



CEMCO

POLICIES AND PROCEDURES

CEMCO LEGAL STATUS

The official name of the corporation shall be the Coastal Empire Montessori Community Organization; but for all purposes of business, except where the name is mandatory, CEMCO may be used as the business title. The legal basis for CEMCO is vested in the will of the people as expressed in the Articles of Incorporation, the by-laws of the Coastal Empire Montessori Community Organization, court interpretation of the validity of these laws and the power implied in them. CEMCO's registered office is 1610 Staley Avenue, Savannah, GA 31405, and the registered agent is Michael H. Graham, Esq, the attorney for CEMCO.

CEMCO is organized pursuant to the provisions of the Georgia Non-Profit Corporation Code to provide children of all ages with educational services based on the teaching philosophy and methodology developed by Dr. Maria Montessori, and to create a multitude of Charter Schools throughout the United States within which to provide these educational services. These Charter Schools and the services provided therein will be available to all primary, elementary and secondary students without regard to age, race, religion or gender, including, but not limited to, those meeting the criteria of the Individuals with Disabilities Education Act (IDEA), Title II of the Americans with Disabilities Act, and Section 504 of the Rehabilitation Act of 1973.

The Coastal Empire Montessori Charter School (CEMCS) has been organized and is located at 301 Buckhalter Road in Savannah, Chatham County, Georgia, which will serve as a model for other charter schools throughout the nation.

CEMCO is organized exclusively for educational purposes, including the receipt and distribution of funds it receives from the Savannah/Chatham County School District, the Bright From The Start State Early Childhood Program, student tuition and fees, Federal and State entitlement and discretionary grants and from donations received as a tax exempt organization under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code and any other source it receives funds for its operation.

CEMCO may receive and administer funds for educational and charitable purposes, within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 and to that end, the Corporation is empowered to hold any property, or any undivided interest therein, without limitation as to amount or value; to dispose of any such property and to invest, reinvest, or deal with the principal or the income in such manner as, in the judgment of the directors, will best promote the purposes of CEMCO, without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, CEMCO's Articles of Incorporation, the By-Laws of the Corporation, or any applicable laws, to do any other act or thing incidental to or connected with the purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its directors or officers except as permitted under the Not-for-Profit Corporation Law.

No part of the net earnings of CEMCO shall inure to the benefit of any member, trustee, officer of CEMCO, or any private individual, except that reasonable compensation may be paid for services rendered to or for CEMCO affecting one or more of its purposes, and no member, trustee, officer of CEMCO, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of CEMCO.

No substantial part of the activities of CEMCO shall be the carrying on of propaganda, or otherwise attempting, to influence legislation, and CEMCO shall not participate in or intervene in, including the publication or distribution of statements, any political campaign on behalf of any candidate for public office.

Upon the dissolution of CEMCO or the winding up of its affairs, the assets of CEMCO shall be distributed exclusively to CEMCS or one or more charitable, religious, scientific, testing for public safety, literary, or educational organizations which would then qualify under the provisions of Section 501(c)(3) of the Internal Revenue Code and its Regulations as they now exist or as they may be hereafter amended, or to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of CEMCO is then located, exclusively for such purposes or to such organization or organizations as said Court shall determine, which are organized and operated exclusively for such purposes.

CEMCO VISION AND MISSION

The Vision of CEMCO is to create the Coastal Empire Montessori Charter School (CEMCS) that offers a learning environment that is exciting where teachers facilitate instruction while creating an atmosphere where children are taught to take responsibility for their own learning at their own pace within a Montessori structured environment.

The mission of the CEMCO is to oversee the operation of the CEMCS Charter School that will offer a safe, nurturing atmosphere in which certified Montessori trained teachers provide an exceptional education for young children that adheres to the principles and standards of the Montessori Methods of childhood education

CEMCO GOALS

The Goals of CEMCO are:

- (1) The development and implementation of a Montessori school that will achieve systemic reforms and providing all students the opportunity to meet challenging Georgia State academic content standards and student academic achievement standards;
- (2) The development and design of innovative educational methods and practices that promote diversity and increase choices for students in Savannah/Chatham County public and private elementary schools;
- (3) Instruction that will substantially strengthen the knowledge of academic subjects of participating students; and
- (4) Improving the capacity of the school, through professional development, to continue the Montessori methodology and philosophy.

CEMCO OBJECTIVES

Objective 1 – Each year, CEMCO will show that CEMCS is capable of offering a unique Montessori program that meet the needs of students participating in the program and attracts significant numbers of children each year between the ages of 3 and 12, who represent the different social, economic, ethnic, and racial backgrounds of students within the Savannah/Chatham School District.

Objective – Each year, CEMCO will be show that CEMCS teachers are either Montessori certified or being Montessori trained to increase their ability to effectively carry out the unique Montessori teaching approaches while improving academic achievement and the ability to continue these approaches.

Objective - CEMCO will be responsible for CEMCS to show evidence that the school curriculum is Montessori research-based as well as aligned with Georgia's *No Child Left Behind* (NCLB) Approved Accountability Plan requirements, and the Georgia content and performance requirements.

Objective – CEMCO will be responsible for CEMCS to show evidence that each classroom reaches provides instruction that is capable of substantially strengthening students’ knowledge of academic subjects while provide each student with skills needed for successful living.

ADMINISTRATIVE STRUCTURE

Board of Directors - CEMCO utilizes a policymaking board, which shall be subject to the provisions of O.C.G.A. §50-14-1 et seq. (Open and Public Meetings) and O.C.G.A. §50-10-70 et seq. (Inspection of Public Records). CEMCS is governed by a nine member Governing Board, which has complete responsibility for carrying out the terms of the corporation. CEMCO is responsible for the governance of CEMCS, which is also subject to the management and control of the Savannah/Chatham County School Board as provided in an approved Charter

The qualifications for members and the manner of their admissions to the Board shall be regulated by the by-laws. The Board of Directors shall consist of nine members, at least two parents or guardians of children (Parent/Guardian Board members) enrolled in a charter school it governs and who are not employees of the charter school or of a school system affected by the charter school. The CEMCO Governing Board will have two or more community and business owner members who do not have children currently enrolled at a charter school governed by CEMCO. All members must of good moral character and a respected member of the community.

CEMCO board members shall be required to comply with the fingerprinting requirements of Georgia statutes and rules relating to criminal background checks. Board members may be disqualified or may be terminated if they have been convicted of a crime classified as a felony or first-degree misdemeanor or convicted of a crime involving moral turpitude. A Board member may be removed by majority vote of the other members of the Board of Directors

Election of Directors. The Board of Directors shall be elected in accordance with the rules and regulations set forth in the By-Laws of CEMCO. For election purposes, Parent/Guardian Board members will be selected by the Board based on those submitted by a majority vote of the all CEMCO governed Charter schools parents and guardians present at an annual meeting of the Parent Teacher Organization. Parent/Guardian Board members will serve a minimum two-year term.

