

# **BHCU EMPLOYEE HANDBOOK**

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## **IMPORTANT NOTICE**

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This Employee Handbook (“Handbook”) does not constitute a contract between BHCU and any employee and may be changed at any time at the discretion of BHCU. All questions concerning this Handbook or other Policy interpretation should be addressed to the CEO, EVP or Board of Directors.

**Approved by the Board of Directors:**

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**Rich Ranalli - Chairman of the Board**

**Date**

## **Welcome New Employee**

On behalf of your colleagues, we welcome you to BHCU and wish you every success here.

We believe that each employee contributes directly to BHCU's growth and success, and we hope you will take pride in being a member of our team.

This Handbook was developed to supplement the Policies, programs and benefits available to eligible employees. Employees should familiarize themselves with the contents of this handbook as soon as possible, for it will answer many questions about employment with BHCU.

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

BHCU Board of Directors

## **INTRODUCTORY STATEMENT**

This Handbook contains information about BHCUs employment policies and procedures and an overview of BHCUs benefits. For specific information about employee benefits, you should refer to the BHCUs plan documents, which are controlling. The policies and procedures in this Handbook are guidelines only. BHCUs reserves the right to interpret and administer the provisions of this Handbook as needed. Except for the policy of at-will employment, which can only be changed in writing by the CEO, BHCUs has the maximum discretion permitted by law to change, modify, or delete any provision in this Handbook at any time with or without notice. However, oral statements or representations cannot supplement, change, or modify the provisions in this Handbook.

Each employee should read and become familiar with the information contained in this Handbook. Failure to comply with BHCUs policies or procedures may result in discipline, up to and including termination.

The provisions in this Handbook are not intended to in any way create any contractual obligations with respect to your employment.

**NOTHING IN THIS HANDBOOK NOR ANY OTHER COMMUNICATION BY A BHCUs REPRESENTATIVE OR ANY OTHER EMPLOYEE, WHETHER ORAL OR WRITTEN, IS INTENDED TO IN ANY WAY CREATE A CONTRACT OF EMPLOYMENT. UNLESS I HAVE A WRITTEN EMPLOYMENT AGREEMENT SIGNED BY AN AUTHORIZED BHCUs REPRESENTATIVE, I AM EMPLOYED AT WILL AND NOTHING IN THIS HANDBOOK CAN BE CONSTRUED TO CONTRADICT, LIMIT, OR OTHERWISE AFFECT MY RIGHT OR BHCUs RIGHT TO TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME WITH OR WITHOUT NOTICE OR CAUSE. IF I HAVE A WRITTEN EMPLOYMENT AGREEMENT SIGNED BY AN AUTHORIZED BHCUs REPRESENTATIVE AND A PROVISION OF THIS HANDBOOK CONFLICTS WITH THE TERMS OF MY EMPLOYMENT AGREEMENT, I UNDERSTAND THAT THE TERMS OF MY EMPLOYMENT AGREEMENT WILL PREVAIL.**

This Handbook supersedes all prior versions published or distributed by BHCUs and all inconsistent oral or written statements.

## **NATURE OF EMPLOYMENT**

Your employment with BHCU is “at-will.” This means that either you or BHCU may end your employment freely, at any time or for any lawful reason, with or without cause or for no reason. The President/CEO may make exceptions to the “at-will” policy in a signed writing.

## **EMPLOYEE RELATIONS**

BHCU believes that the working 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 working conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to the CEO or EVP.

Experience has shown that when employees deal openly with managers, the work environment can be excellent, communication is clear, and attitudes are more positive. We believe that BHCU amply demonstrates its commitment to employees by responding effectively to employee concerns.

## **EQUAL EMPLOYMENT OPPORTUNITY & NON-DISCRIMINATION**

BHCU believes that all employees should be employed free from discrimination because of race, color, religious creed, ancestry, age (40 and over), sex (including pregnancy, childbirth and related medical conditions), sexual orientation, national origin, disability (including physical or mental impairment), use of a guide or support animal because of blindness, deafness, or the physical handicap of any individual, status as a holder of a general educational development certificate or credential (versus a high school diploma), domestic or sexual violence victim status, familial or marital status, gender identity, genetic information, and medical marijuana cardholder status, or any other characteristic protected under federal, state or local law, except as permitted by law. BHCU seeks to employ the best-qualified individuals who contribute solidly toward BHCU’s goals and who exhibit leadership, integrity, loyalty, initiative, positive attitude, and professionalism consistent with BHCU’s values. BHCU provides equal employment opportunity to employees and applicants and promotes equal employment opportunity of all persons in each job. Even though the law does not require it, BHCU also provides certain domestic partner benefits (as available from its insurers and benefit providers) to all eligible employees, regardless of sexual orientation.

## **AMERICANS WITH DISABILITIES ACT**

BHCU is committed to complying with all applicable provisions of the Americans With Disabilities Act (“ADA”). It is BHCU’s policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual’s disability or perceived disability so long as the employee can perform the essential functions of the job. Consistent with this policy of non-discrimination, BHCU will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made BHCU aware of his or her disability, provided that such accommodation does not constitute an undue hardship on BHCU. If you believe that you are in need of an accommodation, please contact the Human Resources Department.

## **NON-HARASSMENT/NON-DISCRIMINATION GENERAL POLICY**

BHCU is committed to providing a work environment which encourages tolerance and respect for all employees free of unlawful harassment and discrimination. In keeping with this commitment, BHCU strictly prohibits any harassment and discrimination on the basis of the following protected characteristics: race, color, religious creed, ancestry, age (40 and over), sex (including pregnancy, childbirth and related medical conditions), sexual orientation, national origin, disability (including physical or mental impairment), use of a guide or support animal because of blindness, deafness, or the physical handicap of any individual, status as a holder of a general educational development certificate or credential (versus a high school diploma), domestic or sexual violence victim status, familial or marital status, gender identity, genetic information, and medical marijuana cardholder status, or any other characteristic protected under federal, state or local law. Harassment may take many forms, including, but not limited to:

- (1) Verbal harassment such as unwelcome jokes, slurs, or negative stereotyping; remarks about an individual's gender, race, body, color, physical characteristics, disability, age, religious beliefs, sexual orientation, gender identity, appearance, or other protected characteristic; questions or remarks about a person's sexual, dating, or romantic preferences or practices; and patronizing terms or remarks that relate to a protected characteristic.
- (2) Physical harassment such as unwelcome physical interference with normal work, impeding or blocking movement, assault, physical contact, staring at a person's body, or threatening, intimidating or hostile acts that relate to a protected characteristic.
- (3) Visual harassment such as unwelcome, offensive or obscene items, for example, photographs, calendars, posters, cards, cartoons, drawings and gestures, display of sexually suggestive or lewd objects, notes, e-mails, letters, or other written or graphic material that denigrate or show hostility or aversion toward an individual because of a protected characteristic that is placed on BHCU's walls, bulletin boards (including electronic bulletin boards, chat and blogs, and chats), or elsewhere on BHCU's premises or circulated in the workplace.

BHCU does not consider conduct in violation of this policy to be within the course and scope of employment and does not sanction such conduct on the part of any employee or supervisor.

Sexual harassment may occur when a person's submission to or rejection of unwelcome sexual conduct is used as a basis for employment decisions affecting that person, including granting of employment benefits. Sexual harassment may also occur when unwelcome sexual conduct interferes with a person's job performance or creates an intimidating, hostile, or offensive working environment. Sexual harassment includes harassment of women by men, men by women, and same-sex, sex-based harassment.

