



Visual Graphic Systems, Inc.

Employee Handbook



WELCOME TO VISUAL GRAPHIC SYSTEMS, INC.

Welcome new employee!

On behalf of your colleagues, I welcome you to VGS and wish you every success here.

We believe that each employee contributes directly to VGS's growth and success, and we hope you will take pride in being a part of our company and helping us achieve our mission. Be sure to read the Mission Statement on the following page which clearly explains our goals and values.

This handbook was developed to acquaint you with VGS, describe some of the expectations we have of our employees, and provide you with a general overview and explanation of working conditions, employee benefits, and some of the policies affecting your employment.

This employee handbook is meant to provide a general overview and explanation of various personnel policies and benefits. If you have any questions, consult your supervisor or the Human Resources Department. As VGS continues to grow and change, we reserve the right to revise, supplement, or change any of these policies; we will notify employees when that occurs.

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

Sincerely,

Paul Theodore
President & CEO



MISSION STATEMENT

We are committed to providing the best signs and visual communications systems in the industry.

While continually improving our excellent product quality, our real advantage will come from knowing and anticipating our customers' needs, and serving them better than our competition. Our goal is never to lose a customer for lack of service.

We are more than a fabricator. We provide a full range of up to date capabilities from development of ideas through superior project management and implementation. We aspire to become partners with our clients by offering them these capabilities in a managed and consistent way, together with excellent communications and the highest standards of business ethics. We will always stand behind our work. We will cultivate relationships with suppliers who operate in the same manner and reward them with our loyalty. Our growth will only come through adherence to these principles.

We want to be a challenging, fair, safe and happy place to work. We value respect for each other, open communication, informality and professionalism. Through education, training and teamwork, we want to foster an atmosphere that encourages people to learn and to be innovative. People who do well here always assume responsibility and do whatever it takes to meet our commitments.

We strive to offer our staff working conditions and benefits that are superior to other similar companies of our size; to be environmentally and socially responsible and to share the fruits of our success with our employees.

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A WORD ABOUT THIS HANDBOOK

This Employee Handbook contains information about the employment policies of the Company. We expect each employee to read this Employee Handbook carefully, as it is a valuable reference for understanding your job and the Company. The policies outlined in this Employee Handbook should be regarded as management guidelines only, which in a developing business will require changes from time to time. 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. This Employee Handbook supersedes and replaces any and all prior Employee Handbooks and inconsistent verbal or written policy statements. Except for the policy of at-will employment, which can only be changed by the CEO with the approval of the Board of Directors in writing, the Company reserves the right to revise, delete and add to the provisions of this Employee Handbook. All such revisions, deletions or additions must be in writing and must be signed by the president of the Company. No oral statements or representations can change the provisions of this Employee Handbook.

The provisions of this Employee Handbook are not intended to create contractual obligations with respect to any matters it covers. Nor is this Employee Handbook intended to create a contract guaranteeing that you will be employed for any specific time period.

Employment at VGS is EMPLOYMENT AT-WILL. Nothing contained in this policy manual or in any other materials or information distributed by VGS creates a contract of employment between an employee and VGS. Employees are free to resign their employment at any time, for any reason, and VGS retains that same right. No statements to the contrary, written or oral made either before or during an individual's employment can change this. No individual supervisor, manager or officer can make a contrary agreement, except for the CEO, and even then, such an agreement must be set forth in a written employment contract with the employee, signed by the CEO and approved by the Board of Directors.

This Employee Handbook refers to current benefit plans maintained by the Company. Refer to the actual benefit plan documents and summary plan descriptions if you have specific questions regarding the benefit plans. The Handbook contains only a general description of benefits; in all instances, the benefit plan documents are controlling as to the terms and conditions of any particular plan.

EQUAL EMPLOYMENT OPPORTUNITY

Our Company is committed to equal employment opportunity. We will not discriminate against employees or applicants for employment on the basis of race, creed, color, national origin, nationality, ancestry, age, sex (including pregnancy), familial status, marital status, domestic partnership status, affectional or sexual orientation, atypical hereditary cellular or blood trait, genetic information, liability for military service, and mental or physical disability, perceived disability, and/or AIDS and HIV status. Our employee development and evaluation systems are designed to further these principles of equal employment opportunity; accordingly, personnel decisions are based on work performance and skills of employees. VGS expects all staff to share in its commitment to equal employment opportunity, and we will not tolerate any acts of discrimination or harassment in our workplace. If any employee believes that he or she is the victim of conduct that violates this policy, the employee should follow the complaint reporting procedure as described in the Anti-Harassment policy, below.

A WORD ABOUT OUR EMPLOYEE RELATIONS PHILOSOPHY

VGS believes that the work conditions, wages, 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 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 VGS amply demonstrates its commitment to employees by responding effectively to employee concerns.

We welcome at any time suggestions on how to work smarter and better. In fact, the person that will do well here takes the initiative to help us continually improve. VGS has an "open door" management philosophy, where we share information on the progress of the company, and employees should feel free to ask questions and discuss their concerns, problems, or issues with any member of management.

ANTI-HARASSMENT POLICY

VGS is committed to providing an environment where all persons can work together comfortably and productively, free from sexual and other forms of harassment and coercion. VGS prohibits harassment by employees (including senior staff), applicants, vendors, consultants, or visitors against employees or applicants on the basis of sex, race, creed, religion, color, national origin, age, marital status, disability, sexual orientation, citizenship status or any other characteristic protected by law. Prohibited behavior includes, but is not limited to:

- an unwanted sexual advance;
- offering an employment benefit in exchange for any sexual favor;
- making or threatening a reprisal after a negative response to a sexual advance;
- visual conduct: leering, making a sexual gesture, displaying a sexually suggestive object or picture cartoon or poster;
- a verbal sexual advance or proposition;
- verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes, invitations or advances;
- physical conduct; touching, assault, impeding or blocking movements; or a sexually suggestive obscene or derogatory comment, threat, slur, epithet, joke about a gender-specific trait, or sexual proposition,
- slurs or epithets or jokes based on ethnicity, race, religion, age, disability, sexual orientation or any other legally protected characteristic – whether made in person, via email or voicemail or through any other electronic means, including posting on a blog or online message board.

It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females. Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by a manager/supervisor or harassment by persons doing business with or for VGS. Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business meetings and business-related social events sponsored by VGS.

SEXUAL HARASSMENT OF EMPLOYEES/APPLICANTS

It is not permissible for any VGS employee to engage in any form of sexual harassment with respect to any other VGS employee or with respect to an applicant for employment at VGS. In addition to the forms of harassment described above, prohibited behavior in the employment context includes: making submission to or rejection of a sexual proposition the basis of an employment decision; creating a hostile or offensive work environment by making sexually suggestive or obscene comments or threats; suggesting, threatening, or implying that failure to accept a sexual proposition will affect another employee's job prospects or performance evaluation; offering a benefit, such as a promotion, to any other VGS employee in exchange for a sexual favor.

COMPLAINT PROCEDURE AND INVESTIGATION

VGS strongly urges the prompt reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. Any complaint related to alleged sexual or other harassment or discrimination in any form may be directed to Human Resources or to any manager/supervisor. Supervisors and other employees should immediately report any incident or allegation of sexual harassment about which they are aware, whether reported directly or formally to them or not, to Human Resources. If an employee feels that his/her complaint has not been or cannot be properly handled by a supervisor or Human Resources, he/she may forward the complaint to any officer of the company

VGS encourages employees to set forth the particulars of any harassment complaint in a confidential memorandum to any of the above-listed individuals. Oral complaints will be accepted, as well. All complaints of alleged harassment/discrimination by a VGS employee will be promptly investigated by Human Resources or any officer of the company. All complaints of harassment/discrimination will be treated seriously, with discretion, and as confidentially as possible. Each complainant will be kept informed of the status of the investigation pertaining to his or her allegation. All investigations will be conducted impartially and without presumption of guilt or innocence.

***IMPORTANT NOTICE TO ALL EMPLOYEES:** Employees who have experienced conduct that they believe violates the Equal Employment Opportunity and/or Harassment Policies have an obligation to take advantage of this complaint procedure. Failure to fulfill this obligation may affect an employee's right to pursue individual action regarding the conduct at issue.

Early reporting and intervention are the most effective methods of resolving actual or perceived incidents of harassment and/or discrimination. Therefore, VGS strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. If our investigation concludes that VGS policy has been violated, appropriate disciplinary action, **up to and including termination from employment**, will result.

The availability of this complaint procedure does not, of course, bar employees from promptly and directly advising an offender that his or her behavior is unwelcome, and requesting that the behavior stop. In fact, VGS strongly encourages employees to take such measures unless they believe that their safety would be compromised by direct communications with the offender.

VGS forbids any form of retaliation against an individual who makes a complaint of sexual or other harassment/discrimination, or who otherwise assists with the investigation of any such complaint. Any person who is found to have retaliated against another individual for reporting harassment or participating in an investigation of a harassment complaint will be subject to disciplinary action, up to and including termination from employment.

DISCIPLINE OF EMPLOYEES

Any VGS employee found to have violated this policy by engaging in or condoning sexual or other harassment or discrimination shall be subject to appropriate disciplinary action, **including, but not limited to, termination from employment.**

LIABILITY FOR SEXUAL OR OTHER PROHIBITED HARASSMENT

Any VGS employee, including a supervisor or officer, who is found to have engaged in sexual or other prohibited harassment is subject to disciplinary action up to and including discharge from employment. An employee who engages in sexual or other prohibited harassment, including any manager who knew about the harassment and took no action to stop it, may be held personally liable for monetary damages. VGS will not indemnify any individual supervisor or employee for damages arising out of that individual's violation of our EEO/Harassment policy.

DISABILITY ACCOMMODATION

VGS is committed to complying with all applicable provisions of the Americans with Disabilities Act ("ADA"), and with state and local disability laws as applicable. VGS's policy is not to discriminate against any qualified employee or applicant with regard to any term or condition of employment because of such individual's disability or perceived disability, so long as the employee can perform all essential job functions, with or without reasonable accommodation

VGS will provide reasonable accommodations to a qualified individual with a disability who has made VGS aware of the disability, provided that said accommodation does not constitute an undue hardship on VGS. Employees who have a disability and believe that they require a reasonable accommodation to perform essential job functions should contact Human Resources to request such accommodation.

On receipt of an accommodation request, Human Resources will meet with the employee to discuss and identify the particular limitations resulting from the disability, and the possible accommodations that would permit the employee to perform essential job functions. VGS will determine the feasibility of requested accommodations, and other possible accommodations, by considering factors including nature and cost of accommodations, overall financial resources of the organization, and impact of the accommodation on VGS's operations. VGS will then inform the employee of its decision on the requested accommodation. It is anticipated that any employee requesting an accommodation of a disability will participate fully in the process of determining an appropriate and feasible accommodation. VGS will strictly maintain the confidentiality of any and all information supplied by the employee and/or any health care practitioner in connection with a request for accommodation of a disability.

IMMIGRATION LAW COMPLIANCE

Under the Immigration Reform and Control Act of 1986 (IRCA) all newly hired must provide documents to prove their identity, US citizenship or authorization to work in the United States. The Immigration and Naturalization Service's Form I-9 must be completed and signed at the time of hire, on the first day of work, by every new employee. Within three days from the date on which you begin employment, a representative of VGS will verify your identity and work authorization. All offers of employment are contingent upon such prompt verification, and all I-9 documentation will be maintained by VGS in confidential files, separate from employee personnel files, for the duration of employment and for one year after separation from employment,. By law, VGS is required to reject any authorization and/or identity documents that are expired, except for a U.S. Passport or a document from I-9 form List B. The Company is also required to ensure that the documents you present are original documents, except that you may present a certified birth certificate with a state seal. If an employee is unable to supply the required information within three days of hire, the employee must produce a receipt showing that he or she has applied for the necessary documentation,

and must then either produce the documentation within 90 days of the date of hire or separate from employment with VGS.

Former employees who are rehired by VGS must also complete the I-9 form if they have not submitted an I-9 to VGS within the past three years, or if their previous I-9 is no longer valid. Employees whose supporting documentation expires during their employment with VGS must resubmit new documentation on or before the expiration date in order to maintain employment with VGS.