These lines of authority and responsibility provide avenues for the two-way flow of ideas to improve continuously the operations of the corporation. Cooperative working relationships of all staff members at all levels are encouraged.

Responsibilities of Board – The legal authority of CEMCO is transmitted from the Board of Directors through the Officers along specific lines of authority and responsibility that are reflected on organization charts. All changes in these lines of authority and responsibility are submitted to the Board for review and approval.

The responsibilities of this position includes:

The President of the Board

1. Is a member of the Board.
2. Provides leadership to the Board of Directors, who sets policy and to whom the Head of School is accountable.
3. Chairs meetings of the Board after developing the agenda with the Head of School.
4. Encourages Board's role in strategic planning.
5. Appoints the chairpersons of committees, in consultation with other Board members.
6. Serves ex officio as a member of committees and attends their meetings when invited.
7. Discusses issues confronting the organization with the Chief Executive.
8. Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.
9. Reviews with the Head of School any issues of concern to the Board.
10. Monitors financial planning and financial reports.
11. Plays a leading role in fundraising activities.
12. Formally evaluates the performance of the Head of School and informally evaluates the effectiveness of the Board members.
13. Evaluates annually the performance of the organization in achieving its mission.
14. Performs other responsibilities assigned by the Board.

The Vice President of the Board

This position in successor to the President position. The responsibilities of this position includes:

1. Is a member of the Board
2. Performs Chair responsibilities when the President cannot be available.
3. Reports to the Board's President
4. Works closely with the President and other staff
5. Participates closely with the President to develop and implement officer transition plans.
6. Performs other responsibilities as assigned by the Board.

The Board Secretary

The responsibilities of this position include:

1. Is a member of the Board
2. Maintains records of the board and ensures effective management of CEMCO's records.
3. Manages minutes of board meetings.
4. Ensures minutes are distributed to members shortly after each meeting.
5. Is sufficiently familiar with legal documents (articles, by-laws, IRS letters, etc.) to note applicability during meetings.

The Board Treasurer

The responsibilities of this position includes:

1. Is a member of the Board
2. Manages finances of the organization
3. Administrates fiscal matters of the organization
4. Provides annual budget to the board for members' approval
5. Ensures development and board review of financial policies and procedures

Board Members

The responsibilities of these positions include:

1. Regularly attends board meetings and important related meetings.
2. Makes serious commitment to participate actively in committee work.
3. Volunteers for and willingly accepts assignments and completes them thoroughly and on time.
4. Stays informed about committee matters, prepares themselves well for meetings, and reviews and comments on minutes and reports.
5. Gets to know other committee members and builds a collegial working relationship that contributes to consensus.
6. Is an active participant in the committee's annual evaluation and planning efforts.
7. Participates in fund raising for the organization.

Committee Chairs

1. The responsibilities of these positions include:
2. Are members of the Board.
3. Sets tone for the committee work.
4. Ensures that members have the information needed to do their jobs.
5. Oversees the logistics of committee's operations.
6. Reports to the Board's President.
7. Reports to the full Board on committee's decisions/recommendations.
8. Works closely with the Head of School and other staff as agreed to by the Head of School.
9. Assigns work to the committee members, sets the agenda and runs the meetings, and ensures distribution of meeting minutes.
10. Initiates and leads the committee's annual evaluation.

The Board will be responsible for hiring and firing employees and the Savannah/Chatham Board of Education will provide fingerprinting, background checks, reference checks prior to approval.

All administrative personnel are expected to keep their immediate supervisors informed of their activities.

APPOINTMENT OF PRESIDENT PRO TEMPORE

If the President is absent from any meeting of CEMCO Board, or from any of his/her assigned duties, a Vice President shall serve as the chief administrative officer of the corporation during such absence.

A President pro tempore shall be appointed if a majority of the members of the Board determine, according to Board policy, that the President is incapacitated--for an extended period of time--in such a manner that he/she is unable to perform the duties of the office.

The President pro tempore shall perform all the duties and functions of the President and shall serve until the Board by majority vote determines, according to Board policy, the President's incapacity is removed or until the expiration of the President's term of office.

The Board shall fix the compensation of the President pro tempore.

The President pro tempore may be removed at any time by a two-thirds majority vote of the members of the Board.

INCAPACITY OF PRESIDENT

A President pro tempore shall be appointed if a majority of the members of CEMCO Board determine that the President is incapacitated--for an extended period of time--in such manner that he/she is unable to perform the duties of the office of President. Such determination shall be initiated in one of the following ways:

1. At the written request of the President or his/her representative by reason of illness or other disability which request shall be accompanied by a written opinion of the President's physician that the President is incapacitated in a manner that he is unable to perform the duties of office of President.
2. At the request of CEMCO Board which request in writing shall be personally served upon the President by the Treasurer within three (3) days after the adoption of such request by the Board. Within ten (10) days after the service of such notice, the Board and the President or his/her representative shall select two (2) different physicians, each of whom shall thereafter examine the President and within twenty (20) days after the initial ten (10) day period, submit separately their written opinions with respect to the capacity or incapacity of the President to perform the duties of the office. The Board and the President or his/her representative shall receive a copy of both written opinions. If the President fails to select a physician during such ten (10) day period or fails to submit to examination by the physician selected by the Board within the twenty (20) day period specified, the Board may presume the President to be incapacitated.
3. The Treasurer shall personally serve upon the President or his representative a certified copy of such determination made by the Board.

During the period of incapacity, the President shall be placed on sick leave, with pay, not to exceed the amount of his accumulated but unused sick leave and any advancement of such sick leave that may be authorized by Board policy.

At the expiration of his sick leave, the President, at his/her request, may be placed on a leave of absence. Such leave shall not extend beyond the contract or term of the office of the President.

The President shall be returned to active duty status by a majority vote of the members of CEMCO Board, at the request of the President or at the request of the Board, providing that the President is medically able to resume his duties.

1. If the President were determined incapacitated by the Board at his/her request, then the President may request that the Board return him/her to the duties of the office. Such request by the President shall be accompanied by a written opinion of the President's physician that the President is medically able to resume the duties of the office.

2. If the President were determined incapacitated at the request of the Board, then the Board may request the return of the President to active duty status, which request in writing shall be served upon the President within three (3) days after its adoption by the Board. After the service of such written request, either the Board or the President may request the opinion of two (2) physicians--one (1) selected by the Board and one (!) selected by the President or his/her representative--to determine whether the President is medically able to resume the duties of the office. A written copy of the opinion of each physician shall be provided to the Board and to the President.
3. The Treasurer shall personally serve upon the President or his/her representative a certified copy of such determination made by the Board.

The President may request a hearing before CEMCO Board on any action or omission under this policy and shall have the rights to a hearing.

