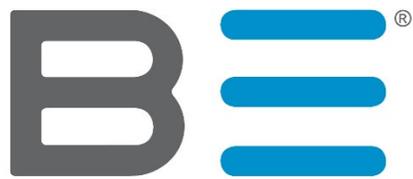


The Reports & Requirements Company

Employee Manual

Effective 1 September 2019



BUCHANAN
& EDWARDS



THE REPORTS AND
REQUIREMENTS
COMPANY
A BUCHANAN & EDWARDS
COMPANY

SECTION 1 **INTRODUCTION**

This manual describes the employment practices and policies of our company. We ask that each employee read this manual and use it as a guide for employee conduct at R2C; failure to adhere to certain policies may be grounds for dismissal. Given the dynamic nature of our work, R2C management may change this manual periodically to meet the needs of the company and our clients. The company retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the company. If you are uncertain about any policy or procedure, speak with your direct supervisor, keeping in mind that no individual supervisor or manager has the authority to change policies detailed in this manual at any time.

1.1 EMPLOYMENT RELATIONSHIP

As at-will employer, either you or the company may terminate the employment relationship at any time and for any reason, with or without cause or notice. Nothing in this employee manual or in any other document or statement shall limit the right to terminate employment at will.

1.2 NON-NEGOTIABLE TRAITS

R2C strives to hire and retain employees with a high degree of professionalism and a strong work ethic. As such, we have defined certain non-negotiable traits that we expect of every R2C employee. You have every right to expect these traits in your colleagues and managers as they have the right to expect them from you:

- **Honesty/Integrity** – R2C employees adhere to ethical business standards and demonstrate openness, transparency and consistency between their words and actions.
- **Customer Commitment** – R2C employees invest passion and dedication to serving our customers effectively and responsively.
- **Performance Excellence** – R2C employees continue to develop and grow expertise to deliver the highest level of service with confidence and humility.
- **Cooperation** – R2C employees support fellow team members and use active listening to achieve corporate, customer and individual goals, incorporate feedback, and adapt to changing requirements.
- **Professionalism** – R2C employees exercise good judgement and exhibit respectful behavior to foster trust and confidence.

1.3 EMPLOYEE RELATIONS

R2C strives to assign rewarding work to all employees and to maintain an enjoyable work environment. We encourage open and frequent communications along with a strong team spirit, performance excellence, and overall job satisfaction. Our

management team encourages ideas, innovation, and constructive feedback on the direction and conduct of our company.

In the event of conflicts between employees or between employees and managers, all R2C employees agree to seek mediation rather than legal means for resolution. We sincerely hope that any such conflict will be avoided through effective communications at all levels.

SECTION 2 EMPLOYEES STATUS

2.1 DEFINITIONS

An “employee” of R2C is a person who regularly works for R2C on a wage or salary basis. “Employees” may include exempt, non-exempt, regular full-time, regular part-time, and temporary persons, and others employed with the Company who are subject to the control and direction of R2C in the performance of their duties. R2C offers several options for employment status to meet each person’s individual needs:

- **Regular Full-time Employees** regularly work at least 34 hours per week, but generally 40 hours a week; R2C employees may—subject to the needs of their client— work a flexible schedule that meets the total hours required for each month. Generally, regular full-time employees are eligible for the company’s insurance benefit package, subject to the terms, conditions, and limitations of each benefit program.
- **Regular Part-time Employees** are scheduled to work less than 34 hours in a workweek. Employees who work a minimum of 30 hours a week are eligible for medical insurance benefits; however, they must work at least 34 hours per week to receive fully company-paid benefits. See Section 7 for Benefits information.
- **Temporary Part-time Employees** are hired to work in a job established for a specific purpose, for a specific period of time, or for the duration of a specific project or group of assignments. Temporary part-time employees have a defined employment period that includes a beginning employment date and an ending employment date. These employees are not eligible for benefits described in this Employee Manual. Employees in this position are classified as “non-exempt”. Please see below for “non-exempt” designation.
- **Non-Exempt Employees** are Employees in positions that are required by the Fair Labor Standards Act (FLSA) to receive one and one-half their regular rate of pay for hours worked in excess of 40 hours per week. Overtime must be approved by your supervisor in advance. Please note that R2C typically does not hire non-exempt employees, due to the professional nature of our work, but your manager will notify you of your employment classification upon hire.
- **Exempt Employees** are employees whose positions meet specific criteria established by the FLSA. Exempt Employees are considered professional-level staff and are not entitled to overtime pay. Upon hire, your manager will notify you of your employment classification.