### **Complaint Procedure**

BHCU is committed to creating and maintaining a professional working environment in which all employees can successfully reach their potential and enable us to effectively serve our clients. We must work together to ensure that our working environment gives each person the opportunity to accomplish these goals.

- (a) If you believe that any unwelcome comments, gestures, advances, or the conduct of any employee, supervisor or person doing business with BHCU constitutes discrimination or harassment (whether you are the recipient or a witness); or if you have any issues or concerns understanding or adhering to BHCU's non-harassment and non-discrimination policies (including the adherence to and administration of policies by other employees); you must

immediately report the facts of the incident or situation in one of the two following ways:

- (1) To your Direct Supervisor.
- (2) To the EVP.

(b) If you are uncertain as to the identity of your supervisor/supervisor, obtain information through the EVP. Also, if for any reason, you are uncomfortable with reporting an incident or complaint to all of the above-mentioned individuals or if you have reason to believe that your report or complaint is not being addressed, you should report your incident or complaint to a member of the Executive Management Team.

(c) It is important that BHCU be put on clear notice of your concern, and that complaints and reports be submitted promptly. Vague, unclear, unspecific or ambiguous statements made to other employees, supervisors, or statements made out of context (for example, at a social gathering outside of work) will not put BHCU on notice that there is a matter that needs to be addressed. Untimely complaints compromise BHCU's ability to evaluate your complaint effectively. Do not postpone submitting a report or complaint until there are repeat occurrences. These matters must be handled promptly and professionally.

(d) You can make an initial report or complaint in person, in writing (including e-mail), or by telephone provided you properly identify yourself as the source of the report or complaint. You may be asked to meet in person for a more detailed interview. Your failure to complete this process or otherwise cooperate may affect BHCU's ability to review your report or complaint or to proceed with an investigation.

## **IMMIGRATION LAW COMPLIANCE**

BHCU is committed to hiring only US citizens and resident aliens who are authorized to work in the United States. BHCU does not discriminate on the basis of citizenship or national origin in hiring, recruiting, or terminating employees.

In compliance with the Immigration Reform and Control Act of 1986 ("IRCA"), each employee or former employee who is rehired, as a condition of employment, must present documentation establishing identity and employment eligibility. The CU shall complete the Employment Eligibility Verification Form I-9. Every employee of BHCU must adhere to all aspects of this policy. Failure to comply with IRCA may subject BHCU and any responsible individuals to civil monetary or criminal penalties.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the CEO or EVP. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

## **CONFLICTS OF INTEREST**

### **Conflicts of Interest: Relationships/Things of Value**

(a) BHCU conducts its business in a manner that ensures that (1) decisions and actions affecting BHCU are not influenced by any potential, actual or perceived conflict of interest, and (2) Company assets and information are used solely for the benefit of the BHCU. BHCU is sensitive to situations that raise even the appearance of a conflict, impropriety, breach of loyalty, or a lack of independence and objectivity in decisions or actions affecting BHCU.

(b) A conflict of interest can arise in connection with an employee's dealings or relationships with (1) other employees, (2) BHCU, or (3) persons or entities with whom BHCU does business (such as clients, vendors, consultants, and regulators), in connection with a personal, financial, or beneficial interest in a transaction in which the employee is involved.

(c) If you have a relationship or interest that may create a conflict, you must immediately bring the matter to the attention of the EVP. Failure to promptly disclose information about a conflict may affect your employment status with BHCU.

(d) Here are some examples of the business dealings, circumstances, interests or relationships that give rise to a conflict of interest. This list is not exclusive, and is not intended to contain all actions or situations that are prohibited. BHCU expects employees to exercise good judgment and avoid situations that may conflict or appear to conflict with the best interests of BHCU or the effective performance of the employee's duties. Employees are not permitted to, directly or indirectly:

- (1) have any material personal or financial interest in any company that is in the same or similar line of business as BHCU or that competes with BHCU;
- (2) have any material personal or financial interest in, or be an agent for, any company that provides goods or services to BHCU;
- (3) give, receive, or solicit any type of kickback, payment, compensation, or thing of value (material value assumed to be >\$100) to or from any company (or any person acting directly or indirectly for any company) that provides goods or services to BHCU or which is in the same line of business as BHCU;
- (4) exert or gain improper influence or advantage over a client, potential client, other employee, vendor, regulator or any other company or firm (or any person acting directly or indirectly for any other company or firm) by providing or requesting kickbacks, payment, compensation, or a thing of value;
- (5) give or receive any bribe to/from a client, potential client, other employee, vendor, or any other company or firm (or any person acting directly or indirectly for any other company or firm);

(6) enter into any transaction, acquire any interest or take any action which is contrary to the best interests of BHCU, in competition directly or indirectly with BHCU, or is incompatible with the duties of loyalty and obligations inherent to the employee's employment.

## **CONFLICTS OF INTEREST: OTHER EMPLOYMENT/INTERESTS**

(a) BHCU expects all full-time employees to devote all of their business time, attention, skills and best efforts to their positions. This means that while employed for BHCU, employees may not (directly or indirectly) work for, have any personal or financial interest in, be an agent for, or be engaged in any other business enterprise that competes with or is preparing to compete with BHCU, markets or provides products or services that are in the same or similar line of business as BHCU, or that supplies products or services to BHCU.

(b) If an employee has an employment agreement with BHCU, such agreement may impose additional restrictions and prohibit any outside employment, above and beyond this policy, unless authorized and approved.

## **CONFLICTS OF INTEREST: EMPLOYMENT OF RELATIVES**

Managers do not employ, place, or in any way influence or attempt to influence the employment or placement of relatives.

## **DISCLOSING CONFLICTS OF INTEREST**

Employees have a duty to fully and honestly disclose certain "Relationships" that pose an actual or possible conflict of interest when they first apply for employment with BHCU. This is a continuing obligation, which each employee must comply with after an employee is hired. If an employee's Relationships or situation changes while employed, the employee must immediately bring the matter to the attention of the EVP.

## **SPECIAL NOTES REGARDING CONFLICTS OF INTEREST**

"Authorized and Approved" means that after being fully informed, the transaction or activity is approved (on a per transaction basis) in a writing signed by CEO or, in the case of the CEO, by the Board of Directors.

- a. The foregoing descriptions of some of the situations that give rise to a conflict of interest are not intended to be exclusive lists and do not contain all actions and conditions that may be prohibited.
- b. All employees are expected to exercise good judgment in this regard, and any questions as to what is or is not acceptable or what constitutes proper conduct should be brought to the attention Human Resources. Similarly, any exceptions to the foregoing policy must be Authorized and Approved.

## **COMPANY PROPERTY AND SYSTEMS**

BHCU typically provides you with a Company-owned computer at your workstation and access to BHCU's computer network, e-mail, and the Internet. BHCU also provides you with access to



leave and receive voicemail messages, and in some cases, a fax system, instant messaging or other systems. BHCU is responsible for ensuring that the use of BHCU's computers, e-mail system, Internet access, voicemail and other systems ("Computer Systems") is professional, courteous, does not violate any laws, and maintains the security of BHCU's confidential information. The purpose of this policy is to: (a) notify employees that associates have no expectation of privacy in their use of BHCU's Computers Systems; (b) review electronically stored information that resides on the Computer Systems, where BHCU reasonably believes that one or more business interests or a policy provision set forth herein is at issue; (c) educate employees on how to protect the Company's trade secrets and confidential information that are stored electronically; (d) educate employees on the appropriate use of BHCU's e-mail and voicemail; and, (e) notify employees of BHCU's e-mail retention and deletion procedure.