LINE AND STAFF RELATIONS

The Board urges the President to establish clear understandings for all personnel on the job responsibilities of each position and the working relationships of one position to another.

Titles of positions are not meant to restrict cooperation and working relationships among staff members at all levels. In order to carry out the services of the organization, responsibility for completion of projects will be assigned to a staff member. That member must have the authority to assign tasks so that the project can be completed efficiently and effectively. The person assigned responsibility for a project will have the authority to assign project tasks to any other group member regardless of the title or position of a group member.

Personnel shall be expected to refer matters requiring administrative action to the administrator to whom they are responsible. That administrator shall refer such matters to the next higher administrative authority when necessary. Additionally, all personnel are expected to keep the person to whom they are immediately responsible informed of their activities by whatever means the person in charge deems appropriate.

Lines of direct authority shall be those approved by the Board and shown on corporation organization charts.

EQUAL OPPORTUNITY EMPLOYMENT

It is the policy of this corporation to provide equal opportunities for employment, retention, and advancement of all people regardless of race, color, creed, national origin, political affiliation, sex, age, or handicap.

In this respect, the Board is in compliance with federal and state statutes that deal with equal opportunity employment. The Board has pledged:

That said Board of CEMCO will not refuse to hire or discharge any individual or otherwise to discriminate against any individual with respect to his compensation, promotion, terms, conditions, or privileges of employment, because of such individual's race, color, creed, national origin, political affiliation, sex, age, or handicap.

That said Board of CEMCO will not limit, segregate, or classify its employees or applicants for employment in any way which would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, creed, national origin, political affiliation, sex, age, or handicap.

Legal References:

Civil Rights Act of 1964, as amended in 1972, Title VI, Title VII

Executive Order 11246, 1965, as amended by Executive Order 11375

Equal Employment Opportunity Act of 1972, Title VII

Rehabilitation Act of 1973

Age Discrimination in Employment Act, P.L. 95-256

Immigration Reform and Control Act of 1986, Pub. L No. 99-603 (1986)

OCR 4112-02

DRUG FREE WORKPLACE

Introduction

The purpose of these regulations is to implement the policy of CEMCO that prohibits employees from manufacturing, using, possessing, offering for sale, dispensing, or distributing controlled substances in the following situations:

1. while in corporation buildings;
2. while on corporate grounds;
3. while at corporate-sponsored or Board-sponsored events; and
4. in any other situation where such employees are subject to the authority of CEMCO

All employees within CEMCO are required to abide by the Board's Drug Free Workplace policy.

Reporting Procedures

All employees who become aware of a criminal drug statute conviction for a violation occurring in the workplace shall report the conviction to the Vice President immediately. Upon receiving notice of such a conviction, the Vice President shall determine the appropriate supervisor and provide, within 10 days, notice of the conviction.

Within thirty (30) days of receiving such notice, the person's supervisor will:

1. take appropriate personnel action against such employee up to and including termination in accordance with all applicable disciplinary procedures; or
2. require such employee to participate satisfactorily in an approved drug assistance or rehabilitation program at the cost of the employee.

Sexual Harassment Reporting Procedures

CEMCO Board policies prohibit any form of sexual harassment among employees. Equal Employment Opportunity Commission guidelines--Title VII of the Civil Rights Act of 1964--specify that all employees are entitled to a work environment free from sexual harassment and intimidation.

Sexual harassment is a form of misconduct that undermines the integrity of the employment relationship. It is an attempt to control or influence the career, salary, job or working environment of an individual. Sexual harassment may include, but is not limited to:

- creating a sexually intimidating, hostile, or offensive work environment;
- offensive sexual flirtations;
- advances or propositions of a sexual nature;
- continued or repeated verbal abuse of a sexual nature;
- graphic or degrading verbal comments about an individual or his/her appearance;
- the display of sexually suggestive objects or pictures; and
- any sexually offensive or abusive physical contact.

All of CEMCO supervisory personnel are responsible for eliminating any and all forms of sexual harassment and intimidation of which they are aware. Failure to do so will be considered a failure to fulfill all the responsibilities of the position.

Procedures

Any employee who feels that he/she has been subjected to any form of sexual harassment should first discuss the problem with his/her immediate supervisor. Once a sexual harassment complaint is brought forward by an employee, the immediate supervisor will conduct an investigation--in as discreet a manner as possible--and obtain written statements from all involved parties. Within five (5) working days of a complaint, the immediate supervisor shall submit a written decision to the individuals involved. Findings are forwarded to CEMCO Board for review with legal counsel.

If the employee is unwilling to discuss a concern with the immediate supervisor, the employee should express his/her concern in writing to the Vice President of the corporation. The Vice President shall appoint a hearing officer who will conduct the investigation--in as discreet a manner as possible--and obtain written statements from all involved parties and, within five (5) working days of a complaint, the hearing officer will submit a written decision to the individuals involved. Findings will be forwarded to CEMCO Board for review with legal counsel.

Outcomes of Investigations

The outcome of the investigation process may take one of three forms:

1. The immediate supervisor or hearing officer resolves the complaint. Signed statements are obtained from all involved individuals indicating acceptance--at that time--of the written decision. The signed statements are forwarded to CEMCO Board.
2. The immediate supervisor or hearing officer is not able to substantiate any basis for the harassment complaint and states such in the written decision that is given to the involved parties. Findings and the written decision are forwarded to CEMCO Board for review with legal counsel.
3. The immediate supervisor or hearing officer is not able to resolve the complaint. This decision, along with the written statements is forwarded to the Vice President who, serving as chairperson, will appoint a three-member Title IX Committee. The Title IX Committee will either provide a written decision or schedule an investigation conference within ten (10) working days of receipt of the findings from the immediate supervisor or hearing

officer. Should a conference be scheduled, individuals involved will receive written notification of the conference time and date. Once a conference is scheduled, a written decision will be provided within ten (10) working days of the conference date to the involved.

Appeal Process

For outcome #2, outlined above, the complainant may appeal, in writing, to the Vice President within (5) working days from the date of receipt of written findings from the immediate supervisor or hearing officer. The Vice President, serving as chairperson, will appoint a three-member Title IX Committee to review findings. The Title IX Committee will provide a written response within ten (10) working days from the date of receipt of the written appeal to all parties involved.

For outcome #3, outlined above, either party may appeal in writing to the President or his/her designate, within five (5) working days from the date of receipt of the written findings from CEMCO Title IX Committee. The President or his designate will provide a written response within ten (10) working days from the date of receipt of the written appeal to all parties involved.

Any time limits set by the above procedures may be extended by mutual consent of both parties. There will be no retaliatory measures taken against any employee who makes a complaint of sexual harassment.

CEMCO Board shall pay any expenses incurred under this policy.

AUTHORIZED SIGNATURES

Facsimile signatures of CEMCO Treasurer may be used on checks or other orders on funds deposited in designated depositories.