2.2 EMPLOYMENT DATE

The first day you report to work at R2C or with a client will be recorded in company records as your employment anniversary date. This date is used to calculate many different company benefits as well as reviews and raises.

2.3 NEW HIRE INFORMATION

During the first and last month of employment, as a regular full-time or part-time employee, you are treated as hourly and non-exempt. This means your first and last paycheck will be based on the hours you worked that month. On the first calendar day of the month after your start date, as a regular full-time or part-time employee, you are changed to salaried and exempt.

As a non-exempt employee you will be paid for the hours you have worked and you may not work more than 40 hours a week.

SECTION 3 **EMPLOYMENT POLICIES**

3.1 NON-DISCRIMINATION

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at R2C will be based on merit, qualifications, and abilities. R2C does not discriminate in employment opportunities or practices on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status.

R2C will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor and/or Human Resources. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, including termination of employment.

3.2 HARASSMENT POLICY

R2C strives to maintain a working environment free from all forms of harassment of any employee or applicant for employment. Reported or suspected occurrences of harassment will be promptly and thoroughly investigated. Where harassment is determined to have occurred, R2C will immediately take appropriate disciplinary action. R2C will not permit any acts of retaliation against anyone who files harassment complaints or cooperates in the investigation of a complaint. Employees with questions or concerns about harassment in the workplace are encouraged to bring these issues to the attention of their supervisor and/or Human Resources. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in willful harassment will be subject to disciplinary action, including termination of employment.

3.3 PERSONNEL DATA CHANGES

An employee's personnel data should be accurate and current at all times. It is the responsibility of each employee to promptly notify the Human Resources Department of any changes in personnel data such as:

- Mailing address
- Telephone Numbers
- Names and number of dependents for benefits purposes
- Marital Status
- Emergency contact information

3.4 CORRECTIVE ACTION

R2C holds each of its employees to certain work rules and standards of conduct (see Section 4). When an employee deviates from these rules and standards, R2C will work with the employee and his or her supervisor to take appropriate and progressive corrective action until the infraction or violation is appropriately addressed.

The usual sequence of corrective actions includes an oral warning, a written warning, and ultimately termination of employment if no resolution occurs. In deciding which initial corrective action would be appropriate, a supervisor will consider the seriousness of the infraction, the circumstances surrounding the matter, and the employee's previous record. Our goal with corrective action is to avoid termination of our employment relationship and ensure that all employees have the opportunity to improve performance before such drastic action becomes necessary.

3.5 EMPLOYMENT TERMINATION

Should you decide to terminate employment with R2C, we ask that you provide your manager with at least two weeks' advance notice, but preferably 30 days. Leave hours or banked holidays **may not** be taken during this period. Any leave that has been taken that is in excess of what the employee has accrued will be deducted from the employee's final paycheck. Employee paychecks will reflect all hours worked on a contract in their final pay period.

3.6 EMPLOYMENT VERIFICATION AND REFERENCES

R2C does not provide references for former employees. We will provide employment verification and security reinvestigation interviews for current employees. Please refer employment verification requests to our parent company Human Resources Department at 703-535-5511 ext. 188 or via email at HR@buchanan-edwards.com.

3.7 TRAVEL AND EXPENSE REIMBURSEMENT

The company will reimburse employees for reasonable expenses incurred through pre-approved business travel or entertainment. Expense receipts are required for reimbursement. The following business expenses will be reimbursed:

- Travel Expense
- Automobile/Mileage
- Lodging
- Tips
- Business Meals (in accordance with our per diem rates)

The company compensates employees for travel conducted for a client from the time of arrival at the closest airport to the time of arrival at the location/hotel. Exceptions may be made for more restrictive contracts. Travel reimbursement forms must be turned in within one month of travel taken. For further information please see the full travel and expense policy.

