, skimpy or revealing outfits and other non-business-like clothing are unacceptable. Employees are expected to dress in a business-like manner. Tight fitting knits, short-shorts, mini-length skirts or dresses, sweats, and similar items of attire are not considered appropriate and should not be worn to work. Golf shirts with collars are permitted as long as they do not carry inappropriate graphics or slogans. Employees in a position to have contact with clients or suppliers are expected to wear professional attire that is generally accepted in our industry.

Employees who come to work dressed inappropriately may be subject to disciplinary action up to and including being sent home at no pay to change their clothes. Should you have questions about how you should dress, please ask your Supervisor or the Project Manager of your site.

SOLICITATION AND DISTRIBUTION RULES

In order to avoid disruption of Company work flow, the following rules apply to solicitations and distribution of literature on Company property or remote work sites:

Outsiders - Persons who are not employed by the company may not solicit or distribute literature on Company premises or work sites at any time for any purpose.

Employees - may not solicit or distribute literature during "working time" or "working areas" at any time for any purpose.

"Working time" includes the working time of both the employee doing the soliciting or distributing and the employee to whom the soliciting or distributing is being directed. Working time does not include meal periods, or any other specific periods during the workday when employees are properly not engaged in performing their work assignments.

EMPLOYEE ACKNOWLEDGEMENT

This is to acknowledge that I have received a copy of the GSE Employee Handbook. I understand that it contains important information regarding the company’s general personnel policies and about my privileges and obligations as an employee. I acknowledge that I am expected to read, understand, and adhere to Company policies and will familiarize myself with the material in this handbook; that I have had an opportunity to ask questions regarding the material provided herein, and understand that I am governed by its contents. I further acknowledge that this Handbook supersedes and replaces any inconsistent policies or practices and all prior statements or guidelines.

I also understand that this Employee Handbook covers policies and procedures in effect at this time and that the Company may change, rescind or add to any policies, benefits or practices described in this guide at its sole discretion but only in writing and signed by the President of GSE. I am aware that no employee of the Company has the authority to modify this handbook orally or in writing except with the written approval of the President of GSE.

I further understand that my employment is based on the mutual consent of each employee and the Company. Accordingly, either I or the company may change the conditions of my employment with or without notice including, but not limited to termination, promotion, demotion, transfer, compensation, benefits, duties and location of work. I also understand that this at-will relationship cannot be changed except through a written agreement signed by the President of GSE.

ACKNOWLEDGED:

Signature

Date

Print employee name

*This acknowledgement is maintained with this Handbook for your records.
Please sign and return the acknowledgement that is the last page of this Handbook.*

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