**EMPLOYEE HANDBOOK**



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# WELCOME TO MSA SECURITY

We welcome you to MSA Security, Inc. (“**MSA Security**” or the “**Company**”) and wish you every success here.

We believe that each employee contributes directly to our Company’s growth and success, and we hope you will take pride in being a member of our team. Nothing is more important to our success than the dedication and effort of each of our team members.

This Handbook was developed to describe some of the expectations of our employees and to outline the policies, programs and benefits available to eligible employees. Employees should familiarize themselves with the contents of this Handbook as it will answer many questions about employment with our Company.

We hope that your experience here will be challenging, enjoyable and rewarding. Again, welcome!

Sincerely,

**MSA SECURITY, INC.**

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# ABOUT THIS HANDBOOK

This handbook (this “**Handbook**”) is designed to acquaint you with MSA Security and provide you with information about working conditions, employee benefits and some of the policies affecting your employment. You should read and understand the provisions of this Handbook. You may direct any questions regarding this Handbook to the Human Resources Director. It describes many of your responsibilities as an employee and outlines the programs developed by MSA Security to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As MSA Security continues to grow, the need may arise, and MSA Security reserves the right to revise, supplement, rescind or deviate from any policies or portion of the Handbook from time to time as it deems appropriate, in its sole and absolute discretion, with or without advance written notice. Employees will, of course, be notified of any official changes to the Handbook as they occur.

**THE POLICIES AND PROCEDURES DESCRIBED IN THIS HANDBOOK SHOULD NOT BE INTERPRETED AS CREATING ANY PROMISE OF ANY KIND BY MSA SECURITY. ALL MSA SECURITY EMPLOYEES ARE EMPLOYED AT-WILL AND, THEREFORE, EITHER YOU OR MSA SECURITY MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT ADVANCE NOTICE. MOREOVER, THIS HANDBOOK IS NOT A CONTRACT OF EMPLOYMENT AND ONLY THE CHAIRMAN OF MSA SECURITY IS AUTHORIZED TO ENTER INTO ANY EMPLOYMENT CONTRACT. NO SUPERVISOR, MANAGER OR OTHER REPRESENTATIVE OF MSA SECURITY IS AUTHORIZED TO ENTER INTO ANY CONTRACT OF EMPLOYMENT REGARDING THE TERMS AND CONDITIONS OF EMPLOYMENT WHICH ARE INCONSISTENT WITH THE POLICIES CONTAINED IN THIS HANDBOOK.**

If you would like further information or have questions about any of the policies and procedures outlined in this Handbook, please feel free to bring them to the attention of the Human Resources Director.

# SECTION I. EMPLOYMENT PRACTICES AND EMPLOYEE RIGHTS

## AT-WILL EMPLOYMENT

MSA Security does not offer tenured or guaranteed employment. Unless MSA Security has otherwise expressly agreed in writing, your employment is at will and may be terminated by you or by MSA Security at any time (including during or after the Evaluation Period), for any reason, with or without cause.

This Handbook is intended to provide employees with a general understanding of our personnel policies. Employees are encouraged to familiarize themselves with the contents of this Handbook to answer many common questions concerning employment with MSA Security. However, this Handbook cannot anticipate every situation or answer every question about employment. It is not an employment contract and is not intended to create any obligations and/or of any kind on the part of either MSA Security or the employee.

## EMPLOYEE RELATIONS

MSA Security believes that the working environment and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions and/or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear and attitudes can be positive. We believe that MSA Security amply demonstrates its commitment to employees by responding effectively to employee concerns.

## IMMIGRATION LAW COMPLIANCE

MSA Security complies with the Immigration Reform and Control Act of 1986 and is committed to employing only United States citizens and persons who are authorized to work in the United States. MSA Security will not hire anyone who is not a citizen of the United States or is not authorized to work in the U.S.

As a condition of employment, every employee must properly complete, sign and date the first section of the Immigration and Naturalization form I-9. Before commencing work, newly re-hired employees must also complete the form if they have not previously completed an I-9 for the Company if the previous I-9 is more than three (3) years old or if the previous I-9 is not valid.

## EQUAL EMPLOYMENT OPPORTUNITY

MSA Security is an Equal Opportunity/Affirmative Action employer. MSA Security strictly prohibits discrimination against any employee or applicant for employment because of the individual’s actual or perceived race, color, creed, age, national origin, alienage or citizenship status, gender (including gender identity or expression), sexual orientation, disability, marital or partnership status, pregnancy, military status, genetic information or predisposition, or any other basis protected by federal, state or local law. Affirmative action will be taken to ensure that all employment decisions, including but not limited to those involving recruitment, hiring, promotion, training, compensation, benefits, transfer, discipline, and discharge, are free from unlawful discrimination.

## PROHIBITION AGAINST DISCRIMINATION AND HARASSMENT

It is the policy of MSA Security to maintain a work environment that nourishes respect for the dignity of each individual and to maintain a work environment free of discrimination by supervisors, co-workers or others on the basis of an individual’s actual or perceived race, color, creed, age, national origin, alienage or citizenship status, gender (including gender identity or expression), sexual orientation, disability, marital or partnership status, pregnancy, military status, genetic information or predisposition, or any other basis protected by federal, state or local law ("**Protected Categories**"). Accordingly, all employees are expected to conduct themselves so as to maintain a work environment free of discrimination. Discrimination by an employee constitutes misconduct for which an employee may be subject to discipline up to and including termination of employment.

“**Discrimination**,” as used in this policy, means differential treatment or harassment of an individual on the basis of such a person(s) membership in a Protected Category. Harassment may take the form of verbal or physical conduct, including statements or written or displayed materials, directed against any person on the basis of any of the Protected Categories.

Sexual harassment consists of unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

1. submission to such conduct is made either an explicit or implicit term or condition of employment;
2. submission to or rejection of such conduct is used as a basis for an employment decision affecting an employee; or
3. such conduct has the purpose or effect of interfering with an employee's work performance or creating an intimidating, hostile or offensive work environment.

Where discrimination, including sexual harassment, has the purpose or effect of interfering with the person's work performance, creating an intimidating, hostile or offensive work environment, it will be the subject of an investigation in accordance with this policy.

**Reporting Procedures and Requirements**:

Any employee who believes that he/she has been subject to discrimination, including sexual or other harassment, at MSA Security should report the incident(s) immediately to either the Human Resources Director and/or Valerie Price, [vprice@golenbock.com,](mailto:vprice@golenbock.com) 212-907-7335 (the “**Representatives**”). Additionally, the Company strongly advises that any employee who observes or learns of prohibited discrimination in the workplace, including sexual or other harassment, similarly report the observed incident(s) immediately to one of the Representatives. If an employee is unable to report the incident(s) to one of the Representatives, the incident(s) should be reported to any supervisor with whom he/she feels comfortable.

Any supervisor who learns of, observes or witnesses potential discriminatory or harassing conduct must immediately notify one of the Representatives and report the incident(s) so that the Company can proceed to conduct a confidential investigation into the alleged incident(s).

**Confidential Investigation**:

The Representative notified will proceed to conduct, or arrange for, a prompt and confidential investigation of the alleged incident(s), which may include interviews with the complainant, the alleged harasser and potential witness(es). The information supplied during the investigation shall

be kept confidential. Notwithstanding the desire to maintain confidentiality, it may be necessary, during the course of the investigation, to reveal the nature of the allegations to the individual(s) accused of harassment, as well as to any other relevant person(s), for the purpose of obtaining their description of the incident(s) and any other pertinent information. Each person with whom said allegations are discussed or each person interviewed in connection with the investigation shall be instructed to keep confidential any information discussed. Any notes, reports or records generated and all information gathered during the investigation will be treated as confidential, with disclosure limited to those who have a legitimate need to know.

Following the completion of the investigation, the Representative or their designees will review the findings of the investigation and determine whether disciplinary action should be taken. If it is determined that disciplinary action will not be taken, the complainant and person accused will be so advised. If disciplinary measures are imposed, the Representative or their designees will meet with the complainant to advise that the investigation has been completed and disciplinary action has been taken. However, the complainant need not be advised of the specific nature or type of disciplinary action imposed by MSA Security.

The complainant and the individual(s) accused of discrimination will be advised that no retaliation will be tolerated by MSA Security by either the individual(s) accused or any other employee against any individual who complains, reports or participates in the investigation of any incident of alleged harassment or discrimination.