SECTION 4 STANDARDS OF CONDUCT

We expect all employees to conduct themselves in a professional manner at all times. This expectation includes professional behavior, punctuality, appropriate language, business attire, and adherence to all security regulations. We expect all employees to maintain very high-quality work standards that build an excellent reputation for themselves and for the company.

Our professional ethics require that each employee maintain the highest degree of confidentiality when handling company and/or client affairs. No employee shall disclose company or client information to outsiders, including other clients or third parties, even members of one's own family.

Social networking shall be undertaken with full adherence to professional and security concerns at all times. Employees shall not discuss any work- or client related issues on social network sites, to include travel for the US government. All social network activities shall maintain high levels of professionalism and incorporate full security and privacy features such as strong passwords and appropriate firewalls.

When working at a client's office, all employees shall focus on the project work, keeping personal telephone, cell phone, and Internet usage to a minimum. All such use shall be limited to business items and only incidental and legal personal use. Employees may report ethics concerns to any of the following:

- Program Manager, Section Lead, or any member of R2C management;
- Human Resources;
- The Audit Committee Chair of the Board of Directors; or
- Concerns may be reported anonymously through the Lighthouse Hotline at 833-350-0010 or via email at www.lighthouse-services.com/buchananedwards.

4.1 SECURITY POLICY

R2C maintains a security policy to ensure all employees abide by proper security procedures and all government regulations. Employees are expected to conduct themselves in a professional manner at all times and to adhere to all customer contract and security requirements. Employees are subject to all applicable customer security reviews, reporting requirements, and penalties. R2C will review all violations on a case by case basis and may impose administrative actions, including, but not limited to, the following administrative procedures based on the severity of the action:

- For inadvertently failing to properly secure classified information or to report loss or compromise of classified information:
 - **First violation/incident:** Oral reprimand and warning of possible consequences of further violations.
 - **Second violation/incident:** Written reprimand and repeat of required security training.
 - **Third violation/incident:** Termination of employment.

- Unauthorized disclosure of classified information (whether deliberately or out of gross negligence and with intent to harm national security), to make public classified information, or to harm the US government will result in termination of employment:
 - A single, serious security breach may justify termination of employment.
 - Chronic failure to adhere to security requirements may justify termination of employment.

4.2 WORKPLACE SAFETY AND BEHAVIOR

Violence by an employee or anyone else against an employee, manager, or member of management will not be tolerated. Our company intends to minimize the potential risk of personal injuries to employees at work and to reduce the possibility of damage to company property in the event someone, for whatever reason, may be unhappy with a company decision or action by an employee or member of management. If you receive or overhear any threatening communications from an employee or outside third party, report it to your manager at once. Employees are expected to report any suspected or actual cases of workplace violence. Violations of this policy, including your failure to report or fully cooperate in the company's investigation, may result in disciplinary action, up to and including immediate termination.

Our company is committed to providing a safe and healthy environment for employees and visitors. Smoking is not permitted in company or client facilities.

Possession, use, or sale of weapons, firearms, or explosives on work premises or while engaged in company business off premises is forbidden except where expressly authorized by the company and permitted by state and local laws. This policy applies to all employees, including but not limited to those who have a valid permit to carry a firearm.

SECTION 5 **WAGE AND SALARY POLICIES**

5.0 WAGE OR SALARY INCREASES

Each employee's hourly wage or annual salary will be reviewed at least once each year. The employee's review will usually be conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position or based on a recent promotion. Increases in salary are dependent upon a variety of factors, including performance, level of specialized expertise, adherence to company policies, and the allowable rate structure of the contract against which the employee bills. Salary actions typically take effect on the first day of the month following the employee review.

5.1 FLEX POLICY

Our company offers a flexible schedule to most employees, subject to program specific requirements. This plan allows you to set your own working hours and to balance work and family commitments. We do require that you provide your manager a set schedule for your working hours and obtain approval from your government lead.