Any use of BHCU's Computer Systems that does not comply with this or any other policy and/or law is not authorized and, as a matter of the Computer Fraud and Abuse Act, 18 U.S.C. § 1030, et seq., constitutes an access of the Computer Systems that exceeds an associate's authority. Any attempt to access the Computer Systems after the termination of an employee's employment similarly is not authorized and BHCU reserves its rights to address and remedy any such violation in accordance with the civil and criminal provisions of the Computer Fraud and Abuse Act.

Any BHCU employee who violates the policies outlined in Section 5 shall be subject to disciplinary action, up to and including termination of employment.

## **COMPANY ACCESS, REVIEW, DELETION, AND DISCLOSURE OF INFORMATION**

(a) BHCU has the technical capability to access, review, copy, modify and delete any information transmitted through or stored on BHCU's Computer Systems, including non-company email accounts accessed through a web browser associated with the network. BHCU reserves the right to and, periodically without notice will, access, review, copy, modify or delete all such information and to disclose it to anyone, as set forth above. This may occur in connection with:

- (1) System maintenance;
- (2) Internal investigation of an employee's wrongdoing including, but not limited to, trade secret theft and/or misuse of a company computer or Computer Systems;
- (3) The unexpected absence or separation of an employee who regularly receives business-related e-mail requiring his or her supervisor or another employee to log into his or her e-mail to review such messages;
- (4) Investigations of violations or abuse of the computer or email usage policy;
- (5) Investigations concerning federal and state laws; or
- (6) Court order

(b) You should treat the computer network like a shared file system — with the expectation that files sent, received or stored anywhere in the network, as well as the Internet sites visited, will be available for review by BHCU. You should be aware that even if you have deleted an email message, website, .html file or other file, a copy of the electronically stored information might still exist and can be recovered from the computer. Information stored on BHCU's equipment or computer network may not remain private.

## **PROTECTING BHCU'S CONFIDENTIAL INFORMATION**

Employees must exercise the same degree of caution (if not more) in transmitting BHCU's confidential or sensitive information (whether by e-mail, voicemail, fax etc.) as they would with more traditional means of communicating information, like correspondence, memos or phone calls. Employees must exercise care when using distribution lists to ensure that all addressees are appropriate recipients of the information. Lists are not always kept current and individuals using lists should take measures to ensure that the lists are current.

## **PROPRIETARY, CONFIDENTIAL, AND TRADE SECRETS INFORMATION**

(a) BHCU maintains policies and procedures to ensure that all confidential client information and all confidential and proprietary Company information remain private and confidential, and are used only for Company business purposes. Such confidential information includes, but is not limited to, the following examples:

- Compensation Data
- Confidential, Personal, Non-Public Member Information
- Member Lists
- Member Preferences
- Financial Information
- Business Strategies
- Marketing Strategies
- Pending Projects and Proposals
- Proprietary Processes

The unauthorized disclosure, use, or distribution of client information or BHCU's confidential or proprietary information is strictly prohibited and is a serious matter that will result in immediate separation of employment and, if necessary, criminal or civil legal action. BHCU takes its obligations to protect all confidential information seriously, and this includes data breach protections to ensure the security of client information.

All employees and Board of Directors are required to sign a Non-Disclosure of Confidential Information annually to maintain confidentiality in all matters concerning BHCU business information. This includes; financial information, general business information, account information, member information, and proposed or future Policies Procedures, products and/or services. Information that may be released to persons not employed by BHCU is limited to product and/or services currently authorized by the CEO or EVP and the Board of Directors: i.e.: personal account information may be released only to account/loan holder; currently offered products and/or services eligibility requirements and parameters may be released to current members or potential members; information requested by regulatory agencies for the legal and authorized completion of reviews or audits in accordance with the knowledge and/or approval of the CEO or EVP. Account/loan information may be released to authorized third parties only as set forth and in accordance with credit union Policies and guidelines; i.e. disability insurance companies, credit committee, credit bureau agents acting on behalf of the credit union, or others by written authorization of the account holder and in compliance with all credit union Policies

and guidelines. Any questions concerning release, distribution, and/or communication of credit union information should be directed to the CEO or EVP.

(b) In addition, BHCU respects the protected intellectual property of third parties. Employees who may have access to confidential information belonging to other companies should not reveal or use such information in connection with their employment at our Company. You must not reveal any information to BHCU that might reasonably be considered a trade secret, confidential information, or proprietary information of their former employer. If questions should arise in this area, Human Resources should be consulted for guidance.

## **APPROPRIATE USE OF VOICEMAIL, E-MAIL, COMPUTERS, INTERNET & PHONES**

This Internet Usage Policy applies to all employees of BHCU who have access to computers and the Internet to be used in the performance of their work. Use of the Internet by employees of BHCU is permitted and encouraged where such use supports the goals and objectives of the business. However, access to the Internet through BHCU is a privilege and all employees must adhere to the policies concerning Internet usage. Violation of these policies could result in disciplinary and/or legal action leading up to and including termination of employment. Employees may also be held personally liable for damages caused by any violations of this policy. All employees are required to acknowledge receipt and confirm that they have understood and agree to abide by the rules hereunder.

a) Any device or computer including, but not limited to, desk phones, cell phones, tablets, laptops, desktop computers, and iPads that the Company provides for your use, should only be used for Company business. Internet connectivity presents the Company with new risks that must be addressed to safeguard the facility's vital information assets. Internet use also creates the possibility of contamination to our system via viruses or spyware. Spyware allows unauthorized people, outside the Company, potential access to Company passwords and other confidential information.

b) The following are examples of appropriate uses of the computer and Internet systems:

i. Email- Send/receive email messages (with or without document attachments).

ii. File Transfer Protocol- send data/files and receive in-bound data/files, as necessary for business purposes.

iii. Navigation- internet pages as necessary for business purposes. In conjunction with policy, IT will continue to safeguard network and databases by blocking potentially harmful sites. In the event that a site is blocked which requires access to serve the needs of the business, a request will need to be made to your direct manager and the EVP, and then the request will go to IT to open access to that external site.

c) All other services will be considered unauthorized access to/from the internet and will not be allowed. Additionally, under no circumstances may Company owned computers or other electronic equipment, including devices owned by the employee, be used on Company time, to obtain, view, or reach any pornographic, or otherwise immoral, unethical, or non-business related Internet sites. Doing so can lead to disciplinary action up to and including termination of employment.

d) Accessing social media sites and/or sharing any confidential or protected information without prior authorization and approval that belongs to or is about the Company is prohibited. You are not authorized to communicate on behalf of or as a representative of BHCU on social media sites

without the Company's prior written approval. The Company's reputation and brand should be protected by all employees. The lives and actions of your co-workers should never be shared online. The Company owns the data and files residing on any computer, network, or other information system owned by the Company and to all data and files sent or received using any Company Computer Systems, to the extent that such rights are not superseded by applicable laws relating to intellectual property. The Company also reserves the right to monitor electronic mail messages (including personal/private/instant messaging systems) and their content, subject to Section 5.1, above.