## INDIVIDUALS WITH DISABILITIES

MSA Security is committed to ensuring equal opportunity and access to all employees in accordance with the Americans with Disabilities Act of 1990, and state and local laws. MSA Security prohibits discrimination against any employee or applicant on the basis of physical or mental disability, or perceived disability. MSA Security will provide reasonable and appropriate accommodations that do not impose an undue burden on the Company to enable employees to complete the essential functions of their job and participate in the workplace.

If you are an individual with a disability and believe you need reasonable accommodations, please contact the Human Resources Director. Any discussions in connection with an employee’s physical or mental condition will be kept strictly confidential and will only be shared with those who have a need to know such information.

# SECTION II: WORKING WITH MSA SECURITY

## EMPLOYMENT CLASSIFICATIONS

It is the intent of MSA Security to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, both the employee and MSA Security retain the right to terminate the employment relationship at any time, for any reason, with or without just cause.

Each employee is classified as either "**EXEMPT**" or "**NON-EXEMPT**" from federal and state wage and hour laws.

* **EXEMPT** employees are paid on a salary basis, and fall into one or more of the following four classifications: executive, professional, administrative, or sales. These employees are exempt from specific provisions of federal and state wage and hour laws.
* **NON-EXEMPT** employees are eligible to receive overtime pay in accordance with state and federal wage and hour laws. These employees are required to submit a time record for each pay period, approved by the appropriate supervisor, for the purpose of tracking hours worked and calculating compensation. Nonexempt employees may be paid hourly or on a salary basis, dependent upon their other job categories.

Employees are also classified within one of the following four (4) categories:

* **Full-time Staff/Administrative Employees**: any staff employee who is regularly scheduled to work thirty-two (32) hours a week or more. Full-time staff employees are eligible for all standard Company benefits and are paid on a salary basis.
* **Field Employees**: any employee who generally performs services for the Company at assigned client locations on either a full or part-time basis. Field employees are eligible for selected Company benefits as discussed in the separate Manual for Field Employees.
* **Part-time Hourly Employees**: any employee who is regularly scheduled to work less than thirty-two (32) hours per week. Part-time employees are eligible for selected Company benefits as discussed in this Handbook.
* **Project Employees**: any employee who is hired as an interim replacement, to temporarily supplement the work force, or to assist in the completion of a specific project that has a predetermined start and end date of employment. While Project employees receive all legally mandated benefits (such as Social Security and workers' compensation insurance), such employees are not eligible for standard Company benefits.

## REFERENCE AND BACKGROUND CHECKS

To ensure that individuals who join MSA Security are well qualified and have a strong potential to be productive and successful, it is the policy of MSA Security to check the employment references and criminal backgrounds of all applicants to the extent permitted by applicable law.

All offers of employment are contingent upon favorable employment references and criminal background checks.

In accordance with applicable law, MSA Security reserves the right not to hire or retain anyone that has been convicted of a criminal offense. Conviction of a crime that involves dishonesty may result in an automatic termination of employment. Before any decision is made, the nature of the crime and various other factors relating to the conviction and the employment sought or held will be considered.

## EMPLOYMENT APPLICATIONS

MSA Security relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications or material omissions in any of this information or data may result in MSA Security's exclusion of the individual from further consideration for employment or, if the person has already been hired, could result in a termination of employment.

## EVALUATION PERIOD

The first three (3) months of your employment with MSA Security will be designated as the “**Evaluation Period**.” During this time, your supervisor will continually evaluate your performance and compatibility with MSA Security. Should your performance not meet the standards set forth by MSA Security either during or after the Evaluation Period, your employment will be terminated. Upon completion of the evaluation period, you will be eligible for additional benefits, as set forth in the benefits information you received upon employment. The successful completion of the Evaluation Period does not constitute a promise or guarantee of employment for any specified time period. As previously stated, all employees are employed at-will and may be terminated at any time, including during or after the Evaluation Period, for any reason, without cause and with or without advance notice.

## PERSONNEL FILES

MSA Security keeps personnel files on each of its employees. These files are confidential in nature and are maintained by the Human Resources Department. They will not be copied or be removed from the premises unless there is a legitimate business reason to do so.

## REPORTING CHANGES

You are responsible for promptly notifying the Human Resources Department of any change in your name, address, telephone number, marital status, citizenship, tax withholding allowances, emergency contact information, email address, insurance beneficiary, or dependent insurance coverage. Accurate and correct information is vital for benefits and insurance records and other Company files.

## ORIENTATION

In accordance with federal law, both new employees and re-hires will be required to provide documentation of identity and eligibility to work in the United States. The I-9 form will be used for this purpose.

New employees will also receive a copy of the Employee Handbook and will be given the time to read it and ask any clarifying questions of the Human Resources Director. A signed copy of the “**Employee Acknowledgement**” will be placed in each employee's personnel file.

## COMPETING EMPLOYMENT

Due to the highly competitive nature of the industry in which MSA Security is involved, employees are restricted from certain associations or working arrangements with competing or conflicting organizations. Subject to MSA Security’s prior written approval, you may work for other businesses during the course of your employment with MSA Security; provided, however, you may not (i) accept or perform work of a nature that conflicts or competes in any way with the business or services of MSA Security; (ii) use any MSA Security resources including, but not limited to, computer hardware and software, telephones, facsimile machines, and copiers, for or in connection with any non-MSA Security work; (iii) perform any non-MSA Security on MSA Security premises; or (iv) perform any non-MSA Security work during normal business hours.

## CONFLICTS OF INTEREST

MSA Security requires that employees not engage in transactions involving conflicts of interest that would compromise the Company, its clients, partners or suppliers for personal gain. Examples of conflicts of interest include, but are not limited to, accepting gifts, requesting or granting favors, or conducting business for personal gain. Employees are required to disclose all conflicts of interest to a supervisor.

## NON-DISCLOSURE, NON-COMPETITION, NON-SOLICITATION AND ASSIGNMENT OF INVENTIONS

The protection of confidential business information and trade secrets is vital to the interests and the success of MSA Security. MSA Security prohibits employees from disclosing information held to be confidential by MSA Security, including MSA Security’s clients’ information. Disclosing confidential information of MSA Security, including client information, is strictly prohibited.

In addition, any ideas or concepts that an employee creates or develops while working with MSA Security are considered “work made for hire” and are the sole property of the Company. Employees are also prohibited from engaging in any business ventures that compete with the business of MSA Security, or soliciting any of MSA Security’s employees or any clients or customers of MSA Security.

To the extent permitted by applicable law, certain employees will be required to sign a Confidentiality, Non-Competition, Non-Solicitation and Assignment of Inventions Agreement as a condition of employment or continued employment.

## STANDARDS OF CONDUCT

MSA Security expects all employees to conduct themselves in a professional and ethical manner. Employees have a fiduciary duty to act in the best interest of MSA Security. They shall act honestly and according to the standard of a prudent person, exercising their best skill and judgment for MSA Security’s benefit. Employees shall comply with all applicable laws. An employee should not conduct business that is unethical in any way, nor should an employee influence other employees to act unethically. Furthermore, an employee should report any

possible dishonest activities or damaging conduct to an appropriate supervisor. To the extent this Policy is inconsistent with any applicable law, such law shall control.

1. An employee shall:
2. perform his or her official duties in a lawful, professional, and ethical manner befitting of MSA Security;
3. report another employee’s behavior or actions, which you believe are inappropriate, illegal, problematic, or in any way inhibit or affect your job performance or the MSA Security work environment to your supervisor, the Human Resources Director or other appropriate management personnel; and
4. consult promptly with your supervisor, the Human Resources Director or other appropriate management personnel about ethics issues pertaining to his or her service as an employee.

MSA Security will promptly, thoroughly and confidentially investigate all reasonable concerns, and, where necessary, appropriate corrective action will be taken.

