



TALENT HANDBOOK

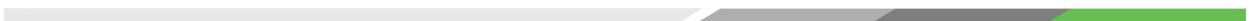


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WELCOME

Whether you have just joined our staff or have been at X3 Tradesmen (X3) for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. We consider our employees, or as we refer to them, our Talent, to be our most valuable asset. This handbook has been written to serve as a guide for the employer/Talent relationship.

There are several things to keep in mind about this handbook. First, it contains only general information and guidelines. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. For that reason, if you have any questions concerning eligibility for a particular benefit or the applicability of a policy or practice to you, you should address your specific questions to the X3 office.

Neither this handbook nor any other company document confers any contractual right, either expressed or implied, to remain in the company's employ. Nor does it guarantee any fixed terms and conditions of your employment. Your employment is not for any specific time and may be terminated at will, with or without cause, and without prior notice by the company, or you may resign for any reason at any time. No representative of the company (except the officers) has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the above.

The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. We will inform you of any changes as they occur.

This handbook and the information in it should be treated as confidential. No portion of this handbook should be disclosed to others, except X3, X3 Talent, and others affiliated with X3 whose knowledge of the information is required in the normal course of business.

MISSION

X3 will revolutionize the way contractors and tradespeople work together and shift what it means to manage a client's workforce. Through our full-time employment model and unique client solutions, X3 is the future of construction employment.

BENEFITS

Medical, Dental, and Vision Insurance

Talents are eligible to enroll in benefits, that include a variety of medical, dental and vision plans, the first of the month following 30 days of employment. Benefits are deducted from paychecks on a weekly basis and deductions are reconciled monthly (based on hours worked and vacation utilized).

If you have questions regarding these benefits, please contact the insurance company or your local X3 representative directly.

401K

We are excited to offer a matching retirement account to all of our Talents. After 30 days, every Talent is eligible to sign up for our 401k. The contributions are pre-tax or post-tax (depending on the Talents election) and X3 will match the contributions up to 4% of your gross income. The first 3% is dollar for dollar and the next 2% is matched at 50%. The contributions are vested immediately, and the account can be taken with you. Please note this is a retirement account so if you take money out of this account before IRS retirement age, the IRS will penalize the distribution on top of taxes.

Tuition Assistance

The company will reimburse up to a maximum of \$800 per year incurred by a Talent for education through an accredited program that is related to his or her current position or might lead to promotional opportunities. Courses include college credit courses and certification tests. Talents must have a minimum of 500 hours (which is roughly 3 months) and must earn a passing grade of "B" or its equivalent or obtain a certification to receive any reimbursement. An "A" will receive 100% reimbursement and a "B" will receive 70% reimbursement broken into two payments. Expenses must be validated by receipts, and a copy of the final grade card or certification must be presented to show hours or certification received. The first payment is due upon receiving the grade and the second is due 90 days later if still employed by X3.

Paid Time Off and Holiday Pay

We reward our talent with PTO that allows you to use as the need or desire arises. PTO and Holiday pay is based on hours worked. Refer to the [Time Off/Leaves of Absence](#) section of the handbook for details)

Life Insurance

X3 understands the importance of financial protection and provides \$10,000 of life/AD&D coverage at no cost to you. In addition, you have the opportunity to supplement the employer paid coverage with voluntary life and voluntary AD&D through convenient payroll deductions. Life insurance is available the first of the month following 30 days of employment.

Supplemental Insurance

Supplemental insurance is extra or additional insurance that you can purchase to help you pay for services and out-of-pocket expenses that your regular insurance does not cover. Some supplemental insurance plans will pay for out-of-pocket medical expenses, such as deductibles, copayments, and coinsurance. Supplemental insurance is available the first of the month following 30 days of employment.

Workers' Compensation Benefits

The company is covered under statutory state workers' compensation laws. Talents who sustain work-related injuries must immediately notify the X3 office.

Any questions or comments should be directed to the X3 Recruiting Staff.

COMPENSATION

Performance and Hourly Pay Review

The X3 Talent's overall performance and hourly pay rate relative to his/her position responsibilities is evaluated to determine if a pay increase would be warranted. Jobsite supervisors can rate their X3 Talent after each week, and after each assigned order and this feedback is utilized in a Talent's performance review.

X³ Staff will review all hourly pay increase/adjustment requests to ensure internal equity and compliance with company policies and guidelines.

Payment of Wages

Payroll is done weekly and paid one week in delay. Friday is payday if your timecard is received on time with the jobsite supervisor's signature.

If the normal payday falls on a company-recognized holiday, paychecks will be distributed one workday before the aforementioned schedule.

Talents are paid through direct deposit of funds to either a savings or checking account at a financial institution of their choice. If an incorrect direct deposit account number has been provided, a payment of wages may be delayed until such time as the accurate direct deposit information is provided.

If a Talent's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to the X3 office.

No pay advances will be made.

Time Reporting

A work hour is any hour of the day that is worked and should be recorded to the nearest quarter of an hour. The workday is defined as the 24-hour period starting at 12:00 a.m. and ending at 11:59 p.m. The workweek covers seven consecutive days beginning on Saturday and ending on Friday.