If a VGS manager is notified by any governmental agency that an inspection is to be conducted of VGS's I-9 documents, the manager should contact Human Resources immediately.

EMPLOYMENT APPLICATIONS

VGS does not accept applications and/or resumes except for current, open positions. All applications and/or resumes must designate the open position being applied for or they will be disposed of. VGS does not retain unsolicited applications and/or resumes. Individuals interested in applying more than once for employment must submit an application and/or resume each time they apply.

No individual can be made an offer of employment with VGS without filling out VGS's Application for Employment. Even if a candidate has submitted a resume in connection with an open position, he/she must nevertheless complete and sign the VGS Application for Employment.

CATEGORIES OF EMPLOYMENT

FULL-TIME EMPLOYEES regularly work a 40 hour workweek.

PART-TIME EMPLOYEES work less than 40 hours each week.

TEMPORARY EMPLOYEES are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance), they are ineligible for all of VGS's other benefit programs.

PER DIEM or CONTRACT EMPLOYEES are those who are employed by VGS as sub-contractors for specific jobs. Contractors are required to comply with all IRS regulations, and will be issued a form 1099 at the end of the tax year.

In addition to the preceding, employees are also categorized as "exempt" or "non-exempt."

EXEMPT EMPLOYEES - includes any person employed in a bona fide executive, administrative, or professional capacity and paid on a salary basis in accordance with the Fair Labor Standards Act and its regulations. Exempt staff is paid a salary that is designed as compensation for all work performed in a workweek. Therefore, exempt staff is not entitled to overtime pay.

NON- EXEMPT EMPLOYEES - any person not employed in a bona fide executive, administrative or professional capacity, and paid on an hourly basis. Non-exempt employees are paid for time worked at their regular rate up to forty (40) hours in one week and at one and one-half times their regular rate for hours worked in excess of forty (40) hours in one week. Non-work hours for which compensation is paid (e.g., sick, disability) do not count as "hours worked" for purposes of calculating overtime eligibility.

Upon hire, your supervisor will notify you of your employment classification.

INTRODUCTORY PERIOD/ORIENTATION

For all employees, the first 90 days of employment is the Introductory Period. This Introductory Period serves as an orientation and will help you to decide whether the job is the right fit for your talents and interests. It gives VGS time to determine whether you are well-suited for the position. During your introductory period you will have an opportunity to get acquainted with your fellow staff members, surroundings and new duties. At the same time, your work, attendance, ability, cooperation, and potential value to VGS will be assessed by your supervisor. Prior to, or at the completion of, the introductory period, your total work performance will be evaluated and you will be notified by your supervisor whether your employment with VGS will continue. If your performance during the Introductory Period has been unsatisfactory, you will be asked to resign unless extenuating circumstances such as an injury or illness prevented your supervisor from making a full assessment of your performance. An employee, who is asked to resign at or before the conclusion of the Introductory Period, but refuses, will be terminated from employment at VGS.

At the conclusion of the Introductory Period, employees will be credited with accrued vacation and sick leave retroactive to the beginning of the Introductory Period. Employees who must be absent during the Introductory Period will not be paid for those absences. No vacation benefits are paid if an employee leaves during the introductory period. VGS does not at any time pay departing employees for accrued but unused sick leave.

Please note that the existence of an Introductory Period is not a guarantee of employment with VGS for at least three months, nor is successful completion of the Introductory Period a guarantee of continued employment for any definite period of time. Because your employment with VGS is at will, either you or VGS can conclude your employment at any time during or after the introductory Period, with or without cause.

NEW EMPLOYEE ORIENTATION

In an effort to ensure a smooth transition to VGS all newly hired employees will participate in an orientation. Orientation is the joint responsibility of the new employee's supervisor and Human Resources, and will include:

- A history of the organization;
- An explanation of the operations of the organization; and
- An overview of the organization's policies, procedures, and benefits.

All new employees must attend an orientation session. During the orientation session, the employee will receive this employee handbook and will be given an opportunity to ask questions about any information contained in the employee handbook. Before the conclusion of the employee's first week of employment with VGS, the employee must review the employee handbook and sign and return to the Director of Human Resources the Acknowledgment form in the Handbook that documents that the employee has read and will comply with all policies therein.

The new employee's supervisor is responsible for ensuring that each employee attends an orientation session. In addition, supervisors are responsible for all job training.

EMPLOYEE BACKGROUND CHECKS

All employees applying for any position with VGS could be subject to reference checks with former employers and/or managers and to verification of all educational credentials listed on their resumes/applications for employment and/or referred to in the employment interview(s). Applicants will be asked to authorize VGS to conduct such reference checks/credential verification and release prior employers/managers from liability in connection with such reference requests/verification.

Any individual who is offered a position that has responsibility for initiating, monitoring, or otherwise affecting financial transactions may be required to submit to a credit check. These responsibilities could include, among other things, collecting or handling cash or checks, writing checks or approving them, access to a direct money stream, or being a fiduciary to the organization. All such credit checks will be conducted in compliance with applicable federal law.

Any employment candidates whose position entails driving a company vehicle or driving their personal vehicles on company business will have their Motor Vehicle Records inspected by VGS annually.

Information gained from any of the above background checks will be held in confidence and shared with management individuals only on a need-to-know basis.

OUTSIDE EMPLOYMENT (INCLUDING SELF-EMPLOYMENT)

VGS believes that full-time employees should devote all of their working energies to their position at VGS, and therefore we do not recommend or encourage full-time employees to hold other jobs. Nevertheless, employees may hold outside jobs as long as they meet the performance standards of their job at VGS and as long as the outside employment does not constitute a conflict of interest.

All employees will be judged by the same work performance standards, regardless of whether they also hold any position (paid or unpaid) outside of VGS. If VGS determines that an employee's outside work interferes with his or her performance on the job at VGS, or with the employee's ability to meet the requirements of VGS as they are modified from time to time, the employee may be asked to terminate the outside employment./position as a condition of remaining employed with VGS.

VGS employees may not hold themselves out as working for on behalf of VGS when performing work for another employer or entity (including when engaged in self-employment or volunteer work), nor may employees use VGS equipment, materials or documents in connection with work performed for another employer, for the employee's own business or as a volunteer for another organization . **In addition, employees may not solicit business, make sales, distribute products or otherwise conduct an outside business while on VGS's premises, including during breaks, lunch or on days off.**

Employees who are contemplating secondary employment (including self-employment are required to advise their supervisor, in writing, of the nature of the duties to be performed, and the anticipated hours the employee will be working. The supervisor will confirm whether the contemplated employment creates a conflict of interest with VGS, and will advise the employee of the results of that assessment. If VGS's analysis concludes that a conflict of interest exists, the employee will be asked not to pursue the employment or otherwise take measures to eliminate the conflict.

WORK PERMITS (FOR EMPLOYEES WHO ARE MINORS)

VGS will not hire anyone under the age of 16. In addition, state and federal laws require that any employee who is under the age of 18, and has not graduated from high school, must apply for an employment certificate from the issuing officer of the school district in which the minor resides, and submit this permit to Human Resources before the end of the first week of employment.

EMPLOYMENT OF RELATIVES

VGS makes every effort to select the best qualified individual for every job opening. Individuals who are related by blood or marriage to a current employee, or who are the domestic partner of an employee, may be hired by VGS if they meet the qualifications for the job and if the hiring would not create an apparent or actual conflict of interest, such as where the individual and the current employee would be in a direct supervisory relationship or where either would audit or verify the work of the other.

If two employees who are in a direct reporting relationship, or who must audit or verify each other's work, marry or become domestic partners, then either one of the employees must transfer into an available position where no such conflict of interest exists (and for which the employee is qualified), or one of the employees must, at VGS's discretion, conclude his or her employment with VGS. VGS reserves the right to determine in all cases if a close enough familial or romantic relationship exist to create a conflict of interest.

TALK TO US

We encourage you to bring your questions, suggestions and complaints to our attention. We will carefully consider each of these in our continuing effort to improve operations.

If you feel you have a problem, present the situation to your supervisor so that the problem can be settled by examination and discussion of the facts. We hope that your supervisor is able to satisfactorily resolve most matters.

If you still have questions after meeting with your supervisor, or if you would like further clarification on the matter, request a meeting with the Human Resources Department. S(he) will review the issues and meet with you to discuss possible solutions.

Your suggestions and comments on any subject are important, and we encourage you to take every opportunity to discuss them with us. Your job will not be adversely affected in any way because you choose to use this procedure.

If at any time you do not feel comfortable speaking with your supervisor or the next level of management, discuss your concern with any other member of management with whom you feel comfortable.

YOUR HUMAN RESOURCES DEPARTMENT

The Human Resources Department acts as an information center for both employees and management. The Human Resources Department plays an important part in formulating and interpreting company policy and offers help with a variety of problems and matters that concern employees and management. The Human Resources Department is available to discuss subjects such as employment/recruitment, benefits, employee records, safety, and disciplinary problems.

You are encouraged to contribute suggestions and/or questions so the Human Resources Department may be more responsive to your needs.

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RECORDING YOUR TIME

All non-exempt / hourly employees are required to record time worked using the VGS Time and Attendance System. Employees must clock-in only their own time at the start and at the end of each work period, including before and after their lunch break. Employees must also clock their time whenever they leave the facility for any reason other than VGS-related business. A supervisor must approve any changes to an employee's time record. Clocking in or out for another employee, or altering a timecard will not be tolerated and is grounds for termination.

Any errors on your timecard should be reported immediately to your supervisor, who will attempt to correct legitimate errors in a timely manner.

Working "off the clock" is strictly prohibited! Employees will be paid for all hours worked. If a non-exempt employee works off the clock, he or she will be subject to discipline. If any manager or supervisor encourages, requests, orders or directs a subordinate non-exempt employee to work off the clock, he or she will be subject to immediate disciplinary action up to and including termination of employment. If you are aware of any non-exempt employees working off the clock or being asked or told to work off the clock, you should contact Human Resources immediately. You will not be retaliated against and VGS will take all necessary steps to protect you from any retaliation.

PAYDAY

You will be paid biweekly on Friday for the period which ends the Tuesday before payday.

When our payday is a holiday, you normally will be paid on the last working day before the holiday.

You may pick up your paycheck from your supervisor on payday.

If an employee is absent or not scheduled to work on the day that checks are distributed, the employee may ask to have his or her check mailed to the home address, or the employee may obtain the paycheck at a later date. An employee's paycheck will not be given to anyone other than the employee unless the employee has given authorization to do so. If an employee loses a paycheck, the employee must report the loss to his or her supervisor within 24 hours. Once notification has been made, a stop payment will be put on the check, and the employee must reimburse VGS for bank charges for the stop payment. Duplicate pay may be provided only once to an employee under this policy. Lost paychecks that have already been endorsed are the employee's sole responsibility.

A statement of earnings is given each pay period to employees indicating gross pay statutory deductions and voluntary deductions. Please review the statement of earnings to ensure that it is correct. If an employee finds an error in the statement of earnings, the employee must notify his or her supervisor immediately. Note that the amount of Federal withholding is affected by the number of exemptions claimed on Form W-4, Employee's Withholding Allowance Certificate. If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to Human Resources.

GARNISHMENT/CHILD SUPPORT

When an employee's wages are garnished by a court order, our Company is legally bound to withhold the amount indicated in the garnishment order from the employee's paycheck. Our Company will, however, honor federal and state guidelines which protect a certain amount of an employee's income from being subject to garnishment.

DIRECT DEPOSIT

You have the option of receiving your pay in a payroll check or having your pay deposited into your bank account through our direct deposit program.

PERFORMANCE EVALUATIONS

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

During your employment with the Company, your supervisor will evaluate your work, with respect to your performance, giving consideration at each review to changes in your job content or responsibility. These performance evaluations are scheduled approximately every 12 months.

Your salary is monitored in this manner so that it accurately reflects your job and your performance. Based upon the evaluation of your supervisor and your total work record, your salary may be increased. It should be understood, however, that increases in your salary are not an automatic part of the performance review but are within the Company's sole discretion. The Company will take into consideration your entire work record, your supervisor's evaluation and the going market rate of your position.

In addition, employees may, at their option, submit a written response to their performance appraisal if they feel that the Company's appraisal does not accurately reflect their job performance during the prior year. The performance appraisal and your written submission will be included in the personnel file.