1. An employee shall not:
2. solicit, accept, or agree to accept any gift or other benefit with a value more than $50.00 (i) as consideration for the employee’s decision, opinion, recommendation, or other exercise of discretion, (ii) that the employee knows or should know is being offered with the intent to influence the employee’s conduct or (iii) that might reasonably tend to influence the employee’s discharge of duties;
3. solicit, accept, or agree to accept any gift or other benefit with a value more than $50.00 from a person the employee knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the employee’s exercise of discretion;
4. intentionally or knowingly solicit, accept, or agree to accept any benefit with a value more than $50.00 for having exercised his or her official powers as an employee or performed his or her duties as an employee in favor of another;
5. disclose confidential or proprietary information, information that is excepted from public disclosure, or information that has been acquired by the employee by reason of the employee’s position;
6. accept other employment, including self-employment, or compensation or engage in a business, charity, nonprofit organization, or professional activity that the employee might reasonably expect would require or induce the employee to disclose confidential information that was acquired by reason of the employee’s position;
7. accept other employment, including self-employment, or compensation or engage in a business, charity, nonprofit organization, or professional activity that could reasonably be expected to impair the employee’s independence of judgment in the performance of the employee’s duties;
8. make personal investments that could reasonably be expected to create a substantial conflict between the employee’s private interest and MSASI’s interest;
9. utilize MSASI property, facilities, or equipment for any purpose other than official MSASI business, unless such use is reasonable and incidental and does not result in any direct cost to MSASI, interfere with the employee’s official duties, or interfere with MSASI functions;
10. utilize his or her official position for financial gain, obtaining privileges, or avoiding consequences of illegal acts;
11. knowingly make misleading statements, either oral or written, or provide false information, in the course of conducting MSASI business;
12. purport to commit MSA Security to any contract, obligation or other action without having been properly authorized to do so.

# SECTION III: COMPENSATION POLICIES

## PAYDAYS

For payroll purposes, the workweek begins on Saturday and ends on Friday. All employees are paid on a biweekly basis (every two weeks) on Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period. If a payday falls on a holiday, you will receive your check on the day before the holiday.

Most employees with MSA Security choose to have their paychecks directly deposited into a bank or other financial institution. Direct deposit of paychecks is available upon request. Interested employees should contact Human Resources for additional information on direct deposit forms and procedures.

If you are absent on payday and not enrolled with Direct Deposit, your check will be held until you return to work. Payroll checks will not be released prior to the set pay schedule for any reason, nor will they be released to anyone other than the employee.

## ADMINISTRATIVE PAY CORRECTIONS

MSA Security takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of his/her supervisor or the Human Resources Director so that corrections can be made as quickly as possible.

## PAYROLL DEDUCTIONS AND SETOFFS

The law requires that MSA Security make certain deductions from every employee's compensation. Among these are applicable federal, state and local income taxes. MSA Security also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." MSA Security matches the amount of Social Security taxes paid by each employee.

MSA Security offers programs and benefits beyond those required by law to certain eligible employees. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Any questions regarding payroll deductions should be directed to the Human Resources Director.

## PERFORMANCE ASSESSMENTS

MSA Security employees are generally subject to a formal performance assessment on an annual basis. The employee’s supervisor with assistance from the Human Resources Department will complete these assessments annually. The assessments will focus on job- related strengths and weaknesses, as well as overall fit with the Company. Goals and improvement plans will be developed at each review period and progress will be measured at the next review.

Performance assessments will help to determine whether a salary increase and/or promotion, if any, will be granted. Employees will have the opportunity to review all performance assessments. All performance assessments and responses will become part of an employee’s personnel file.

## EXPENSE REIMBURSEMENT

MSA Security will reimburse employees for reasonable business expenses in accordance with approved policies. Reasonable business expenses include travel fares, accommodations, meals, mileage, telephone and fax charges, modest entertainment of clients and purchases on behalf of the Company. Mileage will be reimbursed at the standard IRS rate.

All expenses must be submitted via the required expense form within 14 days of incurring an expense (see Annex A) and approved by the employee's supervisor prior to submission for reimbursement. If an employee has concerns regarding the reasonableness of an expense or the expense is over $250, the employee must secure approval in advance of incurring the expense. Unreasonable or excessive expenses will not be reimbursed. Any questions should be directed to the employee's supervisor.

# SECTION IV: THE WORKING ENVIRONMENT

## HOURS OF OPERATION AND WORK SCHEDULES

MSA Security’s offices operate twenty-four (24) hours a day, seven (7) days a week for employees to service its clients’ varied business needs.

Employee work schedules may vary based on the Company’s needs. Employees may not deviate from their scheduled work hours, unless a supervisor specifically approves the request. Exempt employees may be required to work extra hours to accommodate certain deadlines.

## ATTENDANCE & PUNCTUALITY

Punctuality and regular attendance are important to the smooth operation of MSA Security. If you are consistently late or excessively absent, MSA Security’s ability to perform work is affected and an unfair burden is placed on your co-workers. Therefore, unless your absence is permitted or excused under MSA Security’s holiday, paid time off (PTO) or other policies, you are responsible for being at work and arriving on time. If you are going to be absent or late, it is your responsibility to call the Human Resources Department or your supervisor as soon as possible, preferably in advance of lateness and no later than one hour after the start of the workday.

An employee who is absent for reasons other than those permitted or excused by MSA Security’s holiday, PTO or other leave policies, or who repeatedly fails to provide notice as required, will be subject to appropriate disciplinary action, up to and including discharge.

Each employee is required to notify the Human Resources Department, in advance, of the dates of all approved PTO or leave time to be taken. Additionally, an employee must inform Human Resources of any PTO day used for a sick day or if he/she will be late in arriving at work.

## AVAILABILITY FOR WORK

Employees must be available for work especially during exigent circumstances. If, for any reason, there is a change in your work availability, you must notify your supervisor at least two

(2) weeks prior to the change.

## MEAL BREAKS

MSA Security managers will assign appropriate lunch and dinner breaks per their needs and in accordance with applicable law. Typically, Nonexempt employees working for more than four

(4) consecutive hours are provided with a meal break of between 30 and 60 minutes. Breaks are scheduled throughout the workday, so as not to disrupt the Company’s business operations.

## LACTATION BREAKS

Employees who are nursing are provided with reasonable break time to express breast milk for up to one (1) year after the birth of a child. Any employee who requires lactation breaks should contact Human Resources, who will arrange for a private room, shielded from view, and free from any intrusion from other employees and the public, and in close proximity to the employee’s work area.

The time and duration of breaks for expressing breast milk or breastfeeding will be established based on your work schedule and your individual need to express breast milk. If possible, such breaks may run concurrently with any break time you are already provided. You will not be discriminated against, disciplined or subject to any adverse employment action if you have chosen to exercise your rights under this policy and applicable law.

## OVERTIME

Nonexempt employees are to be paid time and one-half (1.5) for work time that exceeds forty

1. hours during a scheduled workweek. Employees asked to work overtime are expected to do so. Exempt employees are not eligible for overtime pay.

Overtime pay is based on the total of actual hours worked in excess of forty (40) hours in a given workweek. Failure to work scheduled overtime or overtime worked without prior authorization from a manager may result in disciplinary action.

## EMERGENCY CLOSINGS AND SEVERE WEATHER

Unless notified by your supervisor, you are to report to work on all regularly scheduled days, regardless of weather conditions. If you are unable to report to work due to weather conditions, you must notify your supervisor as soon as possible.

Should an emergency result in the need to communicate information to employees outside of business hours, Human Resources will make every effort to contact each employee. Accordingly, it is important that employees keep their personal contact information up to date. Notify Human Resources in the event this information changes.

When events warrant an evacuation of the building, employees should follow the instructions as established by the property management team. All employees should leave the building in a quick and orderly manner. Employees should assemble at the pre-determined location as communicated by property management or other MSA Security management to await further instructions or information.

In the event of inclement weather and/or emergency closings, key MSA Security personnel will be required to report to work in order to ensure that the Company’s operations are not unduly disrupted.

Please direct any questions about the Company’s emergency procedures to Human Resources.

## SMOKING

To comply with applicable state laws, all MSA Security offices are smoke-free workplaces: smoking is expressly prohibited anywhere in the offices. This policy applies equally to all employees and visitors, including representatives of the Company and other clients.

Smoking is only permitted in the entranceway for the fire escape located in the front lobby of the MSA headquarters in New York City, and in the properly designated areas of each respective field office. Smoking is similarly prohibited at client locations other than in properly designated areas as determined by the client. Also, the use of Smokeless Tobacco products is prohibited during work hours.