If the Treasurer were incapacitated in such a manner that he/she is unable to sign his/her name, the President may sign any instrument with the full legal authority as is granted the Treasurer and President.

If the President were incapacitated in such a manner that he/she is unable to sign his/her name, the Vice-President may sign any instrument with the full legal authority as is granted the Treasurer and President.

FINANCIAL REPORTS AND STATEMENTS

CEMCO Board shall receive monthly financial statements showing the financial condition of the corporation as of the last day of the preceding month. Such statement will reflect obligations incurred as well as those already paid. Other financial records, which are deemed necessary by the Board, shall be presented periodically.

DEPOSITORY OF FUNDS

CEMCO shall enter into depository agreements with chartered commercial banks. These agreements shall apply to all funds controlled by CEMCO

Active deposits shall be made in eligible institutions as agreed upon by the Board.

The selection of the official depository for the active accounts, including the checking accounts and the payroll clearing accounts of CEMCO shall be made by the Board and administered by the Treasurer of the corporation.

PETTY CASH ACCOUNTS

In order to facilitate refunds and minor purchases, the Board authorizes establishment of a petty cash fund of \$200 under the direction of the Treasurer. The Treasurer assumes responsibility for assuring legality of expenditures. Amounts drawn on the fund are limited to \$35.00 for each single expenditure. All disbursements are to be supported by proper receipt.

No other petty cash funds are permitted.

PAYDAY SCHEDULES

All personnel employed regularly, either full or part-time, shall be paid according to a specific schedule determined annually and approved by CEMCO Board.

SALARY DEDUCTIONS

Deductions from gross salary will be made for all federal, state and local government mandates, including contributions to CEMCO retirement system.

Optional deductions may be approved by the Board subject to the following requirements.

1. Employee organizations desiring the initiation of a salary deduction plan must submit a proposal to the President and the Treasurer.
2. Optional deductions may be offered on a group basis only and should include at least ten percent of the employees eligible for such deduction.
3. Salary deductions, other than these regulated by government decree, will be made only on receipt of written authorization of the individual employee.

The Board and the Treasurer shall assume no obligation, financial or otherwise, arising out of any payroll deduction plan.

PURCHASING

The Board has established purchasing policies and procedures for the Office of the Treasurer. These policies are comprehensive and shall cover all purchases made by CEMCO

General Guidelines

- a) To the degree possible, it is the policy of CEMCO to standardize all information technology related equipment purchases. The Vice President is responsible for coordinating establishment and publication of standards, in collaboration with the Treasurer, and for overseeing a review, approval, and delivery inspection process for the acquisition of all information technology related equipment.
- b) All information technology related equipment requests must be reviewed and approved by the official supervisor prior to submitting a request to the Treasurer. The Treasurer will review the request with respect to its intended use, cost, compatibility with existing systems, support, and adherence to established guidelines and standards.

TRAVEL

The Board has established travel policies and procedures that are comprehensive and shall cover all travel made by employees of CEMCO

General Guidelines

To the degree possible, it is the policy of CEMCO to pay expenses of employees who are traveling to carry out the obligations of the corporation. The Treasurer is responsible for

coordinating the establishment and publication of standards, and for overseeing a review, approval and prompt payment of reimbursement requests.

General Travel Policy

Reimbursement for expenditures incurred while conducting official corporation business can be claimed only when those expenditures meet CEMCO guidelines.

- a) To accomplish its stated purposes, CEMCO authorizes its personnel to engage in travel and provides budgetary funds for reimbursement of certain related costs.
- b) Reimbursement requests from corporation personnel shall be honored if the traveler received proper prior authorization and the expenditures incurred were in accordance with the guidelines included in the following regulations.
- c) These regulations apply to all corporate related travel expenditures from operating budgets, construction funds, and federal, private, and other grants unless the grantor specifically authorizes in writing that a different policy shall apply. The office supervisor is responsible for complying with the travel regulations of the grantor.

Authorization of Travel

- a) The Vice President must approve all travel involving overnight lodging for which reimbursement of expense will be claimed in advance of the travel.
- b) After approval, a Travel Authorization and Travel Expense form is sent to the Treasurer.
- c) The approved Travel Expense Report section of the Travel Authorization and Travel Expense Report from certifies the propriety of all expenses listed as actually necessary to the performance of official corporate business. Upon completion of the travel, the travel section of the Travel Expense Report from, along with appropriate receipts, is forwarded to the Treasurer for reimbursement.

Prepayment of Expenses

All expenses shall be paid by the traveler and submitted for reimbursement on the Travel Expense Report form. However, payment and reimbursement for airline tickets and conference fees may be made in advance of the travel.

- a) CEMCO makes available to officers of the corporation, at no cost to the employee, a corporate credit card. However, the employee must meet the credit requirements of the credit card corporation, and the employee is responsible for all charges to the card. Use of the corporate credit card is encouraged for expenses incurred prior to and while on official corporate travel.
- b) When the cost of an airline ticket is charged to the corporation, the travel agency will deliver the ticket to the traveling employee at his/her office.
- c) If an employee wishes to have a prepaid ticket forwarded to another city for use by a guest, this request can be arranged through local travel services or through the airline used for travel. The traveler must fill out a travel request form and have it approved (\$750 limit). The Treasurer must receive the appropriate copy of the request before the travel agency is authorized to send the ticket.

- d) In order to receive reimbursement for charges that have been paid in advance by the traveler, the employee must submit an approved Prepayment Request form to the Treasurer, along with appropriate documentation.

Allowable Transportation Expenses

a) Automobile

- 1) Travel by privately owned automobile is authorized only if the owner thereof is insured under a policy of liability insurance complying with the state in which the traveler resides and must include the following minimum coverage: \$12,500 for bodily injury or death of one person in any one accident; \$25,000 for bodily injury or death of two or more persons in any one accident; \$7,500 for property damage in any one accident. When an employee is traveling by privately owned automobile, the liability insurance of the owner of the vehicle and/or the driver of the vehicle provides primary coverage before any coverage purchased by the corporation.
- 2) Reimbursement for travel by privately owned automobile is authorized at the rate of 26¢ per mile.
- 3) Mileage is payable to only one or two or more employees traveling on the same trip and in the same vehicle. The names of all persons traveling on the same trip and in the same vehicle, as well as the employing department of each person, must be listed on the Travel Expense Report.
- 4) For automobile trips over 400 miles, either actual mileage or round trip coach fare, whichever is lower, shall be the maximum amount reimbursed.
- 5) When a rental car is used, the traveler is authorized to purchase coverage for damage and liability not covered by the traveler's personal insurance.

b) Common Carrier

- 1) Payment or reimbursement is authorized at the lowest available rate. Airline reservations should be made as early as possible to take advantage of super saver and other discounted rates. The least expensive mode of travel should always be chosen giving consideration to constraints on time, value of executive time, elimination of overnight lodging, and cost of meals. A Saturday stay-over is authorized if the cost savings are justified.
- 2) This expense must be listed on the Travel Expense Report and be accompanied by a receipt.
- 3) An employee who participates in frequent flyer programs may retain any benefits from awards made under the program. The corporation makes no claims to any of the awards and assumes no financial responsibility for these benefits.

c) Other Transportation Expenses

- 1) Reimbursement can be claimed for ferry, bridge, highway, and tunnel tolls. Receipts are not required.
- 2) Reimbursements can be claimed for parking charges and taxi fares. A receipt is required for each item of expense greater than \$5.