PROMOTIONS

VGS is committed to the professional development of its employees. In an effort to retain our experienced employees, transfers and promotions within the organization are encouraged. At the organization's discretion, it may require or permit employees to make temporary or permanent transfers in order to accommodate business needs or employees' own personal needs. Employees may request a transfer to another department or location by utilizing the job posting procedure. Employees requesting transfers from one VGS office to another should make those requests through their supervisors/managers. Managers should obtain approval for the transfer from the President.

Employees may also request to be considered for a promotional opportunity. Employees will be eligible to be considered for promotion if they have been in their current position for at least six months, have a satisfactory performance record and have not been issued any corrective action in the previous twelve month period. In the event of extraordinary circumstances, any of the above criteria may be waived with the approval of the President.

Employees requesting a promotion should submit a Request for Interview to Human Resources. Human Resources will review the employee's Request for Interview and his/her personnel file to ensure that that he/she meets the requirements for a promotion. Employee transfers or promotions should not create a direct or indirect supervisor/subordinate relationship with an immediate family member.

Employees' rates of pay, after the transfer or promotion, will be determined according to the compensation guidelines for the new position.

Employees who are transferring/being promoted from a non-management position must give their current supervisor at least two weeks' advance notice before transferring. Employees who are transferring/being promoted from one management position to another must give their current supervisor at least four weeks' notice before transferring. In all instances, transferring employees are expected to assist with transition from

their current position by, among other things, providing their current supervisor with a memorandum outlining the status of any matters for which they have been responsible. The notice periods described in the policy may be waived with permission of the current supervisor.

PAY ADVANCES

While the company is not in the money-lending business we recognize that unexpected events can cause financial hardship to employees with no where else to turn. Generally, a qualified financial emergency is an event that is sudden, unexpected, and nonrecurring. For example, a fire in your home, the death of a family member, or high medical expenses not covered by insurance might constitute a qualified financial emergency. Problems with a major purchase, a credit card account or ongoing cash-flow problems would not be considered qualified financial emergencies.

In the event of a personal emergency, Regular Full Time employees may submit a written request for a pay advance of up to one week's regular pay to their supervisor or manager, indicating the nature of the emergency involved, and proposed repayment arrangements. The supervisor or manager will evaluate the request and recommend to Executive Management whether a pay advance should be granted.

The decision of whether or not to grant a request for a pay advance is strictly within the discretion of management. In no event, however, will VGS agree to provide an employee a pay advance unless the employee signs a written acknowledgement that the pay advance is at the employee's request and provides VGS with written authorization to: (1) deduct the advance pay from the employee's subsequent paychecks; and (2) deduct from the employee's final check for wages and accrued vacation any unpaid balance on the pay advance.

No employee may apply for more than one pay advance in a three year period.

OVERTIME

There may be times when you will need to work overtime so that we may meet the needs of our customers. Although you will be given advance notice when feasible, this is not always possible. Non-exempt employees must have all overtime approved in advance by their supervisor. 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.

Paid vacation leave will be counted as hours worked for purposes of performing overtime calculations. Holidays will also be counted as hours worked but shall not be double counted if the employee actually works on the holiday.

If you have any questions concerning overtime pay, check with your supervisor.

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EMPLOYEE BENEFITS

IMPORTANT NOTICE ABOUT EMPLOYEE BENEFITS:

VGS has established employee benefit programs designed to assist employees in meeting the financial burdens that can result from illness and disability, and to help you plan for retirement. This portion of the Employee Handbook contains a very general description of the benefits to which you may be entitled as a VGS employee. Please understand that this general explanation is not intended to, and does not, provide you with all the details of these benefits. Therefore, this Handbook does not change or otherwise interpret the terms of the individual plan documents. To determine your rights under VGS employee benefit plans, you must refer to the terms of the benefit plan documents. To the extent that any of the information contained in this Handbook is inconsistent with the official individual documents, the provisions of the official documents will govern in all cases. Please note that nothing contained in the benefit plan descriptions in this manual shall be held or construed to create a promise of employment or future benefits, or a binding contract between VGS and its employees, retirees or their dependents, for benefits or for any other purpose.

VGS reserves the right, in its sole and absolute discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the benefit plans described herein, including any health benefits that may be extended to retirees and their dependents. Further, VGS reserves the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the benefit plans described herein, and to decide all matters arising in connection with the operation or administration of such plans.

For more complete information regarding any of our benefit programs, please refer to the Summary Plan Descriptions, which were provided to you separately. It is VGS's responsibility to provide you with Summary Plan Descriptions, and it is your responsibility to be aware of available benefits and take any actions necessary to apply for said benefits or otherwise meet eligibility criteria.

HOLIDAYS

Our Company normally observes the following holidays during the year:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- The Day after Thanksgiving
- Christmas

If one of the above holidays falls on Saturday, it normally is observed on the preceding Friday. If one falls on Sunday, it normally is observed on the following Monday. One floating holiday will be given per year. Each year Management will determine when the floating holiday will be observed.

Eligible employees receive a paid holiday only if the holiday falls on a day they are normally scheduled to work.

Full-time employees are eligible for paid holidays after completing their introductory period. Commissioned sales people are not eligible for this benefit.

Exempt employees will receive holiday pay in compliance with state and federal wage and hour laws.

Non-exempt employees must work their scheduled work day before and after the holiday in order to be paid for the holiday, unless they are absent with prior permission from their supervisor. If eligible nonexempt employees work on any of these holidays, they will receive "double-time" pay (holiday pay plus their straight-time rate for the hours worked on the holiday).

PAID TIME OFF (PTO)

Full-time employees with the exception of commissioned sales staff are eligible for PTO. PTO is calculated according to your tenure with VGS and your anniversary date.

Guidelines for PTO Use

During the first full year of employment, you will accrue PTO, however, no PTO days may be taken during the Introductory Period.

Each full time employee will accrue PTO bi-weekly in hourly increments based on their length of service as defined in the Years of Service section below. PTO is added to the employee's PTO bank when the bi-weekly paycheck is issued. Any PTO taken will be subtracted from the employee's accrued time bank in one hour increments. Temporary employees, contract employees, and interns are not eligible to accrue PTO.

Eligibility to accrue PTO is contingent on the employee either working or utilizing accrued PTO for the entire bi-weekly pay period. PTO is not earned in pay periods during which unpaid leave, short or long term disability leave or workers' compensation leave are taken.

Employees may use time from their PTO bank in hourly increments. Time that is not covered by the PTO policy, and for which separate guidelines and policies exist, include company paid holidays, bereavement time off, required jury duty, and military service leave.

Employees are required to notify their supervisor well in advance of their absence unless the PTO is used for legitimate, unexpected illness or emergencies. In all instances, PTO must be approved by the employee's supervisor in advance. VGS appreciates as much notice as possible when you know you expect to miss work for a scheduled absence.

Paid Time Off (PTO) Exceptions

- PTO taken in excess of the PTO accrued can result in progressive disciplinary action up to and including employment termination.
- PTO accrued prior to the start of a requested and approved unpaid leave of absence must be used to cover hours missed before the start of the unpaid leave.
- Employees who take a leave of absence from the Company under the Family and Medical Leave Act policy will be required to exhaust all available PTO while on FMLA leave.
- Employees, who miss more than three consecutive unscheduled days, may be required to present a doctor's note to the Human Resources department that permits them to return to work.

Specific Eligibility for Paid Time Off (PTO)

PTO is earned on the following schedule based on a 40 hour work week. PTO is prorated based on the number of hours an employee is regularly scheduled to work.

Years of Service

Employees will earn PTO based on their length of service as follows:

Year 1	8 Days (64 hours – earned at a rate of 2.46 hours per pay period)
Years 2-5	14 Days (112 hours – earned at a rate of 4.31 hours per pay period)
Year 6	20 Days (160 hours – earned at rate of 6.15 hours per pay period)

PTO days will count towards the calculation of overtime for hourly employees.

We want employees to use their PTO because everyone needs to rest and relax from time to time. In the event that available PTO is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year up to a maximum of 240 hours. Once the maximum number of hours has been reached, PTO will no longer accrue. Effective January 1, 2013, VGS will be making a change to the maximum accruable PTO hours for all employees. Employees will be allowed a maximum amount of 160 hours of accrued PTO hours. Once the 160 hour maximum has been reached, PTO will no longer accrue. Please refer to SECTION 6 of this handbook.

Upon termination of employment, employees who: (1) have provided at least two weeks advance notice of their termination date; and (2) are not being terminated from employment for gross misconduct will be paid accrued and unused PTO. If an employee has used PTO time not yet accrued, and employment terminates, the PTO taken is deducted from the final paycheck.

Employees who are rehired will receive credit for former time worked and accumulate current PTO for the combined time.

JURY DUTY

VGS will provide time off without pay for any employee who is called to serve on a jury. (Employees who wish to use accrued vacation during jury duty are permitted to do so; notify your supervisor and Human Resources if you want to use your accrued vacation for this purpose.)

Proof of jury duty service issued by the Court must be submitted to the Human Resources Department upon return.

Make arrangements with your supervisor as soon as you receive your summons. We expect you to return to your job if you are excused from jury duty during your regular working hours.

MILITARY LEAVE

An employee who is a member of any armed forces reserve or national guard unit will be granted time off without pay, in addition to vacation time, for duty in the uniformed services. Employees may, but are not required to, use accrued vacation during this time if they wish to receive pay. Employees called for such service must immediately notify their supervisor that they have been called, and should also submit a copy of their orders.

Employees on military leave will retain their right to health insurance coverage for themselves and previously covered dependents for up to 24 months. VGS will continue to pay its portion of the health insurance premiums, and the employee will continue to pay his or her portion of such premiums for the first 31 days of military leave. For military leave lasting 31 days to up to 24 months, employees may elect to retain group health insurance coverage for themselves and/or previously covered dependents and will be required to pay the full cost of such coverage. When the employees return from military leave, their health insurance coverage will be immediately reinstated under the terms and conditions that existed when they were at work. Employees on military leave can elect health coverage retroactively to the beginning of their military service at any time during the first 24 months of military service.

Employees on military leave will continue to accrue seniority as if they had been continuously at work.

All employees other than temporary employees are entitled to reinstatement to their former job upon completion of their military service, provided that they are released under "honorable" conditions, that they provide timely notice to VGS, and that their position has not been eliminated for reasons unrelated to their military service, such as a reorganization. For periods of military service up to 30 days, employees must report back to work on the first regularly scheduled work day following the day after they return from military service. For periods of military service between 31 days and 180 days, employees must apply for reemployment (by telephone or in writing) not later than 14 days after completion of service. For periods of military service of 181 days or more, employees must apply for reemployment no later than 90 days after completion of service. Employees must provide VGS with documentation of the date of their release from military service and confirming that their release was under "honorable" conditions.

VGS will make reasonable efforts to help returning employees qualify for their former jobs. For example, VGS will provide refresher training to renew prior skills and additional training to gain any new skills required by technological upgrades that VGS has installed during the employee's leave. In addition, VGS will make reasonable efforts to accommodate returning employees who have sustained an injury related to their military service, and will continue such accommodations until the injury is healed.

Finally, for periods of military service in excess of 30 days, VGS will not terminate the employment of returning employees during the 180 day period following their return from military service, other than for cause.

BEREAVEMENT LEAVE

Full-time employees are eligible for up to three paid days for the death of an immediate family member. Members of the immediate family include spouses, domestic partners, parents, brothers, sisters, children, children of domestic partners, parents-in-law and parents of domestic partners.

Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Employees may, with their supervisors' approval, use any available paid leave for additional time off as necessary.

PERSONAL LEAVE OF ABSENCE

An occasion may arise in which an employee is faced with an emergency or special circumstance and needs to take an unpaid personal leave of absence (LOA). In such circumstance VGS may grant a personal leave of absence without pay. Each request for a leave of absence will be evaluated on an individual basis, taking into consideration length of service, work record, staffing needs, and reason and length of the leave. To qualify for a personal leave of absence, the employee must be classified as a full-time employee and must have completed at least 12 months of full-time service at the time of the request.