The Human Resources Director will resolve any dispute or complaints arising under this policy. As required by the applicable smoking laws, the health concerns of any employee desiring a smoke-free area shall be accorded priority. MSA Security ensures that no employee will suffer retaliation in connection with his or her employment at MSA Security based on the employee’s attempt to exercise his or her rights under the applicable smoking laws or this policy.

## DRUGS AND ALCOHOL

MSA Security is committed to maintaining a safe and healthy workplace free from the influence of alcohol or drugs. In this regard, we intend to take reasonable measures to ensure that employee alcohol or illegal or unauthorized drug use does not jeopardize the success of the Company’s operations, or otherwise affect the Company and its employees. Our commitment to an alcohol-free and drug-free workplace is jeopardized when any employee abuses alcohol or drugs on the job, comes to work under the influence of such substances, or possesses, distributes or sells illegal or unauthorized drugs and controlled substances in the workplace.

The use, sale, purchase, possession, distribution, or impairment by alcohol or illegal or unauthorized drugs and controlled substances while on Company time, on Company premises or engaged in Company business is strictly prohibited. Moreover, the use of alcoholic beverages by an employee during the workday, on Company property, or while acting as a Company representative that adversely affects the employee's job performance or reflects unfavorably upon public confidence in the manner in which the Company conducts its business is also strictly prohibited. Any employee involved in the unlawful use, sale, manufacturing, dispensing or possession of alcohol or illegal or unauthorized drugs and controlled substances on the MSA Security premises or a client’s premises, or who reports to work under the influence of alcohol or illegal drugs and controlled substances, will be subject to disciplinary action, including but not limited to immediate termination of employment. Employees who are involved with the illegal use of drugs, alcohol or other illegal controlled substances after business hours may be subject to disciplinary action, including but not limited to reassignment or termination, in the event the use of such substances has or may have an adverse effect on the Company or its business operations.

Any illegal or unauthorized drugs and controlled substances that are discovered in the possession of an employee will be immediately turned over to the appropriate law enforcement agencies and may result in criminal prosecution. To the extent permitted by law, employees convicted of the sale or possession of illegal or unauthorized drugs and controlled substances may be terminated, regardless of whether such misconduct occurs on or off the Company’s premises.

The legal use of authorized and prescribed drugs is permitted on the job **only** if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. Any employee taking a drug or medication, whether or not prescribed by a physician for medical conditions, which is known or advertised as possibly affecting or impairing judgment, coordination, or other senses or which may adversely affect the ability to perform work in a safe and productive manner, must inform MSA Security of such use. In appropriate circumstances, MSA Security will consult with the employee to determine if such use of authorized and prescribed drugs will pose job-related limitations on the employee, and whether MSA Security can accommodate those limitations through a reasonable accommodation. If necessary, the employee may be placed on

appropriate work restriction or reassigned other duties to ensure the employee’s own safety and the safety of other MSA Security employees.

In order to ensure that all employees are provided a safe workplace, the Company reserves the right to conduct searches or inspection of employees and their personal effects and vehicles located on the Company’s premises. These searches may be made without prior warning and may be conducted with the assistance of representatives of law enforcement agencies.

In addition, MSA Security reserves the right to decline payment of workers’ compensation benefits to any employee who tests positive for alcohol and/or illegal or unauthorized drugs and controlled substances in connection with any work-related injury.

While MSA Security generally does not perform pre-employment drug screenings, the Company reserves the right to conduct drug and alcohol screenings on personnel assigned to work with a client that contractually requires MSA Security to perform such screenings on assigned personnel.

## VISITORS

To provide for the safety and security of employees and the facilities at MSA Security, only clients and authorized visitors are permitted at MSA Security offices. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare and avoids potential distractions and disturbances.

Employees are responsible for the conduct and safety of any visitors. No visitor to the premises should have access to Company equipment, information and files, and all visitors must be monitored by the employee who has invited them into the offices.

## FOOD AND BEVERAGES

The Company’s offices should always reflect a professional appearance. Eating at your desk is acceptable, (except in the bullpen) but should be done unobtrusively and in a manner so as to prevent damage to valuable Company equipment and other property. All employees are personally responsible for keeping the area around their workstation clean and presentable. Employees are also responsible for returning meeting areas to a clean and presentable condition after use.

## WORKPLACE ATTIRE AND GROOMING STANDARDS

MSA Security provides security services to distinguished financial firms, corporations and government organizations. In keeping with the standards expected of us by our clients and based on our marketing practices highlighting the law enforcement and military experience of our employees, it is the Company’s expectation that all employees dress in the appropriate attire depending upon their position within the Company, and that they present a well groomed and professional appearance.

## Uniformed Employees:

For employees who are required to wear MSA Security uniforms, the following guidelines apply:

* + Uniform items should be clean, neat in appearance and have no visible signs of wear. Head gear, eye wear, inclement weather gear should all be conservative in nature and in accordance with this policy. Optional clothing items should not detract from your professional appearance.
  + An employee carrying a concealed firearm is required to tuck-in the MSA uniform shirt to present a professional appearance. Under normal, non-emergent circumstances, firearms must be concealed when carried.

## Staff Level Employees:

MSA Security has adopted a business casual dress code for Staff level employees who work in the MSA Security offices. Business casual attire should be neat, clean and professional. Appropriate business casual attire includes neatly pressed slacks, skirts, button down shirts, ties, blouses and sweaters. All employees are expected to have his/her shirts tucked in, for a neat, professional appearance

The following types of dress are expressly prohibited and deemed unacceptable: denim jeans, shorts, sweatshirts, tank tops, t-shirts with or without logos, sneakers, athletic shoes, running shoes or flip flops. Colored t-shirts worn beneath open button down shirts, as well as low cut sweaters or tops that reveal one's stomach, are similarly unacceptable.

## Leadership and Operations teams:

MSA Security has adopted a professional business attire dress code for members of the MSA Security’s Leadership and Operations Teams. Appropriate professional business attire includes suits, ties, shirts, blouses, jackets, blazers, slacks or skirts.

Business casual attire is generally inappropriate for the members of the Leadership and Operations teams. Excessively faddish, gaudy, or immodest clothing, shorts, T-shirts, casual sandals, and sweat suits are similarly considered inappropriate attire and should not be worn during work days. Under certain circumstances, members of the Leadership and Operations Teams may wear casual business attire when appropriate for the working conditions.

## General Grooming and Professional Appearance Standards:

The following guidelines apply to all MSA Security employees with regards to grooming standards and professional appearance:

* + All facial hair must present a professional appearance, be neatly groomed, follow the contour of your face line and be conservative in nature. A neatly trimmed mustache, goatee or beard is acceptable. Facial hair that would not be considered acceptable: stubble; chinstrap; sideburns “mutton-chop”; “soul patch” or “van dyke”.
  + All employees who are in the process of growing facial hair must keep it neatly trimmed and shaped from the first day. Choosing to “not-shave” on a given day is unacceptable and does not promote a professional appearance to our clients.

Employees who appear for work inappropriately dressed may be sent home and directed to return to work in proper attire. Under such circumstances and to the extent permitted under

applicable law, employees will not be compensated for the time away from work. In addition, violation of this policy may lead to disciplinary action, up to and including termination of employment.

## RECYCLING

MSA Security supports environmental awareness by mandating recycling in the workplace. Employees should dispose of bottles, cans and paper in the appropriate recycling bins. Employees are also encouraged to conserve energy by shutting down their computers, monitors and printers at night and by turning off the lights when not needed.

## USE OF COMPANY VEHICLES

All Company vehicles are to be used for business purposes only. Employees using an assigned vehicle for personal purposes must receive written authorization from a supervisor to do so. Employees should not rent a vehicle or use their own car when a Company vehicle is readily available.

## POSTAGE, SHIPPING AND OFFICE SUPPLIES

Postage, shipping and office supplies paid for by the Company are for business purposes and are not to be used for an employee's personal purposes.

## USE OF COMPANY PROPERTY

All Company workspaces, including file cabinets and lockers, are the property of MSA Security and must be available to management at all times. The use of personal locks on any Company property is strictly forbidden. No Company property may be used to store personal files or items. No Company equipment, including computers, photocopiers or printers may be used for personal business.

## PERSONAL PROPERTY

MSA Security does not assume responsibility for any personal property located on its premises. Employees are to use their own discretion when choosing to bring personal property into the office and do so at their own risk. Additionally, employees may not bring or display in the office any property that may be viewed as inappropriate or offensive to others.