## **POLICY ON MONITORING AND RECORDING COMMUNICATIONS**

As part of BHCU's continuous efforts to ensure that the quality of communications and client service is consistent with BHCU's expectations, and complies with applicable guidelines, policies, and laws, and for other businesses purposes, BHCU's Computer Systems may be inspected, monitored and recorded by BHCU without prior notice, subject to Section 5.1, above. Any Company information or data stored on an employee's personal computer (or any other non-Company device) remains BHCU's property and is subject to inspection, monitoring, and retrieval by BHCU. Any personal information or data stored on a Company Communication and Information Device is the property of BHCU. "Communication and information devices" means Company telecommunication devices, telephones, computers, computer networks, instant messaging, voicemail, internet, e-mails, pagers, fax machines, faxes, storage devices, copiers, Blackberrys™, PDAs, planners, tablets, laptop computers and the like. Company communication and information devices are to be used solely for BHCU's business purposes.

## **SOCIAL MEDIA POLICY**

### **Overview**

Participating in blogs and other social media outlets and contributing to relevant online communities can be a terrific way to expand and elevate BHCU's business presence and your status as an expert in our field. If your job duties require you to speak on behalf of BHCU in a social media environment, you must still seek approval for such communication from your manager, who may require that you attend training before you are permitted to participate in social media on behalf of BHCU. You also must follow these guidelines.

The following are guidelines to assist you in putting your best foot forward online, which will reflect well on all of us. These guidelines apply when you are using social media as part of BHCU's strategic marketing, public relations, corporate communications, shareholder relations, or recruiting programs. All use of social media by employees, whether for business or personal activities, is subject to BHCU's social media policies, rules, and contractual obligations, set forth in these guidelines.

Blogs and other social media offer exciting and innovative ways for BHCU's business to thrive. You are an important member of our team and play a crucial role in enhancing our public profile. If you have any questions about social media, these guidelines, or BHCU's expectations, please contact your manager.

- Speak Knowledgeably;
- Be Transparent;
- Be Interesting and Interactive;

- Add Value;
- Respond to Your Mistakes Quickly;
- Don't Be Argumentative;
- Be Respectful;
- Comply With BHCU's Policies;
- Protect Customers, Suppliers, Business Associates, and Investors;
- Do Not Comment on BHCU's Business Performance or Plans;
- Respect and Comply with Terms of Use of All Sites You Visit;

Any social media accounts created or used by employees or contractors on behalf of BHCU or otherwise for any BHCU's business purposes belong solely to BHCU, including any and all log-in information, passwords, and content associated with each account, including followers and contacts. BHCU shall at all times retain sole ownership of all such accounts, including all log-in information, passwords, and associated content.

You agree that you will not create any social media account to be used on behalf of BHCU or for any business purposes without BHCU's express prior authorization. If you have any questions about creating or managing a social media account, please contact your manager.

Violation of these guidelines, particularly in a way that could subject BHCU to liability, will be subject to appropriate discipline, up to and including termination. If you are unsure whether your planned actions might violate any of these guidelines, speak to your manager for clarification.

This policy is not intended to restrict communications or actions protected or required by state or federal law.

## **EMPLOYMENT APPLICATIONS**

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

## **EMPLOYMENT REFERENCE AND BACKGROUND CHECKS**

To ensure that individuals who join the BHCU team are well qualified and have a strong potential to be productive and successful, BHCU reserves the right to check the employment references of all applicants. In addition, BHCU may conduct a consumer background check, which may include a criminal and/or credit check. Applications will be required to sign an authorization permitting former employer to release information about their prior employment and an authorization permitting BHCU to conduct the background check.

Applicants may be offered a position, or may be hired prior to receipt of the results of a background check, with the understanding that employment, or continued employment, is contingent upon the results of the pending reports.

Background checks are conducted on all individuals who receive an offer of employment or  
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promotion. In addition, the Company reserves the right to conduct a background check for all active employees on a yearly basis.

A criminal conviction is not an automatic bar to employment. However, employees and potential employees need to be bondable consistent with Credit Union regulations. Before taking an employment action based on the criminal history of an employee or candidate, the Company will perform an individualized assessment to ensure that the conviction is job-related and consistent with business necessity. Factors that will be considered during the individualized assessment include, but are not limited to, the nature and gravity of the offense(s), the time that has passed since the conviction(s) and/or completion of the sentence(s), the nature of the job and any other relevant records and/or information provided by the employee or candidate.

The Company will ensure that all information obtained from a background check will only be used as part of the employment process and will be kept strictly confidential. Only appropriate personnel will have access to the background check information, unless otherwise required by law.

Any misreporting, falsifications, or inconsistencies between information reported by the employee or candidate and the background check may result in disciplinary action up to and including termination of employment.

## **POST-OFFER, PRE-EMPLOYMENT DRUG/ALCOHOL TEST**

As a condition of employment, applicants may be required to take a post-offer, pre-employment medical test for the presence of illegal drugs or alcohol. Refusal to submit to the test within the time specified may result in termination of the application process.

Applicants may be offered a position, or may be hired prior to receipt of the results of post-offer, pre-employment test, with the understanding that employment, or continued employment, is contingent upon the results of the pending test.

## **PERSONNEL DATA CHANGES**

It is the responsibility of each employee to promptly notify the CEO or EVP of any changes in personnel data. Mailing addresses, telephone numbers, names and ages of dependents, emergency contact information, educational accomplishments, and other such status reports should be accurate and current at all times. Any changes to such information must be reported to the CEO or EVP.

## **ACCESS TO PERSONNEL FILES/RECORD RETENTION**

BHCU maintains personnel files on each employee to record employee information and document the employee's work record at BHCU. These files may include, but are not limited to, individual employment data, payroll information, and work schedules, records pertaining to hiring, promotion, discipline and separation. Personnel files will be kept confidential to the extent allowed by law.

Employees are expected to notify the CEO or EVP of changes in name, address, marital status, and telephone number, number of exemptions for tax purposes, citizenship or association with any governmental military organization. The department will update records and notify other persons responsible for employment records.

The employee may also designate a representative to review his or her personnel files. To prevent unauthorized disclosures, BHCU requires that the employee submit a written request to access his or her personnel records. Such authorization shall be for a specific date or dates and shall indicate either the purpose for which an inspection is authorized or the particular parts of the employee's personnel file for which the designated agent is authorized to inspect. A written request is also required when an employee designates a representative. The written document must state either the reason for requesting inspection of personnel files or the particular records wanted for review.

Except for reasonable cause, an employee and/or designated representative are limited to one review per calendar year. Records may be inspected at reasonable times during regular business hours in the office where the records are kept. An employee, or designated representative, can take notes regarding the personnel records, but cannot make copies or remove any part of the files from the premises. BHCU shall retain the right to protect its files from loss, damage or alteration to ensure the integrity of the files, and may require inspection of the personnel files in the presence of an official designated by BHCU. The employee may, however, place a counter statement in his or her file in the event an alleged error is determined by the employee in the personnel file.

## **PERFORMANCE EVALUATION**

Formal performance reviews shall be conducted on an annual basis, at a minimum. Supervisors and employees are strongly encouraged to discuss performance and goals on an informal, day-to-day basis. Additional performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, and recognize strengths, and to discuss positive, purposeful approaches to meeting goals.

Merit-based pay adjustments are awarded by BHCU in an effort to recognize employee performance. The decision to award such adjustments is based on various factors, including the information documented by the performance evaluation process.

The annual Merit pool will be established by the Board of Directors as a part of the annual budgeting process. Distribution of the Merit pool dollars will be based on the annual Performance Evaluation.

## **EMPLOYMENT CATEGORIES**

It is the intent of BHCU to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time.

Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and BHCU.