Employees may apply for a personal leave of absence by submitting a request in writing to their supervisor, with a copy to Human Resources, at least two weeks before the start date of the leave requested, describing the nature of the leave, the dates the employee expects to be away from work, and the date the employee intends to return. If the leave is an emergency in nature, the two-week requirement may be waived by VGS.

Generally, a personal leave of absence shall not exceed 12 calendar weeks. A longer personal leave of absence may be granted only under extraordinary circumstances. Failure to report back to work on the first day after expiration of the leave of absence will be considered a voluntary resignation from employment.

Employees who are granted personal leaves of absence will exhaust, during the LOA, any paid time off they have accrued. Unless required by applicable law, employees will not accrue additional paid time off while on an unpaid leave of absence.

If an employee is granted and takes a personal leave of absence, his/her other benefits may be affected. The organization cannot guarantee employees their original position or an equivalent position will be available when they return. However, if, at the end of the personal leave, the employee's position is still open, or another position is open for which the employee is qualified, the employee will be reinstated into the original position or transferred into an available position for which he or she is qualified. If, due to business necessity, the employee's position must be filled by VGS during the LOA, and no other position is available for which the employee is qualified, then the employee will be deemed to have resigned from VGS, and will be eligible for rehire when a position for which the employee is qualified becomes available.

MEDICAL INSURANCE

VGS offers a health insurance plan for all Regular Full-Time employees and their dependents. Employees are eligible for the plan after they have satisfactorily completed their introductory period. Upon completion of the Introductory Period, employees should make an appointment with Human Resources to obtain the necessary medical insurance enrollment forms. Eligible employees will contribute to the cost of the health insurance program. This amount will be deducted from gross pay, thereby reducing an employee's federal, state, and local taxes.

Refer to the actual plan document and summary plan description if you have specific questions regarding this benefit plan.

Upon termination you may be entitled to continuation or conversion of the group medical insurance plan in accordance with the terms of the policy and/or applicable state and federal law.

DENTAL INSURANCE

VGS offers a Dental insurance plan for all Regular Full-Time employees and their dependents. Employees are eligible for the plan after they have satisfactorily completed their introductory period and need to ask the Human Resources Department for the appropriate forms to apply.

Eligible employees will pay the cost of the dental insurance program. This amount will be deducted from gross pay, thereby reducing an employee's federal, state, and local taxes.

A booklet containing the details of the plan and eligibility requirements may be obtained from the Human Resources Department.

Refer to the actual plan document and summary plan description if you have specific questions regarding this benefit plan. Those documents are controlling.

Upon termination you may be entitled to continuation or conversion of the group dental insurance plan in accordance with the terms of the policy and/or applicable state and federal law. For more information contact the Human Resources Department.

COBRA

You and your covered dependents will have the opportunity to continue medical benefits for a period of up to 36 months under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) when group medical coverage for you and your covered dependents would otherwise end due to your death or because:

- your employment terminates, for a reason other than gross misconduct;
- your employment status changes due to a reduction in hours;
- your child ceases to be a "dependent child" under the terms of the medical plan;
- you become divorced or legally separated; or
- you become entitled to Medicare.

In the event of divorce, legal separation, or a child's loss of dependent status, you or a family member must notify the plan administrator within 60 days of the occurrence of the event.

The plan administrator will notify the individuals eligible for continuation coverage of their right to elect COBRA continuation coverage.

LIFE INSURANCE

Regular Full-Time employees may enroll in the Life Insurance Plan after completing their introductory period. The death benefit is 1x an employee's basic annual earnings up to a maximum of \$50,000.

The cost of this insurance is fully paid by the Company. You must complete an insurance form and designate your beneficiary.

Participating employees may also be covered under the plan's Accidental Death and Dismemberment Rider.

To obtain additional information regarding this benefit plan please contact the Human Resources Department.

LONG-TERM DISABILITY (LTD) PLAN

Regular Full-Time employees may enroll in the company sponsored Long-Term Disability Plan after completing their introductory period. In the event you become disabled you will be eligible to obtain 60% of monthly earnings (up to the maximum).

You may receive this benefit after 3 months of disability or after the exhaustion of paid sick leave, whichever is later.

To obtain additional information regarding this benefit plan please contact the Human Resources Department.

SECTION 125

VGS offers a pre-tax contribution option for employees. This employee benefit is known as Section 125 plan. A Section 125 plan is a benefit plan that allows you to make contributions toward premiums for medical and dental insurance on a “before tax” rather than an “after tax” basis. This means your contributions towards premiums are deducted from your pay before income taxes and Social Security is calculated. Employees are eligible to participate in these plans after they have satisfactorily completed their 90 day introductory period.

To obtain additional information regarding this benefit plan please contact the Human Resources Department.

FLEXIBLE SPENDING ACCOUNT

Regular Full-time employees may enroll in the Flexible Spending Account plan after completing 180 days of employment. The Flexible Spending Account plan allows you to make pre-tax contributions towards out-of-pocket medical expenses and dependent care expenses on a “before tax” basis. This means your qualified expenses are deducted from your pay before income taxes and Social Security is calculated.

For additional information regarding this benefit please contact the Human Resources Department.

COMMUTER BENEFIT

VGS offers a commuter benefit plan for all Regular Full-Time employees. Employees are eligible for the plan after they have satisfactorily completed their 90 day introductory period. The commuter benefit plan allows you to make pre-tax contributions to a commuter benefit account for either parking or transit expenses. The IRS defines the monthly spending limit for each type of commuter benefit account.

To participate in this plan complete an enrollment form and return it to the Human Resources Department.

FAMILY AND MEDICAL LEAVE ACT

Eligible employees may take up to 12 weeks of unpaid family/medical leave within a rolling 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:

1. The birth of your child and to care for such a child;
2. The placement of a child with you for adoption or foster care and in order to care for the newly placed son or daughter;
3. To care for a spouse, your child or parent ("covered relations) with a serious health condition; and
4. Because of your own serious health condition that renders you unable to perform an essential function of your position.
5. To respond to an exigent situation involving an employee's spouse, child or parent who is on active duty or has been notified of an impending call or order to active duty.

An employee who is a spouse, son, daughter, parent or next of kin (nearest blood relative) of a member of the Armed Forces (including the National Guard or Reserves) who is undergoing medical treatment, recuperation or therapy, or is otherwise on outpatient status or on a temporary disability retired list for a serious injury or illness, may take up to 26 weeks of FMLA leave to care for that family member who is in the Armed Forces. Spouses who are both employed by VGS, Inc. may take a combined total of 26 weeks of FMLA leave between them to provide this care.

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 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 any accrued paid vacation must be used simultaneously with your family/medical leave. If you request leave in order to care for your own serious health condition or that of a spouse, child or parent, any accrued paid vacation and sick leave must be used simultaneously with your family/medical leave.

The substitution of paid leave time for unpaid time does not extend the 12-week leave period. Also your family/medical leave may run concurrently with other types of leave.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will be provided by VGS until the end of the month in which the approved family leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue. When the employee returns from family leave, benefits will again be provided by VGS according to the applicable plans.

Benefit accruals, such as vacation, sick leave, or holiday benefits, will be suspended during the leave and will resume upon return to active employment.

When spouses/domestic partners are employed by this company, they are entitled to a combined total of 12 weeks' leave: (1) for birth, adoption or foster care and in order to care for such a child; or (2) to care for a parent with a serious health condition. Each individual is entitled to 12 weeks' leave because of his/her own serious health condition or to care for the serious health condition of his/her child or spouse without counting leave time taken by the other spouse.

Leave due to a serious health condition may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced leave schedule (reducing the usual number of hours you work per workweek or workday) if medically necessary. If the leave is unpaid, the company will adjust your salary based on the amount of time actually worked. In addition, while you are on an intermittent or reduced-schedule leave, the company may temporarily transfer you to an available alternate position that better accommodates your recurring leave and that has equivalent pay and benefits.

Procedure for Requesting Leave

1. An eligible employee may request FMLA leave by completing a “Request for Family/Medical Leave Form” and submitting it to the Human Resources Department. Unless FMLA leave is requested for an event that was unforeseeable, employees should submit their Request forms at least 30 days prior to the date on which they would like FMLA leave to commence. Failure to submit the Request form on a timely basis may result in denial or delay of the requested leave. If your need is because of a planned medical treatment, attempt to schedule the treatment to avoid disrupting the company’s operations.
2. An employee who requests leave to care for a serious health condition will be given a “Certification of Physician or Practitioner Form”, to be completed by the appropriate health care practitioner and returned to the department manager as soon as possible before the commencement of FMLA leave. Failure to submit this certification prior to the desired FMLA leave may result in denial of the requested leave. The Human Resources Department will review the Request for Family/Medical Leave and the Certification of Physician or Practitioner form (if appropriate) and determine whether the requested leave can be approved. The Human Resources Department will notify the employee of the decision regarding the requested leave, the basis for the decision, and other necessary information including the procedures for the employee to follow to ensure continuation of benefit coverage.
3. Any employee who makes a false statement, or submits a document containing a false statement, to the Company in connection with a FMLA leave request will be subject to disciplinary action, up to and including termination from employment.

Medical Certification for a Serious Health Condition

If you are requesting leave because of your own or a covered relation’s serious health condition, the appropriate health care provider must supply medical certification. Obtain a medical certification form from the Human Resources Department. If possible, you should provide the medical certification before your leave begins. If you do not provide the required medical certification in a timely manner, your leave may be delayed until it is provided.

The company, at its expense, may require an examination by a second health care provider designated by the company, if it reasonably doubts the medical certification you initially provide. If the second health care provider’s opinion conflicts with the original medical certification, the company, at its expense, may require a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion. The company may require subsequent medical recertification. Failure to provide requested certification within 15 days, if such is practicable, may result in delay of further leave until it is provided.

FAMILY AND MEDICAL LEAVE ACT—NEW JERSEY

Eligible employees may take up to 12 weeks of unpaid family leave within a rolling 24-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 satisfied both of the following conditions:

1. Worked for the same employer for at least 12 months and for at least 1000 hours within that time (including hours that the employee would have worked but for an absence from work due to military service);
2. At the time leave is requested either (a) worked at a worksite with 50 or more employees or (b) worked at a worksite with less than 50 employees if 50 or more employees are employed within 75 miles of the worksite.

Eligible employees may take family/medical leave for any of the following reasons:

1. The birth of your child and to care for such a child;
2. The placement of a child with you for adoption or foster care and in order to care for the newly placed son or daughter;
3. To care for a Family Member with a serious health condition, including the time needed to arrange for changes in care of a family member, such as for placement in a nursing facility for purposes of this policy, "Family Member" includes one partner in a civil union couple.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will be provided by VGS for the duration of the leave. VGS will only continue to pay the employer's share of these benefits. Employees will be responsible for paying the remaining portion of the premium.

VGS will require medical certification of the birth or adoption of a child or any serious health condition requiring leave. **(Please refer to the Medical Certification Policy on page 23)**

An employee who is taking NJFLA leave in order to care for a family member's serious health condition must provide at least 30 days' advance notice unless the reason for the leave was an unforeseeable emergency.

New Jersey Family Leave Act (NJFLA) and the federal FMLA time off counts simultaneously. However, since NJFLA does not provide for leave for the employee's own illness, an employee who has exhausted all FMLA leave for a personal illness may still be eligible to take NJFLA for the birth or adoption of a child, or serious medical condition of a family member. In addition, if an eligible employee is on disability leave while pregnant for four weeks and is on disability leave following childbirth for an additional six weeks, those 10 weeks that the employee is on disability leave count against the employee's FMLA entitlement only, and the employee retains the full 12-week entitlement under the NJFLA for the care of the newly-born child.

Return to Work from Family and Medical Leave

Upon completion of scheduled FMLA leave, an employee will be returned to the same position held prior to the leave or to a position with equivalent pay, benefits, and other terms and conditions of employment. However, if, during the employee's FMLA leave, the Company undergoes a workforce reduction or layoff to which the employee would have been subject had the employee been at work, then the employee will not be entitled to reinstatement.

Employees who take FMLA leave to care for their own serious health condition are required to submit, two (2) weeks prior to their return date, medical certification that they can perform the essential functions of their position.

Failure to return from any FMLA leave on the date scheduled will be deemed a voluntary resignation from employment.