## PERSONAL SAFETY

The safety of each employee's health and security is very important to MSA Security. MSA Security is willing to make reasonable efforts to address an employee's safety concerns. Employees should remember to use caution and good judgment in all activities and should notify their supervisor or a human resource representative if they believe there is a safety issue that should be addressed.

## MONITORING & SEARCHES

All Company property is subject to monitoring and review at all times. This includes, but is not limited to, desks, lockers, Company vehicles, computers and email files. Reasons for searches and reviews include, but are not limited to, personal abuse of Company property, theft investigation and improper disclosure of confidential information.

MSA Security retains the right to conduct searches at any time. This includes the right to search individual work computers or files, even if protected by a password. Any employee that attempts to obtain or alter a password for the purpose of accessing restricted files will be subject to disciplinary action, up to and including termination of employment.

## TELEPHONE USAGE AND THE VOICEMAIL SYSTEM

MSA Security’s telephone system and access to its voicemail system are provided to carry out work assignments and Company business in an efficient manner. Personal use of the telephone system should be kept to a minimum. Personal toll calls may not be made at the Company’s expense.

Employees also should have no expectation of privacy in the voice mail system and any data or information stored therein. The use of passwords to secure features, including personal passwords, affords no greater appreciation of privacy to employees. MSA Security’s systems and equipment may be accessed by MSA Security management at any time, with or without advance notice.

Employees who use the telephone system excessively for personal use may be subject to disciplinary action, up to and including termination of employment.

## CELLPHONE/SMARTPHONE USE

It is the policy of MSA Security that effective communications for employees who spend significant periods of time traveling between locations be maintained at all times. To further that goal, certain employees who are approved cellular phone users may be provided with a Cell phone or other SmartPhone at MSA Security’s expense. The purpose of providing a Cell phone is to enhance productivity while out of the office on Company business.

Accordingly, employee use of MSA Security provided devices must comply with the following:

1. When driving on Company business, the use of cellular phones or any other hand-held device (including, but not limited to, laptops, Cell phones or other SmartPhones, GPS navigation and media units, digital assistants or any other electronic communicative device) is strictly prohibited. This also includes any devices specifically banned by law from being used while driving. If it is necessary to use such a device, the proper procedure is to pull off the road to a safe location, or park the vehicle in a parking zone, and then use the device. In addition, “Hands-Free” phone accessories may be used in limited situations for brief conversations, or in heavy and/or slow-moving traffic; provided that such use is specifically allowed by law.
2. Those employees who are provided with a Cell phone or other SmartPhone are expected to monitor and periodically check those devices for messages. In the event an employee who is provided with a Cell phone or other SmartPhone at the Company’s expense fails to respond to messages within a reasonable period of time, MSA Security may request that such employee return the Cell phone/SmartPhone and it will cancel the service.

Cell phones and/or SmartPhones provided by MSA Security are to be used for business purposes. In no event may such devices be used for any illegal purposes. Misuse of Company property may lead to confiscation of the subject device and cancellation of the service provided at MSA Security’s expense.

## PERSONAL PHONES AND ELECTRONIC DEVICES

Excessive usage of personal cell phones, SmartPhones and electronic devices during work hours for non-work related matters is not permitted. Employees who bring such devices to work must limit phone usage during working hours to emergency situations only and must keep the phone on vibrate or silent mode during working hours.

## THE UNAUTHORIZED USE OF COMPUTER SOFTWARE

MSA Security does not permit the illegal duplication of software. Federal copyright laws clearly give the copyright holder certain exclusive rights, including the right to make and distribute copies. Pursuant to federal law, “it is illegal to make or distribute copies of copyrighted material without authorization”, and the law protects the exclusive rights of the copyright holder. Unauthorized duplication of software is a federal crime, punishable by fines of as much as

$100,000 and jail terms of up to five (5) years.

The following policies apply in connection with the use of computer software at MSA Security:

1. MSA Security licenses the use of computer software from a variety of outside companies. MSA Security does not own this software or its related documentation and, unless authorized by the software manufacturer, does not have the right to reproduce it.
2. With regard to use on local area networks or on multiple machines, MSA Security employees shall use the software only in accordance with the license agreement.
3. MSA Security employees learning of any misuse of software or related documentation within the Company shall notify his or her supervisor, the Human Resources Director or MSA Security’s management.
4. According to federal Copyright Law, illegal reproduction of software can be subject to civil damages and criminal penalties, including fines and imprisonment.

MSA Security employees who make, acquire or use unauthorized copies of computer software will be disciplined as appropriate under the circumstances. Such discipline may include dismissal.

Before installing any software on any computer, employees should consult with the Human Resources Director to determine the licensing rights for the applicable software package.

## EMAIL AND INTERNET POLICY

MSA Security employees are provided with computers, computer files, the e-mail system and Internet access. In addition, some employees may be provided with other electronic devices, such as Cell phones or other SmartPhone, and/or Company laptops (“**Electronic Devices**”). Computers, Cell phone and SmartPhone devices, laptops, computer files, the e-mail system, internet access, the voice mail system, the instant messaging system and software furnished to

employees are the property of MSA Security and are intended for business use only. Any other use of such equipment and systems is expressly prohibited unless otherwise expressly authorized by MSA Security.

Any and all information stored in MSA Security’s equipment and systems (including Electronic Devices) is regarded as property of MSA Security. Accordingly, employees should have no expectation of privacy in any equipment, systems or any data or information stored therein, including Company-provided Cell phones/SmartPhones.

All Electronic Devices must be password protected. However, the use of passwords to secure features, including personal passwords, affords no greater expectation of privacy to employees. MSA Security’s systems and equipment may be accessed by any agent or representative including a forensic computer expert of MSA Security, at any time, with or without advance notice or consent of the employee.

MSA Security reserves the right to monitor the usage of its systems by employees. These rights include retrieving and reading business and personal e-mail messages and files, and tracing internet activity. MSA Security also reserves the right to review and monitor the content of websites visited by employees and automatically saved on MSA Security’s systems and the amount of time an employee spends on the Internet engaged in business or non-business activities. Monitoring may be performed on a routine or random basis and is part of the overall process to assure compliance with Company policies.

When an employee’s employment with MSA Security is terminated (and regardless of the reason) or when a Cell phone/SmartPhone device is lost or stolen, all data contained in the device, without exception, will be erased by MSA Security, which may be done remotely.

All work-related e-mail communications should be conducted through MSA Security’s e-mail systems. An employee who telecommutes from home or another location using his/her own computer or a computer located outside of MSA Security’s offices must log into the MSA Security system remotely to send work-related e-mail communications and correspondence on the Company’s system only as opposed to using his/her personal e-mail account.

As a precondition to the issuance of any Electronic Devise, an employee provided with an Electronic Device may be required to give his or her written consent to the service provider of the Electronic Device, permitting the provider to disclose the contents of any communications to MSA Security upon request. In addition, to ensure that no abuse or misuse of Electronic Devices is occurring, MSA Security reserves the right at any time to obtain transcripts or other data records or logs detailing the employee’s use of such Electronic Device.

MSA Security strictly prohibits use of its systems for the following activities:

* + Conducting any personal business including, but not limited to, communication with one’s attorney.
  + Accessing home or other external e-mail accounts.
  + Forwarding any Company-related documents to others outside the ordinary course of business.
  + The creation, transmittal or exchange of messages that are defamatory, discriminatory, abusive, sexually oriented, harassing, obscene or threatening.
  + The creation, transmittal or exchange of unapproved advertisements or solicitations.
  + The creation, transmittal or exchange of chain letters.
  + The creation, transmittal or posting of information on Internet blogs for personal use, gain or other reasons.
  + The creation, transmittal or exchange of messages for personal gain or fundraising, business, political, charitable or religious activity not sponsored by MSA Security.
  + The creation, transmittal, or exchange of information in violation of any federal, state or local law or MSA Security’s policy.
  + Subscribing to non-business related mailing lists.
  + Removing, installing or modifying any MSA Security installed software or programs without MSA Security’s authorization.
  + Attempting to circumvent or subvert system or network security measures.
  + Accessing files, data or systems to which express authorization from the owner, whether MSA Security or another entity, has not been obtained.
  + Transmitting or downloading copyrighted images or text belonging to third parties without the copyright holder’s permission.