- 3) Any other out-of-pocket expense, such as road service and towing charges, directly chargeable to the operation of a privately owned vehicle and incurred while traveling in such vehicle, can be reimbursed subject to approval by the Treasurer.
- 4) Each item of expense claimed under this section must be listed on the Travel Expense Report.

Allowable Living Expenses

The following allowable living expenses are CEMCO guidelines. The Treasurer can impose additional limits or restrictions.

a) Lodging

Exceptions to these lodging guidelines will be made only with the written approval of the Treasurer or when an employee is traveling at the request of his/her supervisor.

- 1) Employees are asked to avoid "luxury" type suites or hotels whenever possible (unless it is the site of a conference). The employee is traveling at the request of his/her supervisor.
- 2) Travel agents are often able to arrange discount room rates for travelers, except where blocks of rooms are reserved for a conference or workshop.
- 3) If it is necessary to test the reasonableness of a lodging expense, single room rates for a national chain, such as Holiday Inn, shall be utilized. Lodging can be claimed only if the travel destination is 30 miles or more from home or the primary corporate work location.
 - (a) An employee authorized to travel on official corporate business can claim reimbursement for lodging up to a daily maximum of \$150, plus tax.
 - (b) Receipts for lodging must be submitted with the Travel Expense Report form.
 - (c) Reimbursement for non-commercial lodging in a private dwelling is limited to \$15 per calendar day. The employee must provide a signed receipt.

b) Meals

Effective January 1, 1999 allowable rates for meals are as follows:

- 1) Reimbursement for meals can be claimed according to the following allowable rates. Receipts are required.
 - (a) Daily rate of \$50 when travel is for more than four hours of time,
 - (b) A partial daily rate of \$25 when travel involves less than four hours of time.
 - (c) Rates exceeding the daily or partial daily rate for **authorized** entertainment expenses. All entertainment must be approved prior to function or event.
 - (d) The above allowable rates include tax and gratuities.
- 2) Reimbursement for meals " high cost areas" can be claimed according to the following allowable rates. Receipts are required.
 - (a) Daily rate of \$70 when travel is for more than four hours of time,
 - (b) A partial daily rate of \$35 when travel involves less than four hours of time.
 - (c) Rates exceeding the daily or partial daily rate for **authorized** entertainment expenses. All entertainment must be approved prior to the function or event.

- (d) The above allowable rates include tax and gratuities.
 - (e) The "high cost areas" included in this policy are: Dallas; Houston; Austin; Los Angeles; San Francisco; Washington, D.C.; Chicago; Boston; Atlantic City and Newark; New Jersey; New York City; Philadelphia: and, Newport, Rhode Island.
 - (f) Travel to foreign country will be classified as "high cost areas."
- 3) Cost of meals that are included, as part of a conference fee that has been prepaid by the corporation will not be reimbursed.
 - 4) Expenses incurred for entertainment consumption of alcoholic beverages other than as part of meals with clients are considered personal and are not reimbursable.
- c) *Miscellaneous Living Expenses*
- 1) Expenses incurred for laundry, dry cleaning, and pressing can be reimbursed if the employee is on continuous travel status in excess of one week without returning home.
 - 2) Expenses incurred for special purchases essential for the fulfillment of the travel or work assignment can be reimbursed upon approval by an employee's supervisor.
 - 3) Reimbursement of miscellaneous expenses as described in this section can be claimed in addition to the maximum allowed for lodging and meals while an employee is authorized to travel on official corporation business. Such expenses must be itemized separately on the Travel Expense Report and be accompanied by receipts.

Non-employee Travel Expenses

If a non-employee accompanies the employee on official corporation travel, CEMCO will pay for the employee's expenses only. Any expenses incurred because of or by the non-employee are the responsibility of the employee.

Exceptions

Any requests for exceptions to this policy should be submitted in writing to the Treasurer describing the circumstances that justify an exception. Exceptions must always satisfy the requirement that the expense was actual, necessary, and reasonable under the circumstances.

Local Travel

- a) Local travel is defined as that travel which does not require overnight lodging, or travel not requiring payment for commercial transportation.
- b) An account of short trips (mileage and related expenses) should be recorded and accumulated for a period of time, not to exceed one month. Receipts are required to receive reimbursement for meals related to local travel.
- c) The log should be forwarded to the Treasurer if the reimbursement is in excess of \$100. When the reimbursement is \$100 or less, the log and an approved petty cash request should be presented to the Treasurer.

Director's Expenses

CEMCO will pay for the certain expenses for members of the Board of Directors that are directly related to the conduct of business for the corporation. Expenses are limited to \$1,000 monthly and must be documented by receipts.

Corporation Owned Vehicles

CEMCO provides automobiles for authorized executive employees to carry out the business of the corporation. CEMCO will pay only those costs related to business uses. Any costs related to personal use must be paid back to the corporation by the employee.

PERSONNEL POLICIES GOALS

The personnel employed by CEMCO are the most important resource for effectively conducting a quality service. The service functions best when the corporation employs highly qualified personnel, conducts appropriate staff development activities, and establishes policies and working conditions which are conducive to high morale and which enable each staff member to make the fullest contribution to corporate services.

The goals of the corporation's personnel service include:

1. to develop and implement those strategies and procedures for personnel recruitment, screening and selection that will result in employing the highest capabilities, strongest commitment to quality and greatest probability of effectively implementing the corporation's service;
2. to develop general assignment strategy that makes the greatest contribution to corporate objectives and to use it as the primary basis for determining staff assignments;
3. to develop a climate in which optional staff performance, morale and satisfaction are encouraged;
4. to assist in providing positive programs of staff development designed to contribute both to improvement of corporate service and to each staff member's career development aspirations;
5. to provide for a genuine team approach including staff involvement in planning, decision-making and evaluation;
6. to develop and use for personnel evaluation positive processes which contribute to the improvement of both staff capabilities and the corporate objectives;
7. to encourage all employees to be cognizant of their role to carry out ethical principles and democratic ideals;
8. to provide attractive compensation and benefits for all employees, as well as other provisions for staff welfare.

PROFESSIONAL STAFF POSITIONS

All professional staff positions are created with the approval of CEMCO Board. It is the Board's intent to activate a sufficient number of positions to accomplish the corporation's goals and objectives.