5.2 RECORDING TIME WORKED

Billable and PTO time is recorded in half hour increments; holiday time must be recorded in eight-hour increments. When recording hours, salaried employees must always meet the minimum number of hours for the pay period (i.e. 160, 168, or 176 hours). When recording time not worked, such as leave or holiday hours, you may not exceed the minimum hours for the pay period using non-billable hours. Part-time employees should only record hours actually worked on contract.

- **Example:** You work 74 hours in a pay period with 80 total hours. One day of PTO was used, for 8 hours of leave hours. The total hours now equal 82. Since you need only the minimum number of hours for the pay period, you should subtract 2 hours from PTO, logging 6 hours of leave.
- **Example:** You work 10 hours of approved overtime in a month with 160 required hours and one holiday. You will bank the holiday to use anytime during the year and receive pay for 2 hours of overtime.

As a government contractor, we are required to record all time worked on a daily basis. Repeated failure to do so may result in administrative action including bonus reduction.

5.3 RECORDING TIME IN THE EVENT OF GOVERNMENT CLOSURE

In the event of a Government closure/shut-down for weather or emergency events, R2C employees have several options. They may choose to work if they can safely get to the work site and their contract allows them to work; they may take leave; or they may make up the hours anytime during the pay period. This policy applies only when the federal government is closed; it does not apply to liberal leave, early dismissals, or added holidays such as a state funeral. If the employee's contract prohibits any

charges during government closure, the employee must take leave or make up the hours.

5.4 EMPLOYEE PAYCHECK

Employees are paid once a month with payday normally occurring on the 15th day of the month. The annual pay schedule is made up of 12 pay periods per year.

Your pay will be deposited into your bank account through our direct deposit program. Pay stubs are accessible through Employee Self Service through Paycom.

The company is required by law to make certain deductions from your paycheck each pay period, such as federal and state taxes and social security taxes. Depending on the state in which you are employed and the benefits you choose, there may be additional deductions. All deductions and the amount of the deductions are listed on your pay stub.

5.5 OVERTIME

Generally, only non-exempt employees are eligible for overtime (OT) pay, also called Extended Work Week (EWW), but in certain situations exempt employees may be eligible for OT pay with client and management pre-approvals. There may be times when you will need to work overtime so that we may meet the needs of our clients; this work is an expectation from all exempt employees.

Non-exempt employees will be paid at a rate of time and one-half their regular hourly rate for hours worked in excess of 40 hours in a workweek, unless state law provides otherwise. Exempt employee overtime will be paid at straight hourly rate (salary/2080 hours).

5.6 BONUS POLICY

R2C's policy on providing bonuses in excess of an employee's base salary, is as follows:

- Recognizing that health insurance benefits are a key part of any compensation package, R2C provides generous health benefits to all eligible employees; but for employees who choose to waive R2C health insurance, the company will provide a year-end bonus in the amount of \$3,800.
- The company succeeds in part by adding additional strong employees to our roster. To encourage referrals, a referral bonus of \$1,000 or 8 hours of leave per referral hired will be paid. The bonus is payable after the referred employee has been an R2C employee for six months.
- The company also succeeds when employees provide excellent support to our clients, cultivate excellence in other members of the R2C team, and obtain new opportunities to expand our support to current and new clients. We expect every employee to perform well in their respective client positions, but going "above and beyond" on a regular basis will positively impact employee bonuses. In addition, an employee who mentors and trains other employees and/or

participates in program management or team lead duties; or who writes white papers, participates on contract bids; and/or establishes contacts with new potential customers will also be considered for performance bonuses. The amount of a merit bonus will vary according to the total amount of the year-end bonus pool and the degree of excellence demonstrated by the employee in comparison to other merit bonus recipients.

- While high performance in the above areas clearly improves an employee's bonus, poor performance in certain areas can negatively impact an employee's bonus. Failure to complete timecards on a daily basis, failure to adhere to company policies on professional demeanor at the client site, and failure to adhere to the company's security policy will negatively affect an employee's bonus. Egregious or repeated failure to adhere to these company policies will not only impact an employee's bonus, but are also grounds for termination.

R2C reserves the right to change or adjust this policy at the discretion of company senior management.