Employees must also avoid downloading files from unknown or unsecured sites. Additionally, any Company business and proprietary information may not be transmitted to third parties or downloaded from MSA Security’s systems without the prior permission of MSA Security.

Each user is responsible for their actions. This responsibility exists regardless of the security mechanisms that are in place. Users are expected to employ available security mechanisms and procedures (e.g., passwords) for protecting data created or used in the course of their employment. Users also are responsible for logging off the business systems when not in use and for locking their screen when leaving their computer unattended.

User IDs and passwords should not be shared and must be kept confidential. Individuals are responsible for all activity associated with their user ID and passwords. Employees are prohibited from the unauthorized use of passwords and encryption keys of other employees to gain access to the other employees’ e-mail and files.

The use of computer, e-mail and Internet services is a privilege, not a right. MSA Security also reserves the right to discontinue any of these services, with or without warning, for any reason or no reason at all, including, but not limited to, violations of this policy.

Employees observing any misuse of the computers, computer files and e-mail system should immediately report such conduct to Human Resources Director. Employees who violate this policy will be subject to disciplinary action, up to and including immediate termination of employment.

## USE OF SOCIAL MEDIA

MSA Security recognizes that the Internet provides unique opportunities to participate in interactive discussions and share information on particular topics using a wide array of social media, such as Facebook, Twitter, Instagram, blogs and wikis. However, the use of social

media can pose risks to MSA Security’s confidential and proprietary information, reputation and brands, and can jeopardize the Company’s compliance with business rules and laws.

To minimize these business and legal risks, avoid loss of employee productivity and lack of attentiveness to an employee’s professional responsibilities and job performance, and ensure that the Company’s systems are used strictly for business purposes, personal use of social media is strictly prohibited during working time or by means of the Company’s computers, networks and other IT and communications resources and systems at all times.

When using social media during personal time and while using personal resources, every employee must make it clear in communications that the employee is speaking on his or her own behalf. Additionally, each employee is required to use his/her personal e-mail address (not the business email address provided by the Company) when communicating via social media.

You are personally responsible for what you communicate in social media. Remember that what you publish might be available to be read by anyone with access to such social media (including future employers and social acquaintances).

You are strictly prohibited from disclosing any confidential information belonging to MSA Security in social media. For purposes of this policy, “**Confidential Information**” includes trade secrets and confidential business information, and private information provided to or received by the Company from or on behalf of its clients but does not include general information on wages, hours, and other terms and conditions of employment.

All of the Company’s policies in this Handbook apply to communications made in social media. As such, violation of those policies while using social media will result in disciplinary action, up to and including termination of employment. When identifying as an employee of the Company or discussing the Company’s products and services, employees are strictly prohibited from communicating any defamatory statements, or comments, insults, or obscenities that violate the Company’s workplace policies, including but not limited to any comments, insults or obscenities that discriminate or harass another individual on the basis of such individual’s membership in a Protected Category.

This policy is not intended to interfere with an employee’s rights to engage in any activity protected by the National Labor Relations Act.

Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

## RULES OF CONDUCT AND WORK RULES

All employees are expected to put forth their best efforts in performing their job responsibilities, and are expected to follow MSA Security’s rules and regulations. If problems occur relating to MSA Security’s rules and regulations or an employee’s performance at work, disciplinary action may be taken by the Company, up to and including termination.

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

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

* Theft, destruction or damage of or to any property of MSA Security, its employees or others;
* Falsification or misstatement of facts on employment applications, time-keeping records, reimbursement forms or other business or legal documents
* Working under the influence of alcohol or illegal drugs;
* Possessing, distributing, selling, transferring or using alcohol or illegal drugs in the workplace, while on duty, or while operating Company-owned vehicles or equipment;
* Fighting, threatening or engaging in intimidating behavior in the workplace, including but not limited to sexual and other forms of harassment;
* Boisterous or disruptive activity in the workplace;
* Negligence or improper conduct leading to damage or loss of Company-owned or client- owned property;
* Insubordination or other disrespectful conduct;
* Violation of federal, state and local safety or health rules;
* Possession of illegal firearms or explosives, or other unauthorized or illegal dangerous materials in the workplace;
* Excessive tardiness;
* Excessive absenteeism or any absence without notice;
* Unauthorized absence from a workstation during the workday;
* Unauthorized use of telephones, mail system, computers, postage or other Company- owned equipment;
* Unauthorized disclosure of business trade secrets or other confidential information;
* Violation of personnel policies; or
* Unsatisfactory performance or conduct.

All employees of MSA Security are employed at-will and either party may terminate that relationship at any time, without or without cause, and with or without advance notice.

## WORKPLACE VIOLENCE

The Company will not tolerate workplace violence, and violent acts or threats made by an employee against or to another person or property will be cause for immediate dismissal. This includes any violent acts or threats made on Company property, at Company events or under other circumstances that may negatively affect the MSA Security’s or the Company’s ability to conduct business.

MSA Security takes threats of violence extremely seriously. Any act or threat of violence by or against any employee, customer, supplier, partner or visitor is strictly prohibited. This policy applies to all Company employees, whether on or off Company property.

Prohibited conduct includes, but is not limited to, the following:

* Causing physical injury to another person;
* Making threatening remarks;
* Engaging in aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress;
* Intentionally damaging Company-property or property of another employee;
* Possessing an unlicensed weapon while on the Company property or while conducting Company business; and
* Committing acts motivated by, or related to, sexual harassment or domestic violence.

Any potentially dangerous situations must be immediately reported to the Human Resources Director.

# SECTION V: PAID AND UNPAID LEAVE POLICIES

## PAID AND UNPAID LEAVES: GENERAL

MSA Security provides eligible employees with leaves for a variety of reasons. The following section summarizes MSA Security’s leave policies. As with all policies, MSA Security reserves the right to revise or rescind these policies at its discretion, subject to legal requirements.

To apply for leave, or to inquire into what leave may be available, an employee should contact the Human Resources Department. An employee applying for leave will be asked to state why he/she wants or needs the leave, and the anticipated duration of the leave request, including when the leave is to begin and end.

Upon review and consideration of a leave request, the Human Resources Department will inform the employee whether the request for leave has been approved or denied and, if conditionally approved, which other requirements (such as certification of a health condition) the employee must fulfill in order for the leave request to be officially approved.

All leave requests are granted for a specific period of time. An employee who foresees being unable or unwilling to return to work at the end of the leave period should apply for any other leave for which the employee is eligible, including an extension of the current leave. MSA Security reserves the right to terminate the employment of an employee who does not return to work at the end of the approved leave period.

## PAID TIME OFF

Effective January 1, 2014, the following PTO policy will go into effect. All Full-time employees are eligible to earn and accrue personal time off (“**PTO**”) with pay to use for vacation and relaxation, sick leave, care of family members and/or other unanticipated personal business.

PTO benefits and accruals are based upon the calendar year. PTO benefits will be calculated based on the employee's base pay rate at the time of absence and does not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

The amount of PTO for which a Full-time employee will be eligible increases with the length of his/her service with the Company, as shown in the following schedule:

|  |  |
| --- | --- |
| **LENGTH OF SERVICE** | **NUMBER OF VACATION DAYS** |
| First year | Pro-rated calculation up to 16 days |
| Second year | 17 days |
| Third year | 18 days |
| Fourth year | 19 days |
| Fifth year | 20 days |
| Sixth year and beyond | 21 days |

First year calculations of PTO will be earned at the rate of 1.33 days per month (with calculations rounded up or down to a full day). Employees who commence work with the

Company between the 1st and the 15th of any given month will earn a full 1.33 PTO days for that initial month of employment. Employees who commence work with the Company between the 16th and the last day of any given month will not be eligible to earn PTO until the first full month of employment (e.g., an employee who commences work on January 15th will earn 1.33 days for all 12 calendar months (15.96), or 16 days for the calendar year; an employee who commences work on January 16th will earn 1.33 days for 11 calendar months (14.63), or 15 days for the calendar year).

Except in the event of the employee’s own illness or the need to provide care to a family member, employees must obtain advance approval from a supervisor or manager in order to use more than three (3) consecutive PTO days. Such PTO requests should be made in writing and submitted to the supervisor or manager at least fourteen (14) days in advance of the scheduled time off. Each employee’s PTO request will be evaluated in light of present operational requirements. MSA Security reserves the right to deny PTO requests where business needs require the presence of the employee, or in the event that such PTO request conflicts with previously approved PTO requests of other employees.