Before any new position is established, the President will present, for the Board's approval, a job description for the position which specifies the qualifications for the position, job responsibilities, time schedule, minimum and maximum salary rates and the annual earned increment.

The Board also instructs the President to maintain a comprehensive and up-to-date set of job descriptions for each position in the corporation.

PROFESSIONAL, UNCLASSIFIED AND CLASSIFIED POSITIONS - ASSIGNMENT, JOB CLASSIFICATION, AND TIME SCHEDULE

The President is responsible for the direction of CEMCO staff. Upon hire, an employee shall be informed of his position, title, classification, job code, time schedule, salary, and work assignment. Should the Board authorize a change in job classification, the employee shall receive written notification.

STAFF CONTRACTS AND COMPENSATION PLANS

The Board recognizes that attractive compensation plans - which include an adequate base salary, salary incentives, and employee benefits - are necessary to attract and retain qualified staff in the various service areas that support CEMCO

The Board shall adopt plans of compensation and incorporate them into the Annual Salary Schedule. The Board of the CEMCO Group Inc can make no changes to the Annual Salary Schedule or to individual salary rates without approval.

Each CEMCO employee shall receive an annual salary notice which enumerates the time schedule and salary rate.

POSITION CLASSIFICATIONS

CEMCO provides for three classifications of employees including:

- a) *Executive Classification* - Executive staff is defined as officers to CEMCO
- b) *Professional Classification* - Professional staff are defined as those employees who are assigned to administrative positions at CEMCO but who are not officers of CEMCO
- c) *Technical Classification* - Technical services are the auxiliary services required supporting CEMCO They include administrative support; technical personnel; secretarial service, and other support personnel.

Executive and Professional employees may represent the corporation with all clients on all matters related to their positions with CEMCO Technical employees may not provide direct on-site service to any client unless specifically approved by the Board of CEMCO

EMPLOYMENT CONTRACTS

CEMCO Board shall enter into individual contracts for the employment and re-employment of professional staff members.

A full-time employee is one who enters into an individual contract for a minimum of 35 hours per week. Full time employees are entitled to all benefits offered by CEMCO A part time employee is one who enters into an individual contract for a scheduled time of more than 15 hours but less than 35 hours per week. A part-time employee is entitled to one half the benefits offered to full-time employees. An occasional employee is one who enters into a working arrangement with CEMCO for less than 20 hours per week. Occasional employees are not entitled to any benefits offered by CEMCO

Contracts for the employment of professional staff shall be of three types, limited, continuing and supplemental.

Limited Contracts

The Board shall enter into a limited contract with each individual employed. Limited contracts are given to employees who have not been in the employ of the Board for at least three years.

Any person employed under limited contract and not eligible to be considered for continuing contract is deemed re-employed at the expiration of such limited contract, unless the Board,

acting on the President's recommendation, gives such person written notice of its intention not to re-employ him/her on or before the thirteenth of April. For part-time employees, notice of contract non-renewal may be set forth in the contract at the time of issuance.

Continuing Contracts

To be eligible for a continuing contract, a person must have worked continuously for CEMCO for at least three of the last five years, or must have served two years in the corporation if continuing contract status has been attained elsewhere.

If an employee, otherwise eligible for a continuing contract, has not previously attained continuing service status, the President may recommend re-employment of that employee under a limited contract of not more than two years' duration. Subsequent re-employment must be on a continuing contract basis.

Supplemental Contracts

The Board shall enter into a limited supplemental contract with those employees accepting extra duty activities for which payment has been authorized by the Board. Such limited supplemental contracts shall include the type of activity for which compensation is paid and amount of such compensation, and may include notice of non-renewal.

Bonuses and Incentives

The Board may from time to time offer incentives or bonuses to those employees who the Board determines to have provided exemplary services to CEMCO during a specific time period. Bonuses and Incentives are the complete discretion of the Board and are not a right of an employee. The amount of each bonus or incentive pay will be determined by the Board.

NON-CORPORATION EMPLOYMENT

The Board places no restrictions on non-corporation employment by its employees as long as it does not:

1. interfere with the daily, weekly, and yearly work schedule of the employee;
2. detract from the effectiveness of other corporate employees;
3. discredit or create embarrassment for the Board; and
4. is approved by the Board.

FRINGE BENEFITS

In addition to the basic salary, fringe benefits are recognized as an integral part of the compensation package.

CEMCO provides such appropriate fringe benefits as leaves of absence, personal and family illness, bereavement, sick day accumulation, severance pay provisions, life, health, dental, optical and prescription insurance, justifiable absence, and retirement benefits.

The Treasurer will provide employees with an annual publication that specifies Board authorized fringe benefit programs and the annual average cost of providing such benefits.

INSURANCE

CEMCO will make every effort to obtain insurance at the most economical cost, consistent with required service. This will be accomplished by obtaining bids, quotations, or by negotiation,

using that method of greatest advantage to the corporation and which is in accordance with legal and policy requirements.

The responsibility for administering the insurance program shall be delegated to the President and the administrative staff. Specifications for insurance coverage of various types will be prepared so that insurance may be placed by competitive bid. Major modification of these specifications--which may be considered necessary because of changes in the law or substantial changes in the corporation's exposure values--will be brought before the Board for discussion and adoption.

The Board may authorize the services of an insurance consultant to prepare specifications and to make recommendations.

STAFF ORIENTATION

The President shall assume responsibility for the development, implementation, administration and evaluation of an annual orientation program for new members of CEMCO

Orientation programs for new members of the professional staff shall be scheduled prior to the first day of employment. Subsequent sessions should be held--during the year--to maintain proper communication and staff relationships.

EMPLOYEE RESPONSIBILITY

Work Site

An employee may not leave the work site, during his/her scheduled work shift unless officially representing the corporation. In case of an emergency, the employee is expected to follow the established office procedures for leaving the work site during working hours. Leaving the work site without following the established procedures is grounds for disciplinary action.

An employee may not permit unauthorized persons entry to the work site.

Violation of this section may lead to disciplinary action.

ATTENDANCE

Absence

Absence from work causes a reduction in the work force, hence, leads to responsibilities unmet, work postponed, or adjustments in responsibilities for those who are at work.

Absence includes all time lost from the work schedule. This is so, whether the time lost was voluntary or involuntary, avoidable or unavoidable.

Each employee is expected to strive for perfect attendance. Understandably, the goal is perfection; so most individuals may be expected to have less than perfect attendance. Nonetheless, the goal is perfect attendance.

Attendance may bear a close relationship to attitude toward work responsibility. In so many cases, attitude--rather than health--seems to account for an employee's attendance record. Under such circumstances, modification in the attitude can result in improved attendance.

An employee may not absent himself from work to perform services for another employer nor may he be absent for personal advantage or convenience.