SECTION 6 **LEAVE POLICIES**

6.1 HOLIDAYS AND LEAVE

Each employee's leave is calculated according to the individual employee's anniversary date and employment status. Full-time employees shall begin accruing paid time off (PTO) hours on the employment date. Employees that drop below full-time hours will receive leave hours pro-rated to match the hours worked in the pay period.

PTO may be used for the following:

- Vacation/personal leave;
- Sick leave;
- Inclement Weather;
- Personal appointments; or
- Any other reason an employee chooses to take time away from the office.

R2C recognizes all 10 standard federal government holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- Presidents' Day
- Memorial Day
- Fourth of July
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving Day
- Christmas Day

Employees may bank holiday time and use it in 8-hour increments, at another time during the calendar year. This is possible when an employee has worked enough hours in a pay period to satisfy that pay period's minimum hours without using holiday time.

R2C offers 20 days (160 hours) of (PTO) that can be used at the discretion of the employee for any reason including vacations and illness. This policy is compliant with federal law and executive orders. Leave hours are accrued over the course of the year and must be earned prior to using the hours.

Employees may carry over up to 10 days (80 hours) of PTO from year to year. Any or all of an employee's leave may be cashed out at the end of the calendar year; given that R2C allows this degree of flexibility in cashing out annual leave, the end of each calendar year is the only time that R2C pays out accrued leave; this includes upon departure or termination of employment.

6.2 BEREAVEMENT

R2C offers up to 8 hours of bereavement leave per year in the event of the death of a family member. In all cases, leave must be approved prior to taking the hours.

6.3 JURY DUTY

R2C also offers up to 8 hours of leave for jury duty each year. In all cases, leave must be approved prior to taking the hours.

6.4 INCLEMENT WEATHER POLICY

Regular full-time and salaried part-time employees have up to 2 days (16 hours) per year of leave that they may use exclusively in the event of a Federal Government delayed opening or closure for inclement weather. This leave may only be used when the USG announces a delayed opening or closure as indicated on the OPM website. This leave can be used in one-hour increments and is in addition to the 20 days of PTO available to all full-time employees annually. Employees must use PTO for any further USG closures. Please note, this leave cannot be carried over from year to year.

This benefit will be pro-rated for salaried part-time employees commensurate with their schedule. This benefit is not available to hourly employees.

R2C HR will send an email to all employees after a qualifying inclement weather event with instructions on how to charge this time.

6.5 ADVANCED PTO

While leave hours are accrued over the course of the year and must be earned prior to using the hours, it is R2C's policy that employees may be advanced leave in certain circumstances. Any use of leave in excess of earned leave must be approved in advance by R2C management. Employees may request up to 40 hours of advanced leave in a given pay period and up to a total of 50 hours of advanced leave in a calendar year. Further leave must be accrued and may not be recovered by working additional hours.

If employment is terminated-- either by the employee or by R2C-- any negative leave balance will be deducted from the employee's final paycheck. If the final paycheck does not cover the amount of leave owed, the employee is to issue a check to R2C for the remaining balance.

6.6 LEAVE WITHOUT PAY (LWOP)

LWOP is an approved temporary absence from duty in a nonpaid status requested by an employee. The term does not cover a suspension, furlough, an absence for which leave has not been approved, or nonpaid status during hours or days for which an employee would be compensated on an overtime basis.

In addition to advanced leave, in the event of unforeseen illness or hardship that makes it difficult for an employee to work the required number of hours in a pay period, R2C management may also approve LWOP on a pay period-by-pay period basis. Employees are allowed up to 40 hours of LWOP in a single pay period that must be used in 8 hours increments. If a situation requires extended LWOP, please contact HR about leveraging our short-term disability insurance plan or leave guaranteed by the Family and Medical Leave Act (FMLA).

All LWOP requests must be made in writing, with designated reason for such request. Approval of this time is based on business needs unless required by state or federal law. Please note that employees may not take an advance on leave and LWOP in the same pay period.

6.7 EXTENDED LWOP

Extended LWOP is a period of LWOP exceeding 30 calendar days. If LWOP is approved past 30 days and the employee has medical insurance with R2C, that employee will be expected to pay both the employer and employee amount for any time after 30 calendar days until the employee returns to work. The authorization of LWOP is a matter of administrative discretion and based on business needs, except when the LWOP request is made under FMLA and/or military leave.