Each employee is designated as either NON EXEMPT or EXEMPT from federal and state wage and hour laws. NON EXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NON EXEMPT status may be changed only upon written notification by BHCU.

Exempt employees' work typically involves the exercise of discretion and judgment, with the authority to make independent decisions on matters which affect the business as a whole or a significant part of it. Non-exempt employees' work typically does not involve the exercise of discretion and judgment, with the authority to make independent decisions on matters which affect the business as a whole or a significant part of it.

The following Job Positions are exempt:

- CEO
- Executive Vice President
- Commercial Credit Officer
- Business Development Officer
- Office/Branch Manager
- Controller

All other positions are considered non-exempt.

In addition to the above categories, each employee will belong to one other employment category.

REGULAR FULL-TIME employees are those who are not in a temporary status and are scheduled for at least 35 hours of work per week. Generally, they are eligible for the BHCU benefit package, subject to the terms, conditions, and limitations of each benefit program.

PART-TIME employees are those who are scheduled to work less than 35 hours per week. While Part-Time employees receive all legally mandated benefits (such as Social Security and Workers' Compensations Insurance), they are ineligible for all of BHCU's other benefit programs.

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 notified in writing of a change. While Temporary employees receive all legally mandated benefits (such as Social Security and Workers' Compensations Insurance), they are generally ineligible for all of BHCU's other benefit programs.

## **WORK SCHEDULES**

The normal work schedule for all full-time employees is 8 hours per day, 5 days per 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. Lunch breaks will be scheduled by the CEO or EVP. Exempt employees have the option to flex their work schedule during a given pay period, subject to the approval of the CEO or EVP.

## **ATTENDANCE AND PUNCTUALITY**

BHCU expects employees to be reliable and punctual in reporting for work. Absenteeism and tardiness place a burden on the operation of the business and on other employees of BHCU. In cases where employees cannot avoid being late to work or are unable to work as scheduled, they must notify a supervisor as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive and unacceptable. Either will lead to disciplinary action, up to and including termination of employment.

## **TIMEKEEPING**

Accurately recording time worked is the responsibility of every employee. Federal and state laws require BHCU to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all of the time actually spent on the job performing assigned duties.

All employees shall properly and accurately record their time cards provided by BHCU. They will accurately report regular and overtime worked, vacation and sick leave hours used, leave with pay and leave without pay. Overtime will not be compensated unless pre-approved by the EVP or their designee. The accurately completed time card will be presented to the EVP or their designee at the end of the workweek.

Altering, falsifying, tampering with time records, or recording time on another employee's record is forbidden and will result in termination of employment.

It is the employee's responsibility to sign his or her time card to certify the accuracy of all time recorded. The employee's supervisor will review and then initial the time record before submitting it to payroll for processing.

## **PAYDAYS**

Employees are paid weekly via Direct Deposit every Thursday. Each paycheck will include earnings for all pay earned through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a holiday, employees will receive pay on the last scheduled workday preceding the holiday.

If a regular payday falls during an employee's scheduled vacation, the employee may receive wages prior to departing for vacation if a request is submitted at least one week prior to the start of vacation.

## **PAYDAY DEDUCTIONS**

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

BHCU offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their pay to cover the cost of participating in these programs.

If you have any questions regarding your payroll deductions, or how they were calculated, your manager will assist you in having your questions answered.

## **OVERTIME**

When operating requirements cannot be met during regular working hours, the CEO or EVP will schedule overtime. Employees may not work overtime without receiving prior authorization from a manager. Overtime compensation is paid to all employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Failure to work scheduled overtime or working overtime without the prior authorization of the CEO or EVP will result in disciplinary action up to and including termination of employment.

Overtime rates for non-exempt employees will be paid as follows:

Time and one-half will be paid for:

All time worked in excess of forty (40) hours in one (1) workweek for which overtime has not already been paid.

All time (including weekends and holidays) worked in excess of forty (40) hours in one (1) workweek for which overtime has not already been paid.

## **PAY CORRECTIONS**

BHCU takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of his or her manager, who will investigate and arrange for any necessary adjustments.

## **MEAL PERIODS**

All full-time regular employees are provided with one meal period in each workday. The meal period will be 45 minutes in length. The CEO or EVP will schedule meal periods to accommodate operating requirements. Employees will not be compensated for the meal period.

## **EMERGENCY CLOSINGS**

At times, emergencies such as severe weather, power failures, etc. can disrupt operations. In extreme cases, these circumstances may require the closing of a work facility. In the event that such an emergency occurs during non-working hours, the CEO or EVP will contact

employees at their telephone number on record and advise them of the closure.

When the decision to close is made after the workday has begun, employees will be notified by their immediate supervisor. Procedures and payment for time lost due to emergency closing are described in the BHCU Emergency Closing Policy.

## **EMPLOYMENT TERMINATION**

Whether the decision to terminate employment is yours or BHCU's, it is our intent that every employee who leaves the Company feels that he or she has been treated with dignity, respect, and courtesy. These decisions are never made lightly and they are never easy. This section will provide you information and support during this process.

**Voluntary Termination:** If you decide to leave your job at BHCU, we ask that you notify your manager at least two (2) weeks in advance, preferably in writing. You will need to confirm your last working day, and we will ask you to provide your reason for leaving. If you are retiring from BHCU, please see **POLICY REGARDING RETIREMENT BENEFITS/ANYTHING THAT OUTLINES BENEFITS.**

**Involuntary Termination:** If BHCU initiates the termination of your employment, it is considered an "involuntary" termination. Reasons for this might include, by way of example only, policy violations, performance problems, or displacement.

Because employment with BHCU is based on mutual consent, both the employee and BHCU have the right to terminate employment at will, with or without cause, at any time. Employee benefits will be affected by employment termination in the following manner. With respect to voluntary termination, all accrued, vested benefits that are due and payable at termination will be paid. The terminated employee may be eligible to continue some benefits at his or her own expense. With respect to involuntary termination, all benefits end at the end of the month in which your employment terminates [OR] immediately upon the termination of your employment.

## **DRESS CODE AND GROOMING POLICY**

BHCU strives to maintain a professional atmosphere that is conducive to our business environment, contributes to the morale of all employees, and projects an image of efficiency and professionalism to its members. Employees are relied on to exercise common sense and good judgment regarding their clothing and appearance in the workplace and to dress in a manner that is consistent with the goals of this policy. Generally, employees should maintain a clean and neat appearance in the workplace and dress according to the requirements of their positions.

Any employee who is not dressed in proper professional attire consistent with this policy will be considered unsuitable to work and may be asked to go home and return to work appropriately dressed. In such a case, any non-exempt employee will not be compensated for time spent away from work. Employees who disregard this policy and its standards will be subject to discipline.

Any questions about the requirements of this policy or what constitutes appropriate workplace attire should be directed to the employee's manager.

## **RETURN OF PROPERTY**

Employees are responsible for all property, materials and written information issued to

them or in their possession or control. Employees must return all BHCU property immediately upon request or upon involuntary or voluntary termination of employment. Where permitted by law, BHCU may withhold from the employee's check or final paycheck, the cost of any items that are not returned when required. BHCU may also take legal action deemed appropriate to recover or protect its property.

## **EMPLOYEE INJURIES**

In the case of accidents that result in employee injury, regardless of how insignificant the injury may appear, employees should immediately notify their manager. Such reports are necessary to comply with laws and to initiate insurance and workers' compensation benefits procedures.