SHORT-TERM DISABILITY BENEFITS

VGS's short-term disability plan is a benefit that provides partial pay (one-half of weekly wages up to a maximum benefit as determined by state law) for employees who are unable to work due to non-work

related illness, injury, or disability, after an absence of more than 7 consecutive calendar days. Benefits begin on the 8th day of disability and continue for related absences up to a maximum of 26 weeks. If the employee returns to work and the disability recurs within 90 days, the employee does not have to wait the 7 days; disability benefits will begin immediately.

A disability claim form must be filed with Human Resources within 20 days after the date on which you become disabled. A short-term disability leave must be certified by a physician's or licensed health care professional's statement identifying the nature of the disability, and stating or estimating the date when the employee will be able to return to work. If the employee cannot return on that date, another statement from a physician or licensed health care professional, with a new return date, will be required.

Employees will not be able to return to work without submitting to Human Resources a note from a physician or licensed health care professional authorizing the employee's return. VGS reserves the right to confirm the necessity for disability leave by requiring the employee to receive a second or third opinion by a doctor of VGS's choice. VGS will assume any costs for additional examinations that are not paid by the insurance carrier.

SOCIAL SECURITY

Visual Graphic Systems, Inc. complies with all State and Federal Guidelines regarding this benefit. For additional information contact the Human Resources Department.

UNEMPLOYMENT INSURANCE

Upon separation from employment at VGS, employees may be entitled to state and federal unemployment insurance if the employee becomes unemployed for reasons unrelated to the employee's own conduct (e.g., the employee's job is eliminated). An employee may be ineligible for unemployment insurance benefits, however, if the employee voluntarily resigns from employment or if employment is terminated because of the employee's own gross misconduct.

WORKERS' COMPENSATION

Injuries occurring in the course of employment are paid for by workers' compensation insurance. Workers' compensation insurance pays all medical costs, without a deductible provision, and is paid for exclusively by VGS. There are well-defined provisions that must be met to ensure that employees qualify for workers' compensation benefits.

Any work-related injury or illness must be immediately reported in writing to the employee's supervisor. The workers' compensation insurer will investigate all late reported claims. When facts cannot be verified, the claim will be denied. Any claim for an injury or illness caused by an employee's willful misconduct, alcohol, or drug usage or that occur during the employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by VGS will not be compensable. Workers' compensation fraud is a felony, punishable by fines and/or jail time. VGS will prosecute any individual found to be fraudulently claiming a work-related illness or injury.

PROFIT-SHARING PLAN

VGS is committed to share the fruits of its success with its employees. Each year, a percentage of after-tax profits are put into a pool that is divided among all employees. The Board of Directors sets the size of the pool, based on the level of profitability and the financial requirements of the business. An employee team sets the ground rules for eligibility and decides how the pool will be divided. A portion of the profit-sharing that each eligible employee receives will be allocated to the 401K account. If an employee does not have a 401K account those funds will not be disbursed.

Profit sharing is announced after the results of the company's fiscal year (ending December 31) are final and is paid out subject to the Company's cash flow. Please note that the decision as to whether company profits will be shared with employees is at the sole discretion of the Board of Directors.

401(k) QUALIFIED RETIREMENT PLAN

VGS provides eligible employees with a 401(k) Qualified Retirement plan which is an excellent means of long-term savings for your retirement. VGS has adopted an Automatic Enrollment feature to the 401K plan. All eligible employees are automatically enrolled in the Plan starting with the first paycheck following 180 days of full-time employment. This means that amounts will be taken from your pay and contributed to the Plan. These automatic contributions will be 3% of your eligible pay each pay period. But, you can choose a different amount. You can choose to contribute more, less, or nothing. You will be given 30 days to opt out of the plan.

You can obtain a copy of the Summary Plan Description, which contains the details of the plan including eligibility and benefit provisions from the Human Resources Department. In the event of any conflict in the description of the plan, the official plan documents which are available for your review, shall govern. If you have any questions regarding this plan contact the Human Resources Department.

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CONFIDENTIALITY OF COMPANY MATTERS

During the course of employment at VGS, staff members may gain access to confidential VGS information. For purposes of this policy, “confidential information” means information regarding the affairs and business transactions of VGS, its present and prospective customers, its suppliers, and affiliated organizations, where such information is not available to the general public and, if disclosed to those not authorized to receive it, could damage the business and/or privacy interests of VGS and/or its employees, customers or business partners.

Such confidential information includes, but is not limited to, the following examples:

- Compensation data
- Customer Lists
- Customer preferences
- Financial information
- Cost estimates
- Quotations
- Marketing strategies
- New materials research
- Pending projects and proposals
- Proprietary production processes
- Research and development strategies
- Technological data
- Technological prototypes
- New Product Development
- Computer Files

“Confidential information” does not, for the purposes of this policy or the Standards of Conduct or other policy at VGS, include terms and conditions of employment, and nothing in this policy is intended, or should be construed, to limit employees’ right to discuss terms and conditions of employment at VGS.

Safeguarding confidential information is essential for conducting VGS business, and for maintaining positive relations with our customers. Therefore, staff members are required to keep confidential, and not disclose, information about VGS and/or VGS customers to anyone who does not work for VGS and to anyone within VGS who does not have an absolute need to know the confidential information. If a staff member has any questions regarding whether and to whom particular information can be disclosed, the staff member should consult with any officer of the company for assistance **before making any disclosure.**

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment, even if they do not actually benefit from the disclosed information. Employees who disclose trade secrets may also be subject to civil or criminal prosecution. Information that is significant to VGS business may not be erased or destroyed unless you are given prior authorization from your supervisor.

ATTENDANCE AND PUNCTUALITY

Attendance and punctuality are important factors for your success within our Company. We work as a team and this requires that each person be in the right place at the right time.

If you are going to be late for work or absent, notify your supervisor as far in advance as is feasible under the circumstances, but no later than one hour before the start of your workday.

Personal issues requiring time away from your work, such as doctor's appointments or other matters, should be scheduled during your non-working hours if possible.

Excessive absences and/or tardiness and/or patterned absenteeism (absences before or after a weekend, holiday or other day off) may result in disciplinary action including termination of employment.

If you are absent for two days without notifying the Company, it is assumed that you have voluntarily abandoned your position with the Company, and you will be removed from the payroll.

WORKWEEK

Because of the nature of our business, your work schedule may vary depending on your job. The normal work schedule for all employees is 8 hours a day, five days a week. Supervisors will advise employees of the times their schedules will normally begin and end.

Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. Shop hours vary by department and project requirements.

BREAKS

Each workday full-time nonexempt employees are provided with two rest period 15 minutes in length. Since this time is counted and paid as time worked, employees must not be absent from their workstations beyond the allotted rest period time.

EMPLOYEE PERSONNEL FILES

VGS maintains a personnel file on each employee. VGS may permit employees to inspect the contents of their personnel files in order to review and assist VGS in updating information. An employee's opportunity to inspect his or her personnel file may not be assigned or delegated by the employee to any other person without the express written permission and consent of VGS. VGS reserves the right to withhold from the employee's access any documents in the employee's personnel file which VGS, in its sole judgment, deems to invade, impair, compromise or in any way affect the legitimate expectations of others to privacy or confidentiality. VGS further reserves the right to withhold documents or portions thereof that VGS deems private, confidential or privileged.

VGS is required to keep accurate, up-to-date employment records on all employees to ensure compliance with state and federal regulations, to keep benefits information up-to-date, and to make certain that important mailings reach all employees.

Employees must inform VGS of any necessary updates to their personnel file such as a change of address, changed telephone numbers, emergency contact, marital status, number of dependents, or military status. Employees should also inform their supervisor of any outside training, professional certifications, education, or any other change in status.

VGS maintains as confidential, and will not disclose, an employee's personnel file to a third party absent a valid subpoena or similar Order from a court, government agency or other similar authority.

EMPLOYEE MEDICAL RECORDS

This policy applies to all medical information regarding employees, including workers' compensation claims, pre-employment physicals fitness for duty examinations, reasonable accommodation examinations, and family and medical leave forms. **As with all other confidential information, access to employees' health records is restricted to individuals with a need to know.** Further, such access shall be granted only in accordance with applicable law, which includes the Americans with Disabilities Act (ADA), Occupational Safety and Health Act (OSH Act), the Family and Medical Leave Act (FMLA), Health Insurance Portability and Accountability Act (HIPAA), and applicable state laws.

Medical records will be maintained in folders separate from personnel records. The folders will be marked "Confidential Medical Information." HIPAA-protected health information (PHI) will be kept in folders marked "HIPAA-Protected Health Information."

The access to medical records policy will be coordinated with the company's drug-testing policy, Employee Assistance Program policy, equal employment opportunity policy, HIPAA regulations, OSHA regulations, public health laws, and leave of absence policy.

Employee Access to Medical Records

An employee may review his or her own health records during normal business hours. Photocopies of an employee's medical records will be provided to the employee upon request. Employees may be required to pay the cost of photocopying the records.

If an employee believes that the access to medical records policy has been violated, he or she should contact Human Resources. If the employee believes that Human Resources has violated this policy, the employee should contact any officer of the company.

Access to Medical Records by Co-Workers

Generally, co-workers will not have access to an employee's medical records. If there is a bona fide reason for a co-worker to have knowledge concerning the medical condition of a fellow employee, Human Resources may release it in a manner that does not identify the individual employee. For example, if an employee has a contagious disease, those employees who need to receive immunization against that disease will simply be told that they have been exposed to the disease, without identifying the ill employee.

In contrast, if a reasonable accommodation is being provided to an employee and co-workers inquire as to why the employee is receiving special treatment, no medical information is to be released. The appropriate answer is that the company is following its policies and is acting in compliance with federal and state laws.

Access to Medical Records by Supervisors

Supervisors may not have access to an employee's medical records, except with permission of Human Resources. The supervisor must have a bona fide business reason for access, such as designing a reasonable accommodation for an individual with a disability.

Access to Medical Records by Outsiders

All requests for medical records from outsiders must be referred to Human Resources. In the event that any subpoena is served for medical records, Human Resources will confirm that the employee is aware of the request and has an opportunity to oppose the subpoena before providing the information.

Medical records will be provided to outsiders only as required by law or with the consent of the individual. For example, the company will comply with properly served valid subpoenas and requests for information from the Occupational Safety and Health Administration (OSHA), the state Workers' Compensation Board, and similar agencies that, by law, have the right to access the documents. Further, the company will report contagious diseases as required by the public health code. As permitted by law, the information will be provided in a form so as not to identify individuals.

Security of Medical Records

Information concerning the health of an employee will be maintained in files separate from all other personnel records. Further, the records will be separated into individual files according to the following categories: HIPAA-protected health information, workers' compensation claims, OSHA records, pre-employment physicals, drug screens, reasonable accommodations for a disability, and leaves of absence. All medical records will be marked "Confidential."

Current employees. All records relating to the health of current employees shall be maintained in confidence, and access will be provided only on a need-to-know basis and in accordance with applicable law. All access must be approved by Human Resources. Records relating to the health of current employees shall be maintained in files separate from personnel files.

Former employees. Access to medical records for former employees will be provided on a need-to-know basis. All access must be approved in writing by Human Resources and will be in accordance with applicable law. Upon the expiration of 3 years from the last day of employment or leave of absence, whichever occurs later, these records will normally be destroyed. The records may continue to be maintained if there are any ongoing proceedings that require the retention of the file.

Applicants. Prior to undergoing an employment physical, the applicant is to be informed of the company's confidentiality policy concerning medical records. If the offer of employment is withdrawn as a result of the medical examination, or if the individual fails to report to work on the hire date, such records shall be maintained separately from all other personnel files, including the application. Subject to applicable law, the records will normally be destroyed, along with the application, after 1 year from the application date. The records may continue to be maintained if there are any ongoing proceedings that require the retention of the file.

USE AND DISSEMINATION OF EMPLOYEE SOCIAL SECURITY NUMBERS

In compliance with the New Jersey Identity Theft Prevention Act, VGS will not: 1) publicly display or communicate an individual's Social Security number (or any four or more consecutive numbers from the Social Security number); 2) print an individual's Social Security number on materials mailed to the individual; 3) print an individual's Social Security number on any card required for the individual to access VGS products or services; 4) require an individual to transmit his Social Security number over the Internet unless the connection is secure or the Social Security number encrypted; or 5) require an individual to use his Social Security number to access an Internet website unless a password is also required to access the website. VGS will also take all reasonable measures to ensure that no officer or employee has access to employee social security numbers for any purpose other than for a legitimate or necessary purpose related to the conduct of VGS business, and will provide the safeguards necessary to preclude unauthorized access to employee social security numbers and protect the confidentiality of this information.