If the employee is absent for three (3) or more consecutive days in the event of the employee’s own illness, an employee will be required to submit documentation from a health care provider indicating that leave is needed and the length of such leave.

The Human Resources Department is responsible to track employee PTO days. MSA Security encourages employees to take all PTO for which they are eligible. Employees are allowed to carry over unused PTO days from one calendar year to the following calendar year, up to a maximum of 80 hours or ten (10) days per calendar year.

An employee that leaves the employment of MSA Security with an accrued balance of PTO days has the option to take the remainder of those days or receive payment for such unused PTO days at his/her regular rate of pay. If an employee abandons a job, he/she will not be entitled to accrued PTO days. Upon termination of employment, employees will receive payment for accrued, but unused PTO time.

## HOLIDAYS

MSA recognizes the following specific paid holidays for Full-time Staff employees. Full-time and Part-time Hourly employees will be paid in accordance with applicable state and federal law for the holidays that they work.

The following are paid holidays for eligible Full-time Staff employees:

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

MSA Security will make reasonable efforts to accommodate holidays pertaining to an employee's established beliefs that are not included in the above list. Employees who wish to

take off from work specific holidays not included in the above list may use PTO days in order to receive payment for such days off.

## STAFF PERFORMANCE RECOGNITION

Noteworthy performance over a period of time or exemplary one-time achievement can be recognized by supervisors for employees who add quality to the work process or product, or who provide superior customer or client service. Supervisors may recognize outstanding performance of their staff in accordance with the established Performance Recognition policy.

## BEREAVEMENT LEAVE

An employee may take up to three (3) days with pay in order to attend the funeral or make funeral arrangements in the event of the death of an immediate family member. In unusual circumstances, additional time off may be granted, with or without pay, at the discretion of MSA Security. For purposes of this bereavement leave policy, "**immediate family member**" means an employee's spouse, child, parent, grandparent, or sibling of the employee or the employee's spouse.

## MILITARY DUTY LEAVE

MSA Security recognizes the commitment put forth by an employee who is also a member of the United States military, and it is the Company’s policy to grant a leave of absence for uniformed service in accordance with applicable federal and state law. Employees who are absent from work for uniformed service in any branch of the United States armed forces will receive a paid leave of absence of up to a maximum of two (2) weeks per year. The remainder of military duty leave will be unpaid.

Any employee who needs time off for uniformed service is to immediately notify the Human Resources Director, who will provide details regarding the leave. If an employee is unable to provide notice prior to leaving for uniformed service, then a family member should notify the Human Resources Director as soon as practical.

An employee returning from military leave will be placed in the position that he/she would have attained had the employee remained continuously employed or a comparable one depending on the length of military service in accordance with applicable federal and state laws. The employee will be treated as though he/she were continuously employed for purposes of determining benefits based on length of service.

Benefit accruals, such as PTO or holiday benefits, will be suspended during the leave and will resume upon the employee's return to active employment.

Any questions regarding military duty leave should be brought to the Human Resources Director.

## PERSONAL LEAVE OF ABSENCE

There are occasions when, for personal reasons (such as personal or family-related illness, childbirth, or permissible child adoptions or placements), an employee not eligible for leave under an applicable state’s laws may need to be absent from work for an extended period of time without pay and benefits. A request for such personal leave will be considered in view of

its urgency, employee’s length of service and the overall effect the absence will have on the Company’s operations.

Requests for a personal leave of absence without pay are considered individually and granted at the discretion of the Company’s management. A request for personal leave of absence will be granted only if the employee is not eligible for any other type of leave. An employee may not take a personal leave of absence for more than two (2) months in a calendar year.

# SECTION VI: STANDARD EMPLOYEE BENEFITS PROGRAM

## EMPLOYEE BENEFITS

Eligible employees at MSA Security are provided a wide range of benefits. A number of the programs (such as Social Security, worker's compensation, state disability and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Human Resources can identify those programs for which you are eligible. Some benefit programs require contributions from the employee.

The following insurance benefit programs are available to eligible employees:

* + Medical Insurance
  + Dental Insurance
  + Vision Insurance
  + Life Insurance
  + Disability Insurance
  + Cancer Insurance
  + Accident Insurance
  + 401(k) Savings Plan
  + Employee Stock Ownership Plan
  + Workers' Compensation Insurance
  + Benefits Continuation (COBRA)

The descriptions of these benefits in this Handbook are a summary only. The separate plan documents explain each benefit in more detail and the language of the plans’ documents controls the various plans. The plan documents and contracts between MSA Security and its insurance carriers will govern in all matters related to the group health insurance programs, including the exact coverage and the conditions for coverage.

Benefits may be modified, added or terminated at any time by the insurance company or benefit provider, per the terms of the plan, or by MSA Security, at its discretion, at any time, for any reason, except for those benefits mandated and provided by federal and state law. MSA Security also retains the right, in its sole and absolute discretion, to change, modify or terminate its contributions to employees’ health care costs.

Employees may also be entitled to other state-mandated benefits. These benefits provided by a particular state are set forth and discussed in the individual State Supplements to the Employee Handbook. Please consult your State Supplement for information on such state-mandated benefits.

## GROUP HEALTH INSURANCE

MSA Security is proud to provide eligible employees with group health insurance. The Company hopes to continue to provide such benefits, but it retains the right in its sole discretion to modify, change, or terminate any insurance benefit at any time for any reason. Nothing contained herein shall constitute a promise to provide benefits at any particular cost or level for any specified period of time.

Commencing on the first day of the first full month after the date of hire, Full-time, staff employees may be eligible to participate in the group health insurance plan, subject to all terms and conditions of the agreement between MSA Security and the insurance carrier.

Please refer to the Summary Plan Description (SPD) for details regarding coverage, eligibility, waiting periods and cost.

## DENTAL & VISION INSURANCE

MSA Security is proud to offer eligible employees an opportunity to participate in its group dental and vision insurance plans. The Company hopes to continue to provide such benefits, but it retains the right in its sole discretion to modify, change, or terminate any insurance benefit at any time for any reason. Nothing contained herein shall constitute a promise to provide benefits at any particular cost or level for any specified period of time.

Full-time, staff employees can participate in the group dental and vision insurance plans, subject to the contributions as required by the insurance carrier. The coverage details for dental and vision insurances will be set forth in the SPD provided to an employee upon enrollment.

Please contact Human Resources for additional information on the dental and vision plans and to determine whether you are eligible for such insurances.

## LIFE INSURANCE

Life insurance offers you and your family important financial protection. The Company provides employees an opportunity to participate in the basic life insurance plan after successful completion of the Introductory Period. Eligible employees may participate in the life insurance plan subject to all terms and conditions of the agreement between the Company and the insurance carrier.

To participate, an enrollment form must be completed and returned to the Human Resources Department. The employee may designate the beneficiary(ies) at the time of enrollment; the beneficiary(ies) may be changed at any time by submitting a change form to the Human Resources Department.

Details regarding eligibility requirements and complete details of the life insurance plan are described in the SPD provided to eligible employees. Contact Human Resources for more information about the Company’s life insurance plan.

## DISABILITY INSURANCE

MSAI provides employees the opportunity to participate in the Company’s Disability Insurance program offered through AFLAC after successful completion of the Introductory Period. Eligible employees may participate in the disability insurance plan at the employee’s sole cost and

expense, subject to all terms and conditions of the agreement between the Company and AFLAC.

The AFLAC Disability Insurance pays benefits (i.e., a monthly amount that is a percentage of your gross income) for a period of time while you are disabled. An AFLAC agent can help employees select the right amount of disability insurance benefits for their individual needs, as well as the length of time such benefits are payable. The AFLAC Disability Insurance plan is in addition to any State administered short-term disability benefits available to an eligible employee.

Information regarding eligibility requirements and complete details of the Disability Insurance Plan are described in the SPD provided to eligible employees. Contact Human Resources for more information about the AFLAC Disability Insurance plan.