## **WORKPLACE INSPECTIONS**

BHCU wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper and/or unlawful materials. To this end BHCU prohibits the possession, transfer sale, or use of such materials on its premises. BHCU requires the cooperation of all employees in administering this Policy.

Desks and other storage devices may be provided for the convenience of employees but remains the property of BHCU. Accordingly, they, as well as any articles found in them, can be inspected by any agent or representative of BHCU at any time, either with or without prior notice.

BHCU likewise wishes to discourage theft or unauthorized possession of the property of employees, BHCU, visitors, and members. BHCU or its representatives may inspect not only desks but also persons entering and/or leaving the premises and any packages or other belongings. Any employee who wishes to avoid inspection of any articles or materials should not bring such items onto the premises of BHCU.

## **SMOKING**

In keeping with BHCU's effort to provide a safe and healthful work environment, smoking is prohibited throughout all BHCU branches as well as all areas on the Ridley Park Headquarters Boeing property at large designated as non-smoking.

For purposes of this policy, smoking includes lighting, smoking, or carrying a lighted cigarette, cigar, or pipe, and the use of any electronic smoking device. This list is illustrative only and not exhaustive.

This applies to all employees, members, and visitors.

## **USE OF EQUIPMENT**

Equipment essential in accomplishing job duties is often expensive and may be difficult to replace. When using equipment, employees are expected to exercise care, perform required maintenance, and follow operating instructions, safety standards, and guidelines.

Please notify a manager if any equipment or machines appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could

prevent deterioration of equipment and possible injury to employees and others. The manager can answer any questions about an employee's responsibility for maintenance and care of equipment used on the job.

The improper, careless, negligent, destructive, or unsafe operation of equipment will result in disciplinary action up to and including termination of employment.

## **USE OF PHONE CELL PHONE AND MAIL SYSTEMS**

As a general matter, Employees should always be professional and courteous when conducting business over the telephone.

The occasional personal use of BHCU telephones for local calls is permitted. The use of personally owned cell phones is also approved for occasional personal calls, but may not be used in member/public areas for any purpose. Personal calls of any kind while on company time should be kept to a minimum. Personal use of BHCU telephones for long distance or toll calls without authorization is not permitted.

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

To maintain the security of our premises and systems, and the privacy of our employees and customers, BHCU prohibits unauthorized photography, and audio or video recording of its employees, confidential documents, or customers. This prohibition includes the use of cell phones equipped with cameras and audio and video recording capabilities. Employees may not use a cell phone, camera phone, PDA or any other handheld device in a manner that violates our No Harassment Policy, Equal Employment Opportunity Policy, or other Company policies. Employees may not use a cell phone, camera phone, PDA or any other handheld device in any way that may be seen as insulting, disruptive, obscene, offensive, or harmful to morale. Employees are strictly prohibited from taking any photographs or videos using any handheld device on Company premises or while working on Company business. Employees who violate this policy are subject to discipline, up to and including immediate termination of employment.

The use of BHCU's paid postage for personal correspondence is not permitted.

## **VISITORS IN THE WORKPLACE**

To provide for the safety and security of employees and the facilities and assets of BHCU, only authorized visitors are permitted in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids distractions and disturbances.

All visitors should enter BHCU at the main building entrance. Authorized visitors will receive directions and/or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on BHCU premises, employees should immediately notify a manager and if possible, direct the individual to the main exit.

## **SOLICITATION**

In an effort to assure a productive and harmonious work environment, persons not employed by BHCU may not solicit or distribute literature in the workplace at any time for any purpose. Members with legitimate business postings may request permission from the CEO or EVP to post such notices on BHCU bulletin boards. Any such postings will be at the sole discretion of the CEO or EVP.

BHCU recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. Any solicitation or posting of notices by employees must be approved by the CEO or EVP.

## **EMPLOYEE BENEFITS**

Eligible employees of BHCU are provided a wide range of benefits. A number of the programs (such as Social Security, Workers' compensation, and Unemployment Compensation) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your manager can identify the programs for which you are eligible. Details of these programs can be found elsewhere in the employee handbook or in plan documents. The following benefits are available to eligible employees:

- Benefit Coverage at Termination (COBRA) Family
- Leave
- Holidays Vacation
- Jury Duty Leave
- Personal Leave Sick
- Leave Benefits
- Short and Long Term Disability
- Medical Insurance
- Dental Insurance
- Vision Insurance
- Life Insurance
- 401(k) Plan
- Credit Union Membership Incentive
- Compensation

Some benefit programs require contributions from the employee, while some are full paid by BHCU. Benefit programs may be changed or discontinued as permitted by law at the sole discretion of BHCU.

## **MEDICAL/DENTAL/VISION INSURANCE**

Benefits are described in separate documents entitled Medical Plan(s). The plans are continuously reviewed and subject to coverage revisions.

## **401(k) PLAN**

BHCU provides a 401(k) to all eligible employees. Details concerning the plan are covered  
FPDOCS 35180222.1

in the Plan Document.

## **GROUP LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT PLAN - SHORT AND LONG TERM DISABILITY PLANS**

Details concerning the plans are contained in the Plan Document.

## **BENEFITS CONTINUATION PLAN (COBRA)**

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

Under COBRA, the employee or dependent pays the full cost of coverage at BHCU's group plan rates plus an administration fee.

BHCU provides each eligible employee written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the BHCU health insurance plan. The notice contains important information about the employee's rights and obligations.

## **WORKERS' COMPENSATION INSURANCE**

BHCU provides a comprehensive workers' compensation insurance program. The program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment.

Employees who sustain work related injuries or illnesses should inform their manager immediately. No matter how minor an on-the-job injury or illness may appear, it is important that it be reported immediately.

Neither BHCU nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by BHCU. Neither BHCU nor the insurance carrier will be liable for payment of workers' compensation benefits for injuries that occur or are connected with other employment.

## **VACATION BENEFITS**

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following classification(s) are eligible to earn and use vacation time as described herein.

All regular, full-time, non-executive employees on the active payroll or on an authorized leave of absence as of the vacation earning year shall be entitled to vacation with pay as follows:

Annual Vacation Benefits	
Full Years of Service	
<u>As of January 1st</u>	<u>Annual Vacation</u>
1 to 4	10 days
5 to 9	12 days
10 to 11	15 days
12 to 13	16 days
14 to 15	17 days
16 to 17	18 days
18 to 19	19 days
20+	20 days

The length of eligible service is calculated on the basis of a calendar year. A full-time employee with less than 1 year of service as of January 1<sup>st</sup> who enters full-time employment during the immediately preceding year shall accumulate pro rata vacation credits at a rate of 6.66 hours for each month of active service.

Paid vacation time can be used in half-hour increments. To use vacation, employees should request approval from their manager in advance. Only in unusual circumstances will an employee be permitted to schedule a full vacation day without prior approval. Requests for vacation will be reviewed based on a number of factors, including business needs and staffing requirements.

For the reasons stated above, employees are expected to use their earned vacation. However, BHCUC recognizes that there are circumstances which would cause an employee to not use all or part of accumulated vacation. In these circumstances, an employee may carry a maximum of 40 hours of earned vacation time over to the next calendar year. Any unused vacation credits in excess of that amount shall be forfeited.

Vacation time will be considered “earned” via a monthly accrual of 1/9<sup>th</sup> the employee’s annual allotment. Usage of vacation time in advance of the accrual shall be at the sole discretion of the employee’s supervisor.