STANDARDS OF CONDUCT/CORRECTIVE ACTION

VGS has adopted rules and standards to ensure productive, harmonious operations. VGS hopes and expects that the professionalism and integrity of its employees will make corrective action unnecessary. Nevertheless, in those instances in which this expectation is not met, corrective action, such as oral warnings, written warnings, suspension from employment, probation or discharge, will result. VGS's Rules of Conduct remain in force at all times during which an employee is acting on VGS's behalf, including all functions outside of the office and/or outside of the usual office hours.

The following conduct by an employee will warrant the imposition of appropriate corrective action up to and including discharge. The examples are illustrative and do not necessarily encompass all misconduct that will result in corrective action:

- dishonesty or stealing (or aiding others in dishonest conduct);
- falsifying time records or any other VGS record, including the application for employment;
- sale, possession or working under the influence of illegal narcotics, alcohol or controlled substances while on the job or on VGS premises;
- criminal or unethical conduct reflecting unfavorably upon our organization;
- bringing or possessing firearms or weapons onto VGS premises;
- revealing or aiding others in revealing confidential information about our organization and/or its customers;
- fighting or deliberately causing injury to another or damage to property at work;
- sleeping on the job
- threatening or intimidating another employee, or any person invited to the workplace, including by using obscene, abusive or threatening language;
- making defamatory statements or false statements (intentionally or without due regard for the truth of the matter asserted) detrimental to our organization;
- excess absenteeism, poor punctuality, leaving the work area or job assignment without proper authorization
- violation of VGS's policy regarding solicitation;
- unauthorized copying and/or removal from VGS of documents related to VGS or our customers;
- using company property or that of another employee in an inappropriate manner;
- unauthorized use of company time for personal activities or activities unrelated to work duties;
- dressing in attire unsuitable for work;
- unauthorized copying or downloading of software in violation of copyright laws and/or adding personal software to company computers without prior written authorization;
- posting any literature, handbills, petitions, posters or other materials on VGS premises without the prior approval of the President;
- inappropriate use of email, voicemail or other electronic equipment;
- insubordination/refusal to perform assigned duties;
- violating any VGS policy, including but not limited to the EEO and Anti-Harassment, Confidentiality, and/or Conflict of Interest policies;
- destruction of VGS property; or
- violation of health/safety rules.

An employee who has been subject to any corrective action, other than an oral warning, will not be eligible for transfer or promotion during the 12 month period that follows the disciplinary action.

An employee whose employment is terminated for violating a standard of conduct is not eligible for rehire by VGS at any time.

CORRECTIVE ACTION

When it becomes necessary to address an employee's actions in the workplace, general guidelines of acceptable business conduct will govern. ***Depending upon the nature and seriousness of the employee's actions, corrective action may begin at any step of the Corrective Action Process.*** In other words, it is not necessary in all instances for the initial response to violation to be a "Report of Meeting Conference", nor is it necessary in all instances to have a first written notice before a Final Warning or Termination. The purpose of the process is to ensure that employees are informed of exactly what behavior needs to be corrected, the measures the employee must take to correct unacceptable behavior, and give the employee adequate opportunity to correct the situation.

Corrective Action Steps

Step One: Report of Meeting Conference

The employee's immediate supervisor will meet with the employee and inform him/her of the specific behavior that is unacceptable. The supervisor will clearly identify the behavior and set a time by which the situation must be rectified. A written record of this conversation will be forwarded to Human Resources to be placed in the employee's personnel file.

Step Two: First Written Notice

The supervisor follows the same procedure as the Report of Meeting Conference, but in addition, the employee will be asked to sign the written record indicating he/she has read the document. The employee may wish to write his/her own comments on the notice or attach comments to that document.

Step Three: Final Written Notice

The supervisor follows the same procedure as the First Written Notice. The Final Written Notice specifies that the consequences of failing to remedy the behavior will be termination of employment.

Step Four: Termination

An employee who does not correct his/her behavior after a final written notice will be terminated if the behavior continues. **In cases involving more serious problems or violations of company policy, the process may be accelerated.** Any proposed acceleration of the Corrective Action Process must first be reviewed by Human Resources before implementation.

For occasions on which an employee's conduct is particularly serious, the employee may be terminated for a single occurrence of behavior or violation of policy without having been previously warned. In these cases, supervisors will suspend the employee pending a complete investigation of the situation before terminating the employee. **Any proposed terminations must first be reviewed by Human Resources before the termination takes place.**

Suspension may take place at any time during the Corrective Action Process. A supervisor may, with the approval of Human Resources, place an individual on suspension without pay for up to five working days.

If corrective action needs to be taken during the Introductory Period, the offending employee will be issued a Final Written Notice that clearly states that an additional occurrence of unacceptable behavior within the 90-day introductory period will result in termination.

OBLIGATION TO REPORT THEFT, FRAUD AND WORKPLACE ERRORS

Employees who know or suspect that another employee has engaged in theft, fraud, unauthorized workplace conduct, and/or conduct that violates any federal, state or local law, must inform their supervisor and/or Human Resources immediately. Employees who know or suspect that another employee has made a serious workplace error (whether intentional or not) and that the employee did not report his or her own error, must inform a supervisor immediately, particularly where the error could affect VGS's ability to provide services to our customers. VGS absolutely prohibits retaliation of any kind against any person for truthfully reporting to VGS management any act of theft, fraud, unauthorized workplace conduct and/or conduct that violates any federal, state or local law. Any employee, including officers and senior management, who engages in such retaliation will be terminated from employment at VGS.

ACCOUNTING AND FINANCIAL REPORTS

Employees whose job duties include documenting the handling and disbursement of VGS funds must record all financial transactions accurately. Reimbursable business expenses must be reasonable, accurately reported, and supported by receipts.

VGS's financial statements, and all books and record on which they are based, must accurately reflect all of the organization's transactions. All disbursements and receipts of funds must be properly authorized and recorded. No undisclosed or unreported fund may be established for any purpose.

Those responsible for the handling or disbursement of funds must ensure that all transactions are executed as authorized and recorded in order to permit VGS's financial statements to be prepared in accordance with Generally Accepted Accounting Principles. Any impropriety in the handling or disbursement of VGS funds, and/or any fraudulent reporting or misstatement of VGS finances, is grounds for termination from employment.

CHANGES IN PERSONAL DATA

To aid you and/or your family in matters of personal emergency, we need to maintain up-to-date information. Changes in name, address, telephone number, marital status, number of dependents or changes in next of kin and/or beneficiaries should be given to the Human Resources Department promptly.

CARE OF EQUIPMENT

You are expected to demonstrate proper care when using the company's property and equipment. No property may be removed from the premises without the proper authorization of management. If you lose, break or damage any property, report it to your supervisor at once.

COMPANY VEHICLES

Operators of company vehicles are responsible for safe operation and cleanliness of the vehicle.

Accidents involving a company vehicle must be reported to your supervisor immediately.

Employees are responsible for any moving violations and fines which may result when operating a company vehicle.

Company vehicles should be operated by authorized drivers only. Company vehicles may only be used for job related travel.

The use of seat belts is mandatory for operators and passengers of company vehicles.

DRIVING POLICY

To be a company driver:

1. You must have a valid driver's license. We will run a MVR on your license when hired and annually thereafter to verify your driving history.
2. We suggest that you sign up for a Defensive Drivers Course within the first three months of your employment.

DRIVING VIOLATIONS

1. You must immediately notify us if you were involved in any driving violations or incidents. If you are involved in any of the above and you have not been to a Defensive Drivers Course, you must sign up for one immediately. If you are involved in two or more of these violations, within any two-year period, your record will be reviewed and you may face suspension of your driving duties.
2. You must notify us immediately if you were involved in any major moving violations.

ACCIDENTS

1. All accidents must be reported to your supervisor immediately, whether they are serious or not.
2. All accidents will be judged as preventable or not.
3. If you are involved in two or more preventable accidents within a two-year period, all driving duties will be suspended immediately and may result in termination of employment.

VGS reserves the right to have a drug test conducted on employees who have been involved in an accident either inside or outside the company premises.

All of the above information will be kept in your employee file. If you have completed the Drivers Defensive Course we will need a copy of your certificate.

Violations of this policy are not permitted and may result in disciplinary action, up to and including discharge.

EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. To meet our commitments to our customers, we expect employees to make every effort to get to work. Time off because of weather will be unpaid. In extreme cases, these circumstances may require the closing of the work facility. When the decision to close is made AFTER the workday has begun, employees will receive official notification from their immediate supervisor. In these situations, time off from scheduled work for non-exempt employees will be paid at the rate of a half day pay if less than 3.5 hours has been worked and of a full days pay if the company was operational for more than 3.5 hours. Exempt employees will be paid in accordance with federal and state wage and hour law. When the decision to close is made BEFORE the workday has begun, time off from scheduled work will be unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused vacation benefits.

PERSONAL TELEPHONE CALLS/CELL PHONES

It is important to keep our telephone lines free for customer calls. Although the occasional use of the Company's telephones for a personal emergency may be necessary, routine personal calls should be kept to a minimum.

Personal cellular telephones must be turned off or set to a silent alert during working hours while on Company premises. The use of cell phones for personal telephone calls while on company time is strictly prohibited. However, employees may use their phones in designated areas during break periods.

Employees may not use cell phones equipped with recording or photographic capability on the work premises to make recordings or photographs in the workplace. Camera cell phones are not permitted under any circumstances in rest rooms or other locations where individuals would have a reasonable expectation of personal privacy.

PERSONAL MAIL

Please be advised that any item of mail that is sent or delivered to a VGS address is considered VGS mail, and may be opened by VGS personnel in the regular course of VGS business regardless of whether the mail is labeled "personal", "confidential", "to be opened only by addressee", or otherwise. Because employees are hereby advised that there is no reasonable expectation of privacy with regard to mail addressed to a VGS staff member at a VGS address, no employee should have personal mail sent to the workplace. Instead, employees should have any and all personal mail addressed to them at a home address or P.O. Box used by them for the receipt of their personal mail. Employees are hereby further advised that VGS is not responsible for the misdirection or loss of or damage to any personal mail that, contrary to this policy, is addressed to employees at VGS.

ELECTRONIC MAIL MONITORING

VGS has provided Internet access and installed an e-mail system to assist with communications related to Company business. Internet communications consist of email, posting and reading of Web logs (blogging), the use of real-time message posting (instant messaging), and accessing Web pages (browsing or surfing). VGS expects employees to use these communications for work-related research and business communications.

Employees who plan to be out of the office for a day or more (whether on business or for vacation or personal leave) should leave an Out of Office message on their email and voicemail advising those who may be in contact with the employee that the employee is away from the office, the date when the employee will return, and the name and telephone number (and/or email address) of the VGS staff member who can be contacted in the employee's absence to respond to inquiries related to the employee's VGS responsibilities.

Although each employee has an individual password and access to the system, the system itself belongs to the company and Company management may access e-mail communications at any or all times for any business purpose, with or without notice to the employees. All system passwords and encryption keys must be available to Company management, and no employee may use passwords that are unknown to the IT Department, nor may an employee install encryption programs without turning over the encryption key to the IT Department.

Please note that because employee privacy does not extend to employees' work related conduct or to use of equipment or supplies that the Company provides, no employee should expect that any e-mail messages sent or received on the Company email system are private. To the contrary, the Company is hereby advising all employees that such e-mail messages are subject to inspection and review by the Company as more fully described below.