The official work hours of CEMCO are from 8 AM to 8 PM EST or EDT including one hour for lunch. The office will be opened until 5 PM PST to conduct business on the west coast. Staff will

coordinate their schedules to cover the 12-hour day. Executive and Professional staff may be required to work 12 hours on occasion to cover this time period. Any employee who wishes to arrange other work hours must have written approval from the President. The lunch schedule of each employee must be arranged so that each office is represented at the work place.

Notification of Absence

The employee is expected to follow the procedures specified for his/her office. Failure to provide proper notification of absence is cause for disciplinary action.

Certification of Absence

The certification of absence is required by the Board for any payment of salary for absence. It is the responsibility of the employee to certify the absence by completing the proper forms and forwarding them to his/her immediate supervisor. This certification must be filed within two days of the return to work; or in the case of a long-term absence, in accordance with the regulations on long term absence.

The filing of any willfully false statement by an employee, concerning his/her absence, shall be considered by the Board as grounds for disciplinary action.

The Annual Leave Program

The paid annual leave program is designed to provide employees with a paid time away from the office to relieve work-related stress. CEMCO encourages employees to use the time accumulated each year for rest and relaxation. However, because the corporation recognizes that employees sometimes do not have the opportunity to utilize their vacation time, annual leave can be accumulated as follows:

- a) Each employee will accumulate one day per month for the first two consecutive years of service to the corporation.
- b) Each employee will accumulate one and one half days per month for the next four consecutive years of service until the sixth consecutive year of service is completed.
- c) After six (6) consecutive years are completed, an employee receives two days per month for the remainder of his/her consecutive service to the corporation.

Employees may regard annual leave as paid time to which they have a right. However, employees may not accumulate more than 90 days of annual leave. Any annual leave accumulated beyond 90 days will be relinquished.

Employees will be given information related to their accumulated annual and sick leave each pay period during their employment. An employee may request any information regarding their accumulated annual and sick leave from the Treasurer at any time.

The Sick Leave Program

The paid sick leave program was designed to relieve an employee of financial hardship during an illness. In this respect, the sick leave program is an income protection insurance. As in the case of life insurance, hospitalization insurance, and health and accident insurance, the emphasis is on protection, rather than use.

Some employees may regard sick leave as a paid time to which they have a right. This is far from factual. Paid leave for illness is a right, but claiming sick leave pay--for unnecessary absence--is downright dishonesty.

An employee is expected to accumulate sick leave, from one year to another, unless he or she has a real illness or injury that reduces or eliminates the sick leave accumulation.

CEMCO provides accumulated sick leave at the rate of eight (8) hours per month for each full-time employee. There is no pay for accumulated sick leave when an employee is on a leave of absence. Part-time and occasional employees are not eligible to participate in the sick leave program.

HOLIDAYS

The Board recognizes specific holidays during the calendar year during which corporation offices will be closed. Recognized paid holidays include New Year's Day, Martin Luther King's birth date, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Christmas. Employees may select one additional U.S. recognized holiday at their discretion during a calendar year. Part-time employees receive 50% of their pay if the holiday falls during their scheduled days of work. Occasional employees are not eligible to be compensated for holidays.

If an official recognized holiday falls on a Saturday, corporate offices will be closed on the preceding Friday. In the recognized holiday falls on Sunday, offices will be closed on the following Monday.

TARDINESS

The Board has agreed to provide employment, and has set a work schedule for each position. By accepting employment, an employee has agreed to be at work on time. When an employee reports late to work, he/she has changed the work schedule; he/she has no right to do so. The employee has placed himself/herself in a position that may cause the immediate supervisor to change the employee's work schedule, or pursue disciplinary action.

An employee is expected to arrange a work schedule with his/her supervisor.

OVERTIME

Overtime is designed to compensate full-time employees for extra work that must be completed occasionally. Overtime will be paid only with prior written approval by the Treasurer. Overtime will be based upon the hourly rate of the employee. A rate of one and one half times the employee's hourly rate will be paid for work required on holidays and weekends as follows:

- a) Executive employees are not eligible for overtime.
- b) Professional employees are eligible for overtime after 44 hours of work during a week. Weekend workshops do not constitute overtime work.
- c) Technical staff is eligible for overtime after 40 hours of work during a week.

LEAVE OF ABSENCE

Employees may, under conditions described in their contractual agreements and in accordance with this policy statement, be granted leave of absence for the following reasons:

1. Illness
2. Maternity/Paternity/Parental
3. Dependent Care
4. Public Office
5. Military Service

6. Unrestricted

Leaves of absence may be authorized only by the Board upon the recommendations of the President.

STAFF CONDUCT

All persons employed by CEMCO are expected to conduct themselves in a manner that not only reflects credit to the corporation, but that sets forth a model worthy of emulation by professional educators.

All persons employed by CEMCO have a responsibility to make themselves familiar with, and abide by, the corporate policies as these affect their work and the Administrative Regulations designed to implement them.

An employee is expected to be considerate of fellow employees, professional staff, and clients. In this respect, there is conduct becoming and conduct unbecoming an employee of the corporation. Any conduct which might tend to discredit the reputation of CEMCO may be considered conduct unbecoming an employee.

While it is impossible to predict the many situations that may arise, or to describe all aspects of acceptable or unacceptable conduct, an employee is expected to use common sense, courtesy, consideration, and reasonableness in relationships with other persons.

All persons employed by CEMCO will be expected to carry out their assigned responsibilities with conscientious concern. Essential to the success of the ongoing corporate operations are the following specific responsibilities, which are required of all personnel:

1. faithfulness and promptness in all attendance at work;
2. support and enforcement of policies of the Board and regulations of the corporation administration;
3. respect the rights of other employees;
4. diligence in submitting required reports promptly at the times specified;
5. care and protection of corporate property;
6. concern and attention toward their own and the corporation's legal responsibilities and objectives; and
7. maintenance of their own efficiency and knowledge of developments in their areas of work.

The President and administrative staff will develop and enforce regulations pertaining to the conduct of employees, including the types of conduct that will subject employees to disciplinary action or discharge.

POSSESSION OR USE OF ALCOHOL, DRUGS OR FIREARMS ON CORPORATE PREMISES

Board policy prohibits the possession or use of alcohol and/or drugs on corporate premises. A corporate employee is not expected to partake of alcohol or drugs from the start through the conclusion of the work period. Further, the employee is not expected to report for work under the influence of alcohol and/or drugs, or smelling of alcohol.

Rules

1. No employee may possess alcoholic beverages and/or drugs on corporate-owned or leased property except at officially sponsored events.
2. Drinking of alcoholic beverages, during work hours, is prohibited; this includes paid or unpaid lunch periods.
3. Being under the influence of alcoholic beverages and/or drugs during work hours is prohibited.
 - a. An employee who uses prescription drugs that may affect his/her equilibrium or speech should notify his/her immediate supervisor before going to work.
4. An employee will not be permitted to work, if there is any evidence of use of alcoholic beverages and/or drugs.
5. No employee may possess, use or exhibit weapons (firearms) or other instruments of a similar nature on corporate-owned or leased property.
6. Violation of these rules is cause for serious disciplinary action. The first offense is grounds for a suspension. A second offense of the above rules is grounds for termination of employment.