Upon resignation/retirement/lay-off, an employee will be paid for earned, unused vacation time credit. Unearned, but used vacation time will be subject to repayment through a deduction from the employee’s final paycheck.

## **HOLIDAYS**

To be eligible for holiday pay, full time employees must work on the last scheduled work day immediately preceding and the first scheduled work day immediately following the holiday. The exception is an employee who is on approved, paid sick leave or vacation.

BHCUC observes the following holiday schedule:

- New Year's Day
- Martin Luther King Jr.'s Birthday
- President's Day



- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving
- Christmas Day

Part time employees who work a portion of the year on a full time basis are eligible for a pro rata share of Holiday pay.

BHCU will grant paid holiday time off to regular full-time employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times eight (8) hours.

A recognized holiday which falls on a Saturday will generally be observed on the preceding Friday. A recognized holiday which falls on a Sunday will generally be observed on the following Monday.

## **SICK LEAVE BENEFITS**

Sick leave is primarily intended to permit an employee to be paid for absences due to the employee's illness, medical appointments, and illness in the immediate family.

Each employee will be awarded 80 hours sick leave per year on January 1<sup>st</sup>. New employees who have not worked a full year as of December 31<sup>st</sup> shall be awarded pro-rata sick leave hours at the rate of 6.66 hours per month worked from the prior year.

## **SICK LEAVE CARRY-OVER**

1. Up to 40 hours of unused sick leave may be carried over to the succeeding year.
2. Unused sick leave in excess of 40 hours shall be transferred to the employee's excess unused sick leave account or paid out at the employee's request one time per year.

Upon resignation/retirement/lay-off, the employee shall receive pay for all unused sick leave in the plan. The pay will be at the rate in effect as of the termination date.

## **FAMILY LEAVE**

BHCU provides family leaves of absence without pay to regular full-time employees who wish to take time off from work to fulfill family obligations relating directly to childbirth, adoption, placement of a foster child, or to care for a child, spouse, or parent with a serious health condition. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider.

Eligible employees may request family leave after having completed one year of continuous active service. Eligible employees should make requests for family leave to their manager at least 30 days in advance of foreseeable events or as soon as possible for unforeseen events.

Employees requesting family leave related to the serious health condition of a covered family member may be required to submit a health care provider's statement verifying the need for a family member to provide care, its beginning and ending dates, and the estimated time required.

Eligible employees may request up to a maximum of 12 weeks of family leave within any 12-month period.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will be provided by BHCU until the end of the leave, up to a maximum of 12 weeks.

Employees are requested to provide BHCU with at least 2 weeks' notice of their anticipated return to duty.

Any employee who fails to return to duty on the date of their scheduled return date may be terminated from employment.

## **FAMILY AND MEDICAL LEAVE ACT (FMLA)**

In the event that BHCU becomes subject to the provisions of FMLA, any conflict which arises between the BHCU Family Leave provisions and the FMLA shall be resolved in accordance with FMLA.

## **PERSONAL LEAVE OF ABSENCE**

A personal leave of absence for good and sufficient reason may be granted when the services of the employee can be spared. Such leaves will generally not exceed 30 days and must be approved by the CEO or EVP.

Any employee who fails to return to duty on the date of their scheduled return date will be terminated from employment.

## **BEREAVEMENT LEAVE**

In the event of the death of the spouse, child, parent, sibling, father-in-law, mother-in-law, stepparent or a stepparent of a current spouse, stepchild, stepsister, or stepbrother, grandparents, grandparents of a current spouse, grandchildren, son-in-law, and daughter-in-law, of any regular full-time employee, such employee will be granted 3 days off with pay at the rate in effect at the time of the death. Such leave is for the purpose of attending the funeral and conducting other associated activities.

The Company may require proof of death prior to payment.

## **MILITARY LEAVE**

A military leave of absence will be granted to regular full-time employees, to attend scheduled drills or training or if called to active duty with the U.S. Armed Forces.

Employees will receive partial pay for two-week training assignments and shorter assignments. Upon presentation of orders and satisfactory military pay verification data, employees will be paid the difference between their normal base compensation

and the pay (excluding expense pay) received while on military duty. The portion of any military leaves of absence in excess of two (2) weeks will be unpaid. However, employees may use any available paid time off for the absence.

Employees on 2-week active duty assignments or inactive duty training drills are required to return to work on the first scheduled workday following the end of training, allowing for reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with applicable state and federal laws.

In addition to the military leave rights set forth in the Handbook, Pennsylvania employees who serve in the military are entitled to the protections of the Pennsylvania Military Leave of Absence Act (the Pennsylvania Act, also known as PAMLAA).

Under the Pennsylvania Act, BHCU will grant an unpaid leave of absence to any employee who is: (1) drafted into or enlists in active military service at the time of war, armed conflict or emergency proclaimed by the governor or the President of the United States; (2) a member of the reserve components of the armed forces who is called to active duty by the United States, or (3) a member of the Pennsylvania National Guard who is called to active duty by the governor or his or her designee.

A military leave granted under this policy will generally expire 90 days after expiration of the period of military duty unless federal law provides for a longer period of leave. However, a military leave granted to an employee ordered to active state duty or special state duty as a member of the Pennsylvania National Guard will expire 30 days after the expiration of the period of state duty. Employees may return to employment prior to the expiration of a leave upon notifying the Company of their desire and availability to return.

BHCU will continue health insurance and other benefits during the first 30 days of military duty served by a member of the Pennsylvania National Guard, or a member of any reserve component called or ordered into active duty, other than active duty for training. At the end of the first 30 days, employees will be given the option of continuing health insurance and other benefits at their own expense at the rate paid by BHCU.

Upon return from leave, employees will be restored to their prior position, or a position of like seniority, status and pay. If, however, an employee is not qualified to perform such positions due to a disability sustained during duty, BHCU will restore the employee to another position that he or she is qualified to perform, if any, that will provide him or her with like seniority, status and pay, or nearest approximation therefore, unless BHCU's circumstances have changed which make it impossible or unreasonable to do so. Any employee who is separated from service due to an undesirable, bad conduct or dishonorable discharge generally will not be entitled to benefits under the Pennsylvania Act.

This policy and the military leave policy set forth in the Handbook are intended to grant military leave in accordance with the requirements of applicable state and federal law in effect at the time a leave is granted. No greater or lesser leave benefits will be granted than those set forth in these laws. In all cases, employees will be eligible for the most generous benefits available under applicable law except that state law will not apply if it is invalid due to federal benefit law preemption.

## **JURY DUTY**

When an employee is summoned to serve on jury duty, the employee will receive pay for  
FPDOCS 35180222.1

the amount of hours he would otherwise have worked, subject to a maximum of 30 days' pay. Fees received for jury duty will not be deducted from such pay. Satisfactory proof of such service must be produced before prior to payment.

## **WITNESS PAY**

An employee subpoenaed as a witness in a federal or state court of law will receive pay for the amount of hours he otherwise would have worked, unless such employee has filed suit against the Credit Union. Witness fees will not be deducted from such pay.

Employees will not receive witness pay in instances where the employee is called as a witness on his own behalf in an action in which he is a party, or where the employee seeks to testify as a witness. The employee must furnish a copy of the subpoena to the credit union prior to payment.

## **BUSINESS TRAVEL EXPENSES**

BHCU will reimburse employees for reasonable business travel expenses while on assignments away from the work location. All business travel must be approved in advance by the CEO or EVP. Employees will be reimbursed in accordance with the Expense Reporting and Approval Process Policy approved by the Board of Directors. Violation of the Policy, including falsifying expense reports will result in disciplinary action up to and including termination of employment.