6.8 MILITARY LEAVE

R2C complies with all applicable federal and state laws in granting leaves of absence, in providing re-employment rights, and in continuing benefits to employees whose uniformed service commitments require them to be away from work.

A military leave of absence will be granted to employees who are absent from work because of military training and service in the U.S. uniformed services, including National Guard, reserve military, personnel, and persons serving in the active components of the Armed forces in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and all other applicable federal, state and local laws. Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

You are expected to notify your Manager as soon as you are aware of the dates you will be on duty so that arrangements can be made for your replacement during this absence. Your Manager will submit your request to the HR Department for documentation purposes.

Military leave is unpaid. Employees may apply accrued PTO to their military leave dates if they wish, but are not obliged to do so.

6.9 FAMILY MEDICAL LEAVE ACT (FMLA)

Eligible employees may take up to 12 weeks of unpaid family/medical leave within a 12-month period and be restored to the same or an equivalent position upon their return to work. To be eligible for family/medical leave, you must have worked for the

company for at least 12 months and for at least 1,250 hours in the past 12 months. Eligible employees may take family/medical leave for any of the following reasons:

- The birth of your child and to care for such child;
- The placement of a child with you for adoption or foster care, and in order to care for the newly placed son or daughter;
- To care for a spouse, child, or parent ("covered relations") with a serious health condition; and/or
- Because of your own serious health condition that renders you unable to perform an essential function of your position.

Any leave due to the birth and care of a child or the placement of a child for adoption or foster care, and care of the newly placed child, must be completed within one (1) year of the date of birth or placement of the child.

If you request leave because of a birth, adoption, or foster care placement of a child or to care for a covered relation with a serious health condition, any accrued paid vacation must be used first as part of your family/medical leave.

If you request leave because of your own serious health condition or to care for a covered relation with a serious health condition any accrued paid vacation or sick leave must be used first as part of your family/medical leave.

During an approved family/medical leave, the company will maintain your health benefits under the same terms and conditions applicable to employees not on leave.

Where two spouses are both employed by the Company, their aggregate leave will be limited to 12 weeks during any 12-month period for the birth, adoption, or foster care placement of a child in their home. Such employees will be entitled to additional leave for their own serious health condition, or to care for their spouse, domestic partner or child with a serious health condition, up to an individual maximum combined total of 12 weeks of leave during the 12-month period for each employee.

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year), or under certain circumstances may use the leave to reduce the workweek or workday, resulting in a reduced hour of schedule. In all cases, the leave may not exceed a total of 12 workweeks over a 12-month period.

6.10 CERTIFICATION OF A SERIOUS HEALTH CONDITION

A "serious health condition" or "serious illness or injury" must be certified by a qualified health professional in order to be eligible for FMLA. The employee should try to respond to such a request within 15 days of the request, or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

SECTION 7 **BENEFITS AND SERVICES**

R2C offers a generous benefits program for its employees. See our benefits manual for details on company-provided benefits. For all employees who work 34 hours or more per week, we pay 100% of health insurance premiums. All employees who work at least 30 hours per week, but less than 34 hours, are eligible for medical insurance; these employees will cover 10% of their premium cost through payroll deductions.

7.1 GROUP INSURANCE

R2C provides the following insurance benefits:

- Health Insurance Coverage
- Vision Plan
- Dental Plan
- Long-Term and Short-Term Disability Insurance
- Group Term Life Insurance/Accidental Death and Dismemberment (AD&D) Insurance

Eligible employees have 30 days from their date of hire to enroll for medical insurance benefits; employees are automatically enrolled in disability and basic life insurance. If you have medical insurance through a separate provider, you may decline insurance by signing a waiver of insurance coverage within 30 days of starting with R2C. After the initial enrollment period, you may only enroll in benefits due to a change in status or during the yearly open season. Please see applicable Benefit Plan Documents for further information and requirements. These benefits are subject to change without notice.