INSUBORDINATION

Attitude

An employee is expected to display consideration for others. Lack of consideration is indicated by lack of cooperation, strong or abusive language.

Refusal to Obey as Ordered

The immediate supervisor is expected to provide direction so the work may be accomplished, in accordance with his/her concept of need and/or priority.

An employee is expected to follow instructions, whether or not he/she is in agreement with the instruction.

An employee has the right to grieve a condition of employment; the employee does not have the right to refuse to follow instruction.

Refusal to obey an order is subject to disciplinary action.

PROFESSIONAL STAFF PROMOTIONS

All promotions shall be based upon merit, qualifications and proper certification.

Such promotions shall be made without regard to race, color, religion, sex, age, handicap or national origin.

The President shall recommend candidates for promotion to the Board.

EVALUATION OF PROFESSIONAL STAFF

In order to assure a high quality of professional performance and to advance the goals of CEMCO, a continuous program for evaluation shall be established.

The evaluation process shall include:

the development and periodic review of techniques and procedures for making evaluations;

interpretation of the information gained in the evaluation process in terms of the objectives of CEMCO;

an application of the information gained to the planning of staff development and inservice training activities which are designed to improve and increase competence; and

shall include self-evaluation, supervisor-initiated observations, and employee-initiated observations.

Professional employees with three years service--or less--shall receive a minimum of one formal written evaluation during the year. Professional employees with four or more years of service shall receive at least one formal written observation every two years. Evaluations --in addition to those detailed above-- are at the discretion of the administration.

The formal evaluations shall be written and may be discussed by the supervisor and the person being evaluated. A copy of the written document shall be provided the employee; it may be incorporated into the personal files of the professional.

The written evaluation should be specific in terms of a person's strengths and weaknesses. Those areas where improvement is needed should be clearly set forth and recommendations for improvement should be made. Subsequent evaluations should address themselves to any improvement or to any continuing difficulty that is observed.

CONFLICTS OF INTEREST

No employee of CEMCO shall engage in, nor have a financial interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his or her duties and responsibilities.

Employees shall not engage in other employment where the source of information concerning customer, client, or employer originates from any information obtained through the corporation.

No member, or employee, of CEMCO may act as a sales agent--either directly or indirectly-- for any person, firm or corporation selling similar supplies or equipment sold by CEMCO To do so constitutes conflict of interest that may result in severe disciplinary action against the member or employee.

Questions concerning whether or not an activity creates even a reasonable question of conflict of interest with the duties and responsibilities assigned by CEMCO should be referred to the Treasurer of the corporation.

PUBLIC OFFICE

Upon written request, a member may be granted time off -- without pay -- for a maximum of thirty (30) work days per calendar year to campaign for an elected public office.

If elected or appointed to public office, the member shall request an assessment conference with the Vice President to determine the relationship between said office and responsibilities to the Board. The result of the conference and any agreement thereof, shall be placed in writing.

A member elected or appointed to public office -- which does not permit said member to meet the terms and conditions of his/her employment -- may request a leave of absence without pay for one term of such elected position, or in the case of an appointed position, a maximum of two (2) years from the effective date of the appointment.

COMMUNITY SERVICE

The Board recognizes that employees have the same civic responsibilities and privileges as other citizens. Among its employees are many individuals who utilize their talents, and limited time, in the betterment of the quality of life in the community.

The policy of the Board is to authorize rules and regulations that may permit employees to participate in community service as long as such service does not interfere with the proper completion of position responsibilities.

STAFF COMPLAINTS AND GRIEVANCES

CEMCO recognizes the need to provide for the orderly resolution of grievances. Employees shall have the right of access to the grievance procedure. The employee should present grievances in writing directly to the President or to a member of the Board of Directors of CEMCO

SUSPENSION AND DEMOTION OF PERSONNEL

Suspension or demotion of employees shall be conducted in accordance with employment contractual provisions.

TERMINATION OF PROFESSIONAL AND UNCLASSIFIED CONTRACT

Contracts of professional and technical staff member may be terminated by the Board for gross inefficiency or immorality, for willful and persistent violation of reasonable regulations, or for other good and just cause. The procedures the Board must follow in terminating a continuing contract of a professional staff member are outlined in the Bylaws of CEMCO

REDUCTION IN PROFESSIONAL STAFF WORK FORCE

In the event of staff reductions caused by decreases in workload, or a loss in corporate funds, the Board shall confirm to all procedural requirements. Beyond these requirements, reductions shall be based upon criteria developed by the President that conform to practical considerations of the corporation.

RESIGNATION

Resignation Contract by Employees

An employee who wishes to resign may do so by submitting a written resignation to the President. Resignations must be submitted to the President at least ten days prior to the proposed date of resignation. A person turning in a resignation less than ten (10) days of termination may be subject to forfeit of up to ten (10) days of pay.

SEVERANCE PAY

The Board will provide severance pay for all employees who retire under service or disability retirement provisions.

- 1) Eligibility shall be limited to employees with five or more years of service with CEMCO An employee may receive severance pay only once.
- 2) An employee's effective retirement date with the retirement system must be no later than three years after the last paid date of service or the last day of approved leave with CEMCO to be eligible for severance pay.
- 3) An employee must exercise his right to severance pay within one year of his/her effective retirement date with the retirement system.

- 4) An employee may not apply for severance pay until after said employee has received the first retirement benefit payment from the retirement system.
- 5) An employee who qualifies for severance pay shall receive the amount stipulated in a recognized written agreement.
- 6) An employee who qualifies for severance pay shall receive 25 percent of the employee's accumulation of unused sick days.
- 7) An employee will receive two additional days of severance pay credit for each year of service from the official date of employment.
- 8) The daily rate of pay shall be determined by dividing the annual salary rate by the number of work days in the employee's time schedule; said rate shall not include any payment for overtime, or reimbursement for activities for which a supplemental contract is issued.
- 9) The annual salary rate shall be defined as the dollar amount contained on the limited contract or annual notice of salary.
- 10) Severance payment will eliminate all sick leave credit accrued by the employee.

RETIREMENT OF CEMCO GROUP INC. EMPLOYEES

All of CEMCO employees may become contributing members of CEMCO retirement system. CEMCO will contribute to the retirement system on an equal share basis. Employees are eligible to join the retirement system after two years of full-time employment. Contributions to the retirement plan by CEMCO will equal contributions of the employee up to a maximum of ten (10) percent of the employee's annual salary. An employee may retire at age 65 after five (5) consecutive years of service to CEMCO Retirement compensation will be based on the schedule of payment provided under the rules of the retirement plan.