## **EMPLOYEE CONDUCT AND WORK RULES**

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

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

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty.
- Fighting or threatening violence in the workplace.
- Boisterous or disruptive activity in the workplace.
- Negligence or improper conduct leading to damage of employer-owned or member-owned property.
- Insubordination or other disrespectful conduct.
- Violation of safety or health rules.
- Smoking in prohibited areas.
- Sexual or other unlawful or unwelcome harassment.
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
- Excessive absenteeism or any absence without notice.
- Unauthorized absence from work during the workday.
- Unauthorized use of telephones, mail systems, or other employer-owned equipment
- Unauthorized disclosure of confidential information.

- Violation any company Policies.
- Unsatisfactory performance or conduct.

## **DRUG AND ALCOHOL USE**

It is the desire of BHCU to provide a drug and alcohol free, healthful and safe workplace. To promote this goal, employees are required to report to work and to remain in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on BHCU property and while conducting business-related activities off BHCU premises, employees may not use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of the Drug and Alcohol Policy may lead to disciplinary action up to and including termination of employment. The CEO or EVP may, at its sole discretion, require participation in a substance abuse rehabilitation or treatment program in lieu of termination for certain violations of this Policy.

Employees may be asked to submit to a drug and alcohol test if an employee's supervisor and/or another person in authority has a reasonable suspicion, based on objective factors such as the employee's appearance, speech, behavior, or other conduct and facts, that the employee possesses or is under the influence of unlawful drugs or alcohol, or both. An employee's refusal to submit to a drug and alcohol test shall be deemed to have received a positive test result. Employees who take over-the-counter medication or other lawful medication that can be legally prescribed under both federal and state law to treat a disability should inform their managers if they believe the medication will impair their job performance, safety, or the safety of others or if they believe they need a reasonable accommodation before reporting to work while under the influence of that medication.

In addition, please note that although the Commonwealth of Pennsylvania has legalized the medicinal use of marijuana to treat certain serious medical conditions, BHCU does not permit the use of marijuana in the workplace. Use of marijuana on Company property or while engaged in work-related activities is strictly prohibited and may result in discipline, up to and including immediate discharge.

## **DISCIPLINE PROCESS**

BHCU holds its employees to certain work rules and standards of conduct, as set forth herein. When an employee deviates from or violates these rules or standards, BHCU expects that the employee's supervisor, Human Resources, or Management will take corrective action. The usual sequence of corrective action includes two formal warnings, whether written or verbal, a final warning and if necessary the termination of employment. In deciding which initial corrective action would be appropriate, a supervisor will consider the seriousness of the infraction, the circumstances surrounding the incident, and the employee's previous record. Though committed to a progressive approach to corrective action, please note that BHCU reserves the right to terminate any employment where misconduct merits immediate dismissal without resorting to progressive discipline. Finally, this policy does not change the at-will nature of employment.

## **CELL PHONE USE/TEXTING WHILE DRIVING**

As set forth in the Handbook, BHCU prohibits employees from using cellular phones for business reasons while driving, for any reason while driving for work-related purposes and while driving a Company-owned vehicle. Employees should also be aware that creating, sending or reviewing text messages while driving, using a cell phone while driving is a violation of Pennsylvania law, in addition to being a violation of Company policy.

## **CRIME VICTIM AND WITNESS LEAVE**

BHCU allows unpaid leave for an employee to attend or participate in court proceedings because he or she is a victim of, or a witness to, a crime, or a member of such victim's family. An employee is eligible under the "family" aspect of this policy if he or she is related to the victim within the third degree of consanguinity or affinity, is in a common-law relationship with the victim, or resides in the same household with the victim. The employee is also eligible for unpaid leave if he or she is a crime victim required to appear in court for the purpose of being a witness. The employee must provide BHCU with as much notice as possible of the need to take leave under this policy. An employee who is the alleged offender is not eligible for time off under this policy.

## **BONE MARROW AND ORGAN DONOR LEAVE**

Eligible employees may take time off to donate bone marrow or an organ for human transplant. Employees may take up to five days of **[insert paid or unpaid]** leave for the donation and recovery from the donation.

Employees who wish to request time off under this policy should contact Human Resources.

## **EMERGENCY RESPONDER LEAVE**

Employees who are active volunteer firefighters, fire police or members of a volunteer ambulance service or rescue squad will be provided with time off from work or excused for being late to work when late or absent for the purpose of responding to a fire or ambulance call prior to regular hours of employment. Prior to missing work, employees must make every effort to notify their supervisors that they may report to work late or be absent from work in order to respond to an emergency call. If an employee fails to report to work under this provision, they must submit a written statement from the chief executive officer of the volunteer fire company, ambulance service or rescue squad documenting that the employee responded to a call and the time at which he or she responded.

BHCU will not discriminate against any employee who has been injured in the line of duty as a volunteer firefighter, fire police officer, or member of a volunteer ambulance service or rescue squad or who has received workers' compensation benefits as a result of such an injury.

## **SEVERE WEATHER**

An employee who fails to report for work due to road closures in the county where BHCU is located or in the county where the employee resides, will not be terminated or disciplined for failing to report for work if the absence is the result of a state of emergency declared by the Governor. Employees will receive unpaid leave during this time.

## **LACTATION ACCOMMODATION**

Consistent with the Handbook, BHCU will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child. Break time for this purpose will be unpaid for nonexempt employees, except that employees can use any existing paid rest or other break time to express milk.

BHCU will make reasonable efforts to provide employees with the use of a private location, other than a toilet stall, for the employee to express milk. Employees should discuss with their manager or a Human Resources representative the location to express their breast milk and for storage of expressed milk and to make any other arrangements under this policy. BHCU reserves the right to not provide additional break time or a private location for expressing breast milk if doing so would substantially disrupt the Company's operations.

Employees should provide reasonable notice to BHCU that they intend to take breaks for expressing breast milk upon returning to work, for example when they are discussing their return to work following leave relating to childbirth.

BHCU will not demote, terminate, or otherwise take adverse action against an employee who requests or makes use of the accommodations and break time described in this policy.

**EMPLOYEE HANDBOOK ACKNOWLEDGMENT**

I, \_\_\_\_\_ (employee name), acknowledge that on \_\_\_\_\_ (date), I received a copy of Boeing Helicopters Credit Union (“BHCU”) Employee Handbook ("Handbook"), and that I read it, understood it, and agree to comply with it. I understand that BHCU has the maximum discretion permitted by law to interpret, administer, change, modify, or delete the rules, regulations, procedures, and benefits contained in the Handbook at any time with or without notice. No statement or representation by a supervisor or manager or any other employee, whether oral or written, can supplement or modify this Handbook. Changes can only be made if approved in writing by the CEO of BHCU. I also understand that any delay or failure by BHCU to enforce any rule, regulation, or procedure contained in the Handbook will not constitute a waiver of BHCU's right to do so in the future.

I understand that neither this Handbook nor any other communication by a management representative or any other employee, whether oral or written, is intended in any way to create a contract of employment. I understand that, unless I have a written employment agreement signed by an authorized BHCU representative, I am employed at will and this Handbook does not modify my at-will employment status. If I have a written employment agreement signed by an authorized BHCU representative and this Handbook conflicts with the terms of my employment agreement, I understand that the terms of my employment agreement will control.

.....

(Employee's Signature)

.....

(Employee's Printed Name)

.....

(Date)