7.2 WORKERS' COMPENSATION

On-the-job injuries are covered by our Workers' Compensation insurance policy. This insurance is provided at no cost to you. If you are injured on the job, no matter how slightly, report the incident immediately to your manager, who will notify HR. An accident report form will be sent to the employee and manager for completion. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim.

7.3 QUALIFIED 401K RETIREMENT PLAN

Our company provides eligible employees with a 401(k) Qualified Retirement Plan. The company's contribution, if any, is determined by the company on an annual basis. At present, R2C provides a 4% matching contribution and up to 6% profit-sharing for a total contribution of up to 10% of each employee's salary.

The 4% matching contribution is immediately vested. The profit-sharing contribution vests over three years at 0% for 1 year, 50% after 2 years and 100% for 3 or more years. R2C may adjust the profit-sharing contribution based on the profitability of the company each year.

Employees are responsible for the election and the allocation of their funds. Any changes to an individual's 401k election must be requested by the 5th of the month for processing in that month's payroll. Employees are also responsible for keeping their beneficiary designation up to date. Employees must work a minimum of 500 hours in a calendar year to be eligible for the profit-sharing contribution.

7.4 VOLUNTARY BENEFITS

The benefits below are optional and are completely employee paid:

- Supplemental Life and AD&D
- Accident Insurance
- Critical Illness
- Hospital Indemnity
- Identity Protection
- Legal Plan

7.5 TRAINING AND EDUCATION POLICY

We endorse and promote the professional development of our employees. Encouraging employees to explore training is our way of assisting you in acquiring the skills and knowledge essential for your career progression. In some instances, R2C may provide specialized training for a selected group of employees. For example, R2C might conduct onsite brown bags on specific skills or methodologies for specific career tracks. Alternatively, R2C may make available to employees a computer-based training (CBT) product or technical manuals that can be used by many employees.

All full-time and part-time employees are eligible for company-sponsored training. Employees should contact their immediate supervisor to discuss training opportunities. All company-sponsored training must be approved in advance by your program manager or practice area lead and a member of R2C senior management. The dollar amount of training is at the discretion of R2C senior management and is weighed against available funds, equitable distribution of training funds, and the relevance to either the employee's current responsibilities or career development. Subject to the guidelines below, eligible employees may seek payment or reimbursement for costs directly relating to the course(s) such as tuition and required course materials. R2C will not pay for parking, meals, or other miscellaneous expenses that may be incurred by the employee that are not directly related to the coursework.

Company-sponsored training is provided subject to the following guidelines:

- Employee is in good standing with no outstanding obligations to the Company
- Employee must be meeting performance expectations of their current position
- The employee provides certification of satisfactory completion of training

The company will reimburse all or part of training courses or undergraduate or postgraduate educational based upon the relevance to the employee's current position or another position with R2C or Buchanan & Edwards to which the employee aspires. Examples include, but are not limited to:

- R2C Collection Management Tradecraft brown bags for employees currently in a CMO position or who wish to explore the CMO career track
- BE-sponsored proposal training for employees interested in learning business development and capture management skills
- Online or in-person courses or conferences in data management and data governance for employees in the data governance practice area or cyber intelligence courses for employees in the cyber intelligence practice area
- Language training for employees whose current positions require they maintain language skills or whose contract names language skills as a desired qualification
- Training for certification in project management, Agile development, information system security, or other technical fields for employees who aspire to management or technical positions on current R2C contracts

Please Note: Training and educational courses designed to allow an employee to start or complete an academic degree will generally not be reimbursable through the current training and education policy.

Employees receiving technical training or tuition reimbursement will be expected to sign an agreement obligating them to one year of service after the use of the benefit, which is defined by the date of the reimbursement. If you terminate within one year of receipt of this benefit or if you terminate employment prior to completion of the course(s)/training, you must repay the education costs by way of automatic deduction from your final paycheck. If your final paycheck does not cover the entire balance owed, you will be required to set up payment arrangements through a promissory note.

SECTION 8 **CONCLUSION**

R2C is focused on high quality consulting work and an entrepreneurial spirit. We encourage ideas and comments on our business approach and welcome any feedback on our company policies and how to maintain R2C as a great place to work and advance your career.