All e-mail messages are Company records and, as such, may be disclosed without the employee's permission. Therefore, **employees should not assume that any e-mail messages are "private", even if the employee labels the message as such.**

The Company e-mail system was implemented to assist employees in performing their jobs; accordingly, employees should use e-mail for official firm business. Occasional personal use of e-mail is permitted, but these messages will be treated the same as all other messages on the Company system. The Company reserves the right to access and disclose all messages sent over its e-mail system without regard to the content of those messages. Because personal messages can be accessed by the Company without prior notice, employees should not use e-mail to transmit any message that they would not want a third party to read. For example, employees should not use firm e-mail to discuss personal information about themselves or others, to forward messages under circumstances likely to embarrass the sender, or the emotional responses to business correspondence or work situations. Moreover, employees may not use the Company email system to solicit for commercial ventures, religious or personal causes, or outside organizations. Such improper solicitation may result in disciplinary action up to and including termination from employment.

Software downloaded through the Internet must be used and purchased according to United States Copyright Law. The purchase of downloaded software must be documented and the documentation retained.

Unauthorized review, duplication, dissemination, removal, damage, or alteration of files, passwords, computer systems or programs, voicemail messages, or other company property, or improper use of information obtained by unauthorized means, may be grounds for disciplinary action, up to and including termination. In addition, portable media devices, including but not limited to cell phones, smart phones, mp3 players, iPods, and flash drives, must be used in strict compliance with this policy and all other company policies. Such devices may not be used for unauthorized download or storage of Company data, software, or other information.

Finally, the Company absolutely prohibits use of its e-mail system to communicate insulting, disruptive or offensive messages such as sexually explicit comments, cartoons or jokes: unwelcome sexual propositions; ethnic or racial slurs; or any other message that can be construed to be harassment or disparagement of others based on sex, race, national origin, religion, age, disability, sexual orientation or any other status protected by law. Abuse of the e-mail or Internet systems, through excessive personal use or use in violation of law or Company policies, will result in disciplinary action, up to and including termination from employment.

BLOGS/INSTANT MESSAGING

Instant Messaging (IM) software can expose the VGS network to viruses and hackers that may not be detected through virus identification software. Therefore, employees may not download any IM software onto VGS computers. Employees who need to engage in real-time conversation about work matters with colleagues should use a telephone, teleconferencing, or arrange to meet in person.

Blogs/Online Message Boards – VGS recognizes that web logs (“blogs”) and online message boards can be effective tools for exchanging information, and, when used responsibly, can raise the profile of our organization and its work. Therefore, employees are permitted to blog about VGS and/or post messages about the organization on online message boards. However, VGS requires that employees follow these guidelines when posting information about the organization on personal blogs or blogs written by others or on online message boards of any kind:

- (a) any public communications concerning VGS (whether via an employee’s own blog or a posting on another blog or online message board of any kind) must comply with all VGS policies, including, but not limited to, the anti-discrimination/anti-harassment policy and the confidentiality policy, and must comply with all applicable law, including laws governing nondiscrimination and unlawful harassment, use of trademarks and copyrighted work, and securities laws.
- (b) Personal blogging and/or posting of messages on other online message boards should be done on personal computers and personal time, so as not to interfere with VGS work duties/your work performance.
- (c) Employees must include the following disclaimer when they write about VGS or identify themselves in blogs or on online message boards as VGS employees: “The opinions expressed here are the personal opinions of the author. VGS does not review or approve this content before it is posted, nor does this content necessarily represent the views of VGS.”
- (d) Employees who identify themselves in blogs or other online message boards as affiliated with VGS may not communicate information that violates the privacy rights of others or discloses VGS confidential information, is defamatory, libelous, obscene, threatening, harassing, abusive or embarrassing to another person or organization.
- (e) Employees who identify themselves in blogs or other online message boards as affiliated with VGS may not post any material that disparages VGS, its products/services, senior leadership team, supervisors, co-workers, customers, vendors or competitors. Employees have the right to disagree with VGS and its management, but we ask that you do so in a professional manner and using a respectful tone.

Employees who violate this policy are subject to disciplinary action, up to and including termination from employment.

VOICEMAIL MONITORING

We recognize your need to be able to communicate efficiently with fellow employees and customers. Therefore, we have a voicemail system to facilitate the transmittal of business-related information within the company and with our customers. The voicemail system is intended for business use only.

Our company's policies against sexual harassment and other types of harassment apply fully to the voicemail system. Violations of those policies are not permitted and may result in disciplinary action, up to and including discharge. Therefore, employees are also prohibited from the transmission of sexually-explicit messages, ethnic slurs, racial epithets or anything which could be construed as harassment or disparaging of others.

All voicemail passwords must be made available to the company at all times. Please notify your supervisor if you need to change your password.

Violation of this policy may result in disciplinary action, up to and including discharge. For business purposes, management reserves the right to enter, search and/or monitor the private company voicemail system and the voicemail of any employee without advance notice and consistent with applicable state and federal laws. Employees should expect that communications that they send and receive by the private company voicemail system will be disclosed to management. Employees should not assume that communications that they send and receive by the private company's voicemail system are private or confidential.

ENGLISH AND OTHER LANGUAGES IN THE WORKPLACE

While English is the main language used to communicate in our workplace, we are very proud of the diversity of our staff and of the ways in which fluency in other languages permits our staff to be of service to a broad customer base. We ask employees to treat each other staff and our customers with respect in all aspects of the work relationship, using fluency in other languages to assist with communications, and not to exclude fellow staff members or interfere with supervision or customers' ability to receive service.

DRESS POLICY

Employees are expected to maintain the highest standards of personal cleanliness and present a neat, professional appearance at all times.

Our customers' satisfaction represents the most important and challenging aspect of our business. Whether or not your job responsibilities place you in direct customer contact, you represent the company with your appearance as well as your actions. The properly attired individual helps to create a favorable image for the company, to the public and fellow employees.

The company maintains a business casual environment. Employees are prohibited from wearing apparel, buttons or insignia that express political or personal messages. No dress code can cover all possible aspects of professional appearance, and so employees must exercise a certain amount of judgment in this area. As a general matter, however, clothing that reveals too much cleavage, your stomach, or your undergarments is not appropriate for a place of business, nor is clothing that is torn, dirty or displays words or pictures that could be offensive to other employees.

Employees who appear for work inappropriately dressed will be sent home, directed to return to work in proper attire, and (if non-exempt) will not be compensated for time away from work

PERSONAL HYGIENE

Maintaining a professional, business-like appearance is very important to the success of our company. Part of the impression you make on others depends on your choice of dress, personal hygiene and courteous behavior. A daily regimen of good grooming and hygiene is expected of everyone. Please ensure that you maintain good personal hygiene habits. While at work, you are required to be clean, dressed appropriately and well groomed.

REFERENCE CHECKS

Our Company will not honor any oral requests for references. All requests must be in writing and on Company letterhead. Generally, we will only confirm our employees' dates of employment, salary history and job title.

No employees outside of the Human Resources Department should provide another individual with information regarding current or former employees of our Company. If you receive a request for reference information, please forward it to the Human Resources Department.

LUNCH ROOM

A lunch room is available for your use. Although the Company provides general custodial care, you are expected to clean up after eating. This lunch room should be kept clean for the next person's use.

CONTACT WITH THE MEDIA

All media inquiries regarding the Company and its operations must be referred to Executive Management. Only Executive Management is authorized to make or approve public statements pertaining to the Company or its operations. No employees, unless specifically designated by the Executive Management, are authorized to make those statements.

SOLICITATION AND DISTRIBUTION/VGS BULLETIN BOARDS

In order to avoid unnecessary annoyances and work interruptions, employees may not solicit other employees (offer merchandise for sale, seek donations or contributions) while either person is on working time. Employee distribution of literature, including handbills or flyers, is prohibited in work areas at all times. Trespassing, solicitation or distribution of literature by non-employees is prohibited on work premises at all times.

Working time is defined as time when an employee's duties require that he/she be engaged in work tasks. No literature shall be posted anywhere on the premises without the authorization of Human Resources.

VGS uses bulletin boards to communicate important business information such as safety rules, job postings, statutory and legal notices, company policies, and management memos. Each employee has the responsibility to read the information that is posted. Your manager can give you the location of the bulletin board nearest your work area. **Employees may not post material on bulletin boards without the approval of an officer of the Company.**

WORK PRODUCT OWNERSHIP

All VGS employees are hereby advised that VGS retains legal ownership of the product of their work. No work product created during VGS employment can be claimed, construed, or presented as property of the individual, even after the conclusion of employment with VGS or completion of the relevant project. This includes written and electronic documents, audio and video recordings, system code, and also any concepts, ideas, or other intellectual property developed for VGS regardless of whether the intellectual property is actually used by VGS. Although an employee is permitted to display and/or discuss a portion or the whole of certain work product as an example in certain situations (e.g., on a resume or in an interview), employees must bear in mind that information classified as confidential must remain so even after the end of employment, and that supplying certain other entities with certain types of information may constitute a conflict of interest and/or violation of the law.

TAPE RECORDING POLICY

It is a violation of VGS policy to record conversations with a tape recorder or other recording device (including a cellular telephone) unless prior approval is received from the President or all parties to the conversation give their consent. Violation of this policy will result in disciplinary action, up to and including immediate termination.

OFFICE SUPPLIES

Our Company maintains a stock of basic office supplies such as pens, paper clips, staples, note pads, etc. used on a day-to-day basis by employees. All office supplies can be located in the supply closet. If you need additional items not regularly stocked, please speak to your supervisor to place a special order.

All office supplies are for business use only and should not be removed from the office for non-business use. Violations of this policy may result in disciplinary action up to and including discharge.

IF YOU MUST LEAVE US

An employee who plans to resign from VGS should submit a written resignation including last day of work, and reason for resignation to his or her immediate supervisor and the Human Resources Department at least two (2) weeks prior to the date of resignation. All resignations must be confirmed in writing, including the reason for leaving and the effective date of the resignation. Employees who orally resign will receive a "Confirmation of Resignation" notice within 24 hours.

If an employee provides more notice than requested, VGS will evaluate whether the additional notice is necessary for effective business operations and will notify the employee to confirm the final date of employment. If an employee provides less notice than requested, then the employee will be ineligible for payment of accrued vacation as part of final pay and ineligible for rehire unless, in the determination of VGS, extenuating circumstances precluded providing at least two weeks' notice.

VGS reserves the right to provide an employee with pay in lieu of notice in situations where job or business needs warrant such action. Such a decision should not be perceived as reflecting negatively on the employee as it may be due to a variety of reasons not known to the individual or other employees.

Employees will not be allowed to rescind a resignation – whether given orally or in writing – once the resignation has been confirmed by the employer, absent extraordinary extenuating circumstances. Employees who wish to discuss concerns about their continued employment before making a final decision to resign are encouraged to do so.

Resigning employees will be asked to participate in an exit meeting to ensure that all VGS property (key cards, corporate credit cards, ID badge, cellular phones/pagers, laptop computer, etc.) is returned and to

provide an opportunity to discuss any questions or concerns related to employment with VGS. Departing employees will also be asked to confirm their forwarding address to ensure that benefits and tax information are received in a timely manner. Final pay will be mailed to this address by the next payday or within seven days, whichever is sooner.

All Company property, including this Employee Handbook, must be returned upon termination. Otherwise, the Company may take action to recoup any replacement costs and/or seek the return of Company property through appropriate legal recourse. Similarly, any debts owed by the departing employee to VGS (e.g., outstanding loans from VGS to the employee — including advances of vacation time, advances of salary, repayment for damaged or lost property) must be repaid before or at the conclusion of employment with VGS. Failure to repay outstanding debts will potentially cause VGS to report the employee to appropriate credit agencies, but will also subject the employee to legal action by VGS to recover the amounts due

Employees, who are rehired following a break in service in excess of six months, other than an approved leave of absence, must serve a new initial introductory period whether or not such a period was previously completed. Such employees are considered new employees from the effective date of their reemployment for all purposes, including the purposes of measuring benefits.

You should notify the Company if your address changes during the calendar year in which termination occurs so that your tax information will be sent to the proper address.

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EACH EMPLOYEE'S RESPONSIBILITY

Safety can only be achieved through teamwork at our Company. Each employee, supervisor and manager must Company safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately.

Please observe the following precautions:

1. Notify your supervisor of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform your supervisor immediately.
2. The unauthorized use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on the Company's property is forbidden.
3. Use, adjust and repair machines and equipment only if you are trained and qualified.
4. Get help when lifting or pushing heavy objects.
5. Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess, just ask your supervisor.
6. Know the locations, contents and use of first aid and fire fighting equipment.
7. Wear personal protective equipment in accordance with the job you are performing.
8. Comply with OSHA standards and/or state job safety and health standards as written in our safety procedures manual.
9. Unauthorized possession, use or sale of weapons, firearms, or explosives on work premises is forbidden.

