

POLICY

Personnel are classified in two categories. One category identifies the employee as “exempt” or “non-exempt” from the Federal Wage-Hour Law; the other category identifies whether the employee is “full-time”, “part-time” and/or “temporary”. These classifications are used in determining application of employee benefits.

RESPONSIBILITY

Questions with respect to any of the above classifications should be directed to the Human Resources Representative.

DEFINITIONS

Full-time – an employee hired to work on a regular basis of forty (40) hours per week. Full-time employees are entitled to all employee benefits.

Part-time – an employee who works less than 40 hours and a minimum of 20 hours every week. Part-time employees are eligible for benefits on a pro-rated basis (based on standard hours worked per week). It is the employee’s and Supervisor’s responsibility to notify Human Resources of a change in standard hours.

Temporary to Part-Time: a temporary employee changing to part-time status is eligible for benefits on the day of the status change to part-time.

Temporary – an employee hired to work any number of hours, including a full forty (40) hours each week, for a specific purpose or project. The duration of employment may be altered by project schedule changes. Such employees do not qualify for employee benefits.

Exempt – an employee engaged in bonafide executive, administrative or professional capacity as defined by the Federal Wage-Hour law. Employees in this classification are guaranteed a weekly wage which may include the allocations of accrued vacation or sick time. Exceptions to this guaranteed weekly wage are in the case of unpaid Family & Medical Leave and during the first and last weeks of employment. An Exempt employee may request unpaid full days off except where individual states prohibit it.

Non-exempt – clerical or other employees whose duties and responsibilities do not exempt them from the overtime pay or other provisions of the Federal Wage-Hour law.

OVERTIME

POLICY

It is the Company's policy to provide compensation to employees for overtime worked pursuant to the Federal Wage-Hour Law or other federal and state statutes and in response to competitive business conditions. Overtime is any time worked in excess of a 40-hour workweek, or 8 hours each day if state law is more restrictive.

Below is the Company's policy on overtime:

No employee shall incur overtime without obtaining prior approval of the employee's immediate Supervisor or Project Manager. All non-exempt, authorized overtime shall be compensated 1.5 x straight time hourly rate. Exempt employees with less than a weekly salary of \$xxx.xx (\$xx,000 annually) may receive overtime compensation at their straight hourly rate when authorized by their immediate Supervisor or Project Manager. Other employees whose weekly salary exceeds \$xxx.xx (\$xx,000 annually) will not receive any bonus compensation for overtime unless approved by the Office Manager, Vice President Controller or Vice President Human Resources. The hourly rate for exempt employees is determined by dividing their weekly salary by 40 hours. The overtime bonus payment is based on an hourly rate in order to bill clients for direct charges. Any exception to this policy must have prior approval by the Subsidiary President or the Chief Executive Officer as appropriate.

All timesheets reflecting overtime, compensated for exempt and non-exempt employees, must have the approval signoff by the Project Manager or employee's immediate Supervisor who authorized the work. Uncompensated overtime for exempt employees must also have the approval signoff of the Project Manager or employee's immediate Supervisor who authorized the work.

All offices, with the exception of those states with more restrictive regulations, will pay non-exempt employees at the rate of one-and-one-half times their base rate for hours worked under the following conditions:

Hours worked in excess of 40 in a single workweek.

Hours worked on official Company holidays which exceed 40 hours for the work week.

Employees will also be paid straight-time hours for the holiday.

For offices located in certain other states, the Company will pay non-exempt employees at the rate of one-and-one-half times their base rate for hours worked under the following conditions:

Hours worked in excess of eight in a single workday.

Hours worked in excess of 40 in a single workweek.

Hours worked on official Company holidays which exceed the specific state's mandate will be paid at the employee's overtime rate. Employees will also be paid for straight-time hours for the holiday.

When more than one of the above conditions applies to a single workweek, the application of the procedure yielding the largest number of overtime hours (based on state mandates) for the employee will be used.

The same definition of overtime applies to both full-time, part-time and temporary non-exempt and exempt employees, except that exempt employees will be paid straight time for any authorized overtime.

Hours worked on a Company holiday which exceed 40 hours for the work week will be paid at the employee's overtime rate.

Sick time and bereavement are not considered hours worked for the purpose of overtime calculation.

All employees will record overtime worked while traveling on Company business .

Actual travel time, excluding commute time between the work site and the employee's temporary lodging, will be included in calculating hours worked.

PURPOSE

The purpose of this policy and procedure is to communicate to the Company's employees its policy on overtime compensation.

RESPONSIBILITY

It is the responsibility of the employee's immediate Supervisor to ensure that overtime is recorded properly on the employee's timesheet. Supervisors are also responsible for ensuring that proper approval is given to exempt employees prior to their incurring overtime.

Employees are equally responsible for ensuring overtime is recorded properly on their timesheets.

PROCEDURE

For detailed instructions on how to properly complete your timesheet, with or without overtime, see Policy 072.010.

DEFINITIONS

Workday – A consecutive 24-hour period of time starting at 12:01 AM.

Base Rate – The employee's hourly pay rate without premiums.

Workweek – A seven-consecutive day period of time, such as beginning at 12:01 AM on Saturday morning and ending at 12:00 Midnight on Friday evening.

Official Company Holiday – The scheduled Company holidays as defined in this policy manual.