**AFLAC CANCER INSURANCE**

MSAI provides employees the opportunity to participate in the Company’s Cancer Insurance program offered through AFLAC after successful completion of the Introductory Period. Eligible employees may participate in the Cancer Insurance plan at the employee’s sole cost and expense, subject to all terms and conditions of the agreement between the Company and AFLAC.

The Supplemental Cancer Insurance plan can protect your income and savings from expenses that are not covered by the Group Health Insurance plan and help pay for non-medical expenses that may arise when you are diagnosed with cancer, including: deductibles; out-of- network specialists; experimental cancer treatment; travel and lodging when treatment is far from home; child care and household help; and normal living expenses (such as car payments, mortgage/rent and utility bills).

Information regarding eligibility requirements and complete details of the Cancer Insurance coverage are described in the SPD provided to eligible employees. Contact Human Resources for more information about the Cancer Insurance policy offered through AFLAC.

**AFLAC ACCIDENT INSURANCE**

MSAI provides employees the opportunity to participate in the Accident Insurance plan offered through AFLAC. Eligible employees may participate in this insurance plan at his/her sole cost and expense, subject to all terms and conditions of the agreement between the Company and AFLAC.

Individual accident insurance is a way to manage medical and non-medical expenses that an individual may incur after an accidental injury. Under the AFLAC Accident Insurance Plan, a participant will receive cash benefits for out-of-pocket costs and other expenses not fully covered by major medical insurance such as: broken teeth; concussions; intensive care unit confinement; ambulance and other transportation; emergency room visits; and lacerations.

Information regarding eligibility requirements and complete details of the Accident Insurance plan are described in the SPD provided to eligible employees. Contact Human Resources for more information about the AFLAC Accident Insurance plan.

## 401(K) SAVINGS PLAN

Eligible employees will be given the option to participate in the Michael Stapleton 401(k) Plan #14526 after three (3) months of employment provided they meet the eligibility standards. To be eligible for participation in the 401(k) plan, you must be employed for at least three (3) months with no minimum hours of service required and be at least 21 years of age.

To the extent permitted by applicable law, the Company’s 401(k) plan allows you to elect how much salary you want to contribute and direct the investment of your plan account, so you can tailor your own retirement package to meet your individual needs.

Because your contribution to the plan is automatically deducted from your pay before federal and state tax withholdings are calculated, you save tax dollars now by having your current taxable amount reduced. While the amounts deducted generally will be taxed when they are finally distributed, favorable tax rules typically apply to retirement distributions.

MSA Security does not make contributions towards employee 401(k) retirement plans.

Complete details of the retirement savings plan are described in the Summary Plan Description provided to eligible employees. Specific details about the 401(k) plan may also be obtained from the Human Resources Office or the Finance Office.

## EMPLOYEE STOCK OWNERSHIP PLAN

MSA Security has adopted an Employee Stock Ownership Plan (“**ESOP**”). The ESOP is a tax deferred employee retirement plan that is governed by the Employee Retirement Income Security Act of 1774, as amended, and the Internal Revenue Code of 1986, as amended.

You will be eligible to join the plan from the first date of your employment and there is no cost to the employee to participate in the Plan. Each year, the Company will make an ESOP contribution, which will be allocated to all eligible employees. In order to receive an allocation for the plan year, an employee must have completed 250 hours of service during that plan year and also still be employed by the Company on December 31st of the plan year. Refer to the ESOP Plan documents for details regarding eligibility and benefits. Every year, employees will be provided a statement detailing their ownership in MSA Security.

## WORKER’S COMPENSATION

MSA Security provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform his/her supervisor immediately. In addition, employees who are involved in an accident while traveling on business must promptly report the incident to his/her supervisor.

No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

## BENEFITS CONTINUATION (COBRA)

The Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Company’s health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, death of an employee, a reduction in an employee's hours or a leave of absence, an employee's divorce or legal separation and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the Company’s group rates plus an administration fee. Notice regarding coverage and directions on the applying for benefits will be provided to employees by the Human Resources Director at the time eligibility under any of the Company’s insurance plans is lost. The notice contains important information about the employee's rights and obligations.

# SECTION VII: LEAVING THE EMPLOYMENT OF MSA SECURITY

## TERMINATION

Termination of employment is an inevitable part of personnel activity within any business, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

**RESIGNATION**: voluntary employment termination initiated by an employee.

**DISCHARGE**: involuntary employment termination initiated by the organization.

**LAYOFF**: involuntary employment termination initiated by the organization for non-disciplinary reasons.

Since employment with MSA Security is at-will, based on mutual consent, both the employee and MSA Security have the right to terminate employment, with or without cause, at any time.

## JOB ABANDONMENT

Employees of MSA Security absent for more than two (2) consecutive days without notifying a direct supervisor are considered to have voluntarily abandoned their employment with the Company. The effective date of termination will be the last day the employee reported for work. If an employee abandons a job, he/she will not be entitled to payment for accrued but unused PTO days, unless otherwise required by law.

## RESIGNATION AND RETIREMENT

Resignation and retirement are voluntary acts initiated by the employee to terminate employment with MSA Security and/or to resign from the workforce. Although advance notice is not required, MSA Security requests at least two (2) weeks' written resignation notice from all employees. If an employee does not provide advance notice as requested, the employee will be considered ineligible for rehire.

Prior to an employee's departure, an exit interview may be scheduled to discuss the reasons for resignation and the effect of the resignation or retirement on benefits (as discussed below).

## EXIT INTERVIEWS

Employees leaving the Company will have the option of having an exit interview with the Human Resources Director. The exit interview will afford the employee and MSA Security an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to MSA Security or return of MSA Security-owned property. Suggestions, complaints and questions can also be voiced. In the event of retirement, the Human Resources Director will address any questions that the employee may have with regards to his/her retirement plan and/or issues related to retirement.

An employee’s last paycheck will be mailed to the employee after his/her last day of work. Employees whose employment has terminated are required to make sure that Human Resources has the correct mailing address to which the last paycheck may be mailed.

## BENEFITS UPON TERMINATION

Employee benefits will be affected by employment termination in the following manner:

* All accrued, vested benefits that are due and payable at termination will be paid in the employee’s final paycheck.
* Some benefits may be continued at an employee's expense if he/she so chooses.
* An employee will be notified in writing of the benefits that may be continued, and of the terms, conditions and limitations of such continuance.

## RETURN OF PROPERTY

Employees are responsible for all Company property, equipment, materials or written information issued to them or in their possession or control. Employees must return all MSA Security property entrusted to them, including, without limitation, keys, tools, uniforms, documents, files, computer equipment, records, business credit cards, cellphones, security codes, materials, this Handbook, equipment and supplies, immediately upon the Company’s request or demand, or upon termination of employment.

MSA Security reserves the right to take all action deemed appropriate to recover or protect its property.

## EMPLOYMENT REFERENCES

Due to confidentiality considerations, MSA Security does not provide employment references for former employees. Human Resources will provide dates of employment and positions held only.

## UNEMPLOYMENT COMPENSATION

Employees may be eligible for unemployment compensation upon termination of employment with MSA Security. Eligibility for Unemployment Compensation is determined by the applicable State Department of Labor.

Unemployment compensation is designed to provide an employee with temporary income when the employee is out of work through no fault of his/her own. If eligible, an employee should apply for benefits through the local State Unemployment Office as soon as he/she becomes unemployed.

# EMPLOYEE ACKNOWLEDGMENT

This Employee Handbook (the “**Handbook**”) describes important information about MSA Security, Inc. (“**MSA Security**”) and I understand that I should consult the Human Resources Director regarding any questions not answered in the Handbook.

I acknowledge that MSA Security reserves the right to revise, supplement, rescind or deviate from any policies or portion of this Handbook from time to time as it deems appropriate, in its sole and absolute discretion, with or without advance written notice.

I have received the Handbook, and I understand that it is my responsibility to read and comply with the policies contained in this Handbook and any revisions made to it.

I have read the Handbook, and I understand that my employment relationship with MSA Security is voluntary and terminable at any time at the will of MSA Security or myself, and with or without cause, and with or without advance notice. I further understand that this Handbook provides no contractual rights, expressed or implied, and that no employee or representative of MSA Security, other than the Chairman or his authorized representative, has any authority to enter into any agreement extending the employment of any employee for any specified period of time, or to make any agreement contrary to the foregoing.

EMPLOYEE'S SIGNATURE DATE

EMPLOYEE'S NAME (Typed or Printed)