All employees must attend all Safety Training. A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action, up to and including discharge.

WORKPLACE SEARCHES

To protect the property and to ensure the safety of all employees, customers and the Company, the Company reserves the right to conduct personal searches consistent with state law, and to inspect any packages, parcels, purses, handbags, brief cases, lunch boxes or any other possessions or articles carried to and from the Company's property. In addition, the Company reserves the right to search any employee's office, desk, files, lockers, equipment or any other area or article on our premises. In this regard, it should be noted that all offices, desks, files, lockers, equipment, etc. are the property of the Company, and are issued for the use of employees only during their employment. Inspection may be conducted at any time at the discretion of the Company.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. Employees working on or entering or leaving the premises who refuse to cooperate in an inspection, as well as employees who after the inspection are believed to be in possession of stolen property or illegal substances, will be subject to disciplinary action, up to and including discharge, if upon investigation they are found to be in violation of the Company's security procedures or any other Company rules and regulations.

WORKPLACE VIOLENCE

VGS recognizes that workplace violence is a growing concern among employers and employees across the country. VGS is committed to providing a safe, violence-free workplace and strictly prohibits employees, congregants, visitors, vendors or anyone else on our premises from behaving in a violent or threatening manner. As part of this policy, VGS seeks to prevent workplace violence before it begins and reserves the right to address behavior that suggests a propensity toward violence even prior to any violent behavior occurring. VGS believes that prevention of workplace violence begins with recognition and awareness of potential early warning signs and has established the following procedures within Administration for responding to any situation that presents the possibility of violence.

DEFINITION OF WORKPLACE VIOLENCE

Workplace violence includes threats of any kind; threatening, physically aggressive or violent behavior, such as intimidation or attempts to instill fear in others; behavior suggesting a propensity toward violence, including belligerent speech, excessive arguing or swearing, sabotage or threats of sabotage of VGS property, or a pattern of refusal to follow VGS policies; and/or bringing weapons of any kind onto VGS premises, or while conducting VGS business.

REPORTING

If any employee observes or becomes aware of any of the above-listed actions or behavior by an employee, customer, visitor, vendor or anyone else, the employee should notify a supervisor and Human Resources, and building Security, immediately. Employees are also to notify a supervisor and Human Resources if any restraining order is in effect, or if a potentially violent non-work related situation exists that could result in workplace violence.

INVESTIGATION

All reports of workplace violence will be taken seriously and investigated promptly and thoroughly. In appropriate circumstances, VGS will inform the reporting individual of the investigation results. To the extent possible, VGS will maintain the reporting employee's confidentiality, but may need to disclose results in appropriate circumstances, such as to protect individual safety. VGS prohibits retaliation against any employee who reports workplace violence.

CORRECTIVE ACTION

If VGS determines that workplace violence has occurred, VGS will take appropriate corrective action and will impose discipline on offending employees. The appropriate discipline will depend on the facts of the particular case, but may include action up to termination from employment. If the violent behavior is that of a non-employee, VGS will take appropriate corrective measures in an attempt to prevent a repetition of such behavior.

HAZARD COMMUNICATION

Our company uses some chemicals (e.g. cleaning compounds, solvents, paints, inks, etc.) in some of its operations. You should receive training and be familiar with the handling, use storage and control measures relating to these substances if you will use or likely be exposed to them. Material Safety Data Sheets (MSDS) are available for inspections in your work area. You must follow all labeling requirements.

We have a designated safety coordinator with whom you should consult prior to purchasing chemicals for the company or bringing them on to our premises. For additional information, please refer to our company's written Hazard Communication Program. If you have any questions, ask your supervisor or the Safety Coordinator.

GOOD HOUSEKEEPING

Good work habits and a neat place to work are essential for job safety and efficiency. You are expected to keep your place of work organized and materials in good order at all times. Report anything that needs repair or replacement to your supervisor.

SMOKING IN THE WORKPLACE

To comply with New Jersey's Smoke-Free Air Act of 2006, and to ensure that all employees are provided with a healthy working environment, smoking is prohibited in all VGS facilities. Employees are entitled to report violations of this policy to any supervisor, Human Resources, or any officer of the company. When dealing with any questions, complaints or disputes raised under this policy, VGS, Inc. will accord priority to the health concern concerns of those employees who desire a smoke-free area. No retaliatory action will be taken against any employee or applicant who exercises any right under the Smoke-Free Air Act, including reporting violations.

CONCEALED WEAPONS

Possession, use or sale of weapons, firearms or explosives on work premises, while operating Company machinery, equipment or vehicles for work-related purposes 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. Employees who are aware of violations or threats of violations of this policy are required to report such violations or threats of violations to their supervisor immediately. Violations of this policy will result in disciplinary action, up to and including discharge.

IN AN EMERGENCY

Your supervisor should be notified immediately when an emergency occurs. Emergencies include all accidents, medical situations, bomb threats, other threats of violence, and the smell of smoke. If your supervisor or the Human Resources Department is unavailable, contact the nearest Company official.

Should an emergency result in the need to communicate information to employees outside of business hours, your supervisor or the Human Resources Department will contact you. Therefore, it is important that employees keep their personal emergency contact information up to date. Notify the Human Resources Department in the event this information changes.

When events warrant an evacuation of the building, you should follow the instructions of your supervisor or any other member of management. You should leave the building in a quick and orderly manner. You should assemble at the pre-determined location as communicated to you by your supervisor to await further instructions or information.

Please direct any questions you may have about the Company's emergency procedures to your supervisor.

DRUG-FREE WORKPLACE

VGS is committed to providing a work environment which is free from the use, sale, possession or distribution of illegal drugs or the improper use of legal drugs or alcohol on VGS premises. The objective of this policy is to ensure a safe, healthy, and efficient work environment for VGS's employees and the public at large. This policy applies to all VGS owned and operated premises, equipment, and storage facilities.

For the purposes of this policy, "illegal drugs" include narcotics, hallucinogens, depressants, stimulants, and controlled medication not prescribed for current personal treatment by a licensed medical professional to address a specific physical, emotional or mental condition.

VGS's policy is not to hire applicants for employment who are current users of illegal drugs. Therefore, on request from VGS, applicants for employment who receive a preliminary offer must consent to, and successfully pass, a pre-employment drug screening test.

Any VGS employee who is found using, selling, possessing or distributing any illegal drug while performing VGS-related job duties, either on or off VGS premises, will be subject to termination from employment.

Because of the significant safety concerns involved in workplace operation of machinery or vehicles, employees whose job duties involve (1) driving the company van and/or truck; operating forklifts; (2) work in the Shop and Shop Cutting Department; and/or (3) work with potentially dangerous equipment, such as the Durst Machine, Etching Machine, Zund Machine, Laminator and/or Guillotine, are hereby advised that they are subject to random drug testing at any time.

Refusal to comply with a supervisor's request to participate in a random drug test will subject an employee to disciplinary action up to and including termination from employment.

When a supervisor observes behavior by an employee which affects or potentially affects the employee's job performance, and which appears to have been caused by drugs or alcohol (e.g., decreasing productivity and/or sporadic work patterns, sudden change in work performance, repeated failure to follow instructions or operating procedures, violation of VGS safety policies, disorientation, increasing absenteeism, increased aggression, poor attention span, slurred speech, lack of coordination, involvement in work-related accident or near-accident, destruction of VGS property, discovery or presence of controlled substances or alcohol near the employee's workplace, odor of alcohol or residual odor of controlled substances), the employee may be required to submit to drug or alcohol testing. In such a case, the employee will be suspended from employment pending VGS's receipt of the drug or alcohol test results. In addition, any employee who is involved in a workplace accident will be required to submit to a drug test. An employee who refuses to submit to a requested testing will be subject to termination from employment.

Any employee who violates this policy who is subject to termination may be permitted in lieu of termination, at the Company's sole discretion, to participate in and successfully complete an appropriate treatment, counseling or rehabilitation program as recommended by a substance abuse professional as a condition of continued employment and in accordance with applicable federal, state and local laws.

Consistent with its fair employment policy, the Company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts and alcoholics, and those having a medical history reflecting treatment for substance abuse conditions. We encourage employees to seek assistance before their substance or alcohol use renders them unable to perform their essential job functions or jeopardizes the health and safety of themselves or others. The Company will attempt to assist its employees through referrals to rehabilitation, appropriate leaves of absence and other measures consistent with the Company's policies and applicable federal, state or local laws.

VGS reserves the right to conduct searches of employees, as well as parcels, handbags, briefcases or other articles/containers of any kind that employees bring onto or remove from VGS premises. VGS further reserves the right to conduct searches of VGS premises and equipment, work areas, and desks. Any illegal substance confiscated in such searches may be turned over to the appropriate law enforcement agency for additional investigation and handling. In addition, VGS employees may be required to furnish VGS with a physician's prescription, and to authorize the employee's physician to confirm to VGS the prescription, of any legal substance found in the employee's possession during a search.

An employee who fails to cooperate with such searches/requests will be subject to disciplinary action, up to and including termination from employment.

Exhibit 1

Executive Management/Officers

Don Healy
Joyce Healy
Milton DiPietro
Patrick Benasillo
Matthew Buksbaum
Paul Theodore

ADDENDUMS TO POLICY

Paid Time-Off (PTO) Maximum Accruable Hours.....50

Addendum to Policy: Paid Time-Off (PTO) Maximum Accruable Hours

This addendum references Visual Graphic Systems, Inc. Employee Handbook, 2012 Edition, between VGS Management and all employees, in effect as of January 1, 2013.

Previous Terms and Conditions:

In the event that available PTO is not used by the end of the benefit year, employees may carry unused time forward to the next benefit year up to a maximum of 240 hours. Once the maximum number of hours has been reached, PTO will no longer accrue.

Changes to Cited Terms and Conditions:

Effective January 1, 2013, VGS will be making a change to the maximum accruable PTO hours for all employees. Employees will be allowed a maximum amount of 160 hours of accrued PTO hours. Once the 160 hour maximum has been reached, PTO will no longer accrue.

Paul Theodore
President & CEO

****All other terms of the VGS current PTO policy remain unchanged and in effect****

**RECEIPT OF EMPLOYEE HANDBOOK
AND EMPLOYMENT-AT-WILL STATEMENT**

This is to acknowledge that I have received a copy of the Visual Graphic Systems, Inc. Employee Handbook and understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities and obligations of my employment with the Company. I understand and agree that it is my responsibility to read the Employee Handbook and to abide by the rules, policies and standards set forth in the Employee Handbook.

I also acknowledge that my employment with Visual Graphic Systems, Inc. is not for a specified period of time and can be terminated at any time for any reason, with or without cause or notice, by me or by the Company. I acknowledge that no oral or written statements or representations regarding my employment can alter the foregoing. I also acknowledge that no manager or employee has the authority to enter into an employment agreement - express or implied - providing for employment other than at-will.

I also acknowledge that, except for the policy of at-will employment, the Company reserves the right to revise, delete and add to the provisions of this Employee Handbook. All such revisions, deletions or additions must be in writing and must be signed by the President of the Company. No oral statements or representations can change the provisions of this Employee Handbook. I also acknowledge that, except for the policy of at-will employment, terms and conditions of employment with the Company may be modified at the sole discretion of the Company, with or without cause or notice, at any time.

No implied contract concerning any employment-related decision, term of employment or condition of employment can be established by any other statement, conduct, policy or Company.

I understand that the foregoing agreement concerning my at-will employment status and the Company's right to determine and modify the terms and conditions of employment is the sole and entire agreement between me and Visual Graphic Systems, Inc. concerning the duration of my employment, the circumstances under which my employment may be terminated and the circumstances under which the terms and conditions of my employment may change. I further understand that this agreement supersedes all prior agreements, understandings and representations concerning my employment with the Company.

If I have questions regarding the content or interpretation of this Employee Handbook, I will bring them to the attention of the Human Resources Department.

NAME _____

DATE _____

**EMPLOYEE
SIGNATURE** _____