Overtime is defined as hours worked by an hourly or nonexempt Talent in excess of 40 hours in a work week and should be recorded to the nearest quarter of an hour.

Talent will submit their time record weekly by Saturdays at noon. Each Talent is to maintain an accurate daily record of his or her hours worked and obtain the jobsite supervisor's signature.

Meal/Rest Periods

The scheduling of meal periods at X3 is set by the Talent's jobsite supervisor with the goal of providing the least possible disruption to company operations.

Mandatory Meal Period

Talent meal periods are important to company productivity and Talent health. Talents who work at least 8 consecutive hours will be provided a meal break not to exceed 60 minutes. The meal period will not be included in the total hours of work per day and is not compensable. Nonexempt Talents are to be completely relieved of all job duties while on meal breaks and must clock out for meal periods.

Rest Breaks

Nonexempt Talents are permitted a 15-minute rest break for every four hours of work. Nonexempt Talents on rest breaks are not required to clock in and clock out because this time is considered “time worked” and is compensable.

Impermissible Use of Meal Period and/or Rest Breaks

Neither the lunch period nor the rest break(s) may be used to account for a Talent's late arrival or early departure or to cover time off for other purposes—for example, rest breaks may not be accumulated to extend a meal period, and rest breaks may not be combined to allow one half-hour long break.

Overtime Pay

Talents who exceed 40 hours of work time in a workweek will be paid time and one half. Paid leave, such as holiday, sick or Paid Time Off pay, does not apply toward work time. The workweek begins at 12:00 a.m. on Saturday morning and ends at 11:59 p.m. on Friday night. During busy periods Talents may be required to work extended hours.

Referral Program Bonus

X3 provides an amazing opportunity for their actively working Talent to earn a bonus by referring other quality tradesmen. X3 Talent (aka “referrer”) who refers a qualified candidate (aka “referred”) will receive a \$1.00 bonus for every hour the referred candidate works for X3. The referral bonus is paid out monthly and will be dependent on the referrer receiving the bonus having worked an average of 36 hours or more per pay period.

TIME OFF/LEAVES OF ABSENCE

Holiday Pay

Starting at 30 days (160 hours) you will be eligible for the X3 Holiday Pay Plan and receive Holiday Pay for the following Holidays:

- Independence Day
- Thanksgiving Day
- Christmas Day
- New Year’s Day
- Veteran’s Day *(***only applicable to qualified veteran, active duty, and reserve military personnel)*

Starting at 1 year (2080 hours) you will receive 2 additional Holiday Pay days getting Holiday Pay for Memorial Day and Labor Day.

- Memorial Day
- Labor Day

*** Holiday Pay will be paid out at your average regular hourly wage during your last 400 hours. Overtime pay and prevailing wage (Davis Bacon) pay does not count towards your Holiday Pay average.*

**** Veteran's Day is only applicable to veteran, active duty, and reserve military personnel. To qualify for this benefit, Talent are required to provide proof of military status (DD214 or active Military ID card) prior to Veteran's Day.*

Holiday Pay is given when you are **currently assigned** and working on an X3 assignment. If you work on one of the above Holiday's, you will be paid Holiday Pay in addition to your hours worked. Holiday Pay does not count towards your weekly hours and is paid out at your average hour wage for the last 400 hours.

Paid Time Off Pay

To reward our Talent, we offer the following Paid Time Off (PTO) Plan with two tiers of accrual:

1. Talent will immediately begin accruing 1 hour of PTO for every 30 hours worked with X3.
This equals 66 PTO hours a year if you worked 2000 hours a year.
2. Once you have reached 4001 hours (~ 2 years) with X3, Talent will accrue 1 hour of PTO for every 25 hours worked.
This equals 80 PTO hours a year if you worked 2000 hours a year.

**** PTO will be paid out at your average regular hourly wage during your last 400 hours. Overtime pay and prevailing wage (Davis Bacon) pay does not count towards your PTO hourly average. Overtime hours do count towards your accrual.*

Hours Worked	Accrual Rate	PTO Hours/Year (If worked 2000 hours a year)	Annual Carry Over
Tier 1: 0 - 4000	1 hour for every 30 hours worked	66 hours (~8 days)	40 hours
Tier 2: 4001+ hours	1 hour for every 25 hours worked	80 hours (~10 days)	80 hours

PTO pay is given if you are **currently assigned** and working on an X3 assignment or have ended an X3 assignment in **the last 7 days**. Based on state regulations, **voluntary**

separation from X3 you will be paid out your accrued PTO. Upon **involuntary** separation from X3 your accrued PTO may be forfeited.

Family and Medical Leave Act

Upon hire, X3 provides all new Talents with notices required by the U.S. Department of Labor (DOL) on Talent Rights and Responsibilities Under the Family and Medical Leave Act (FMLA).

The function of this policy is to provide Talents with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, Talents will be afforded all rights required by law.

If you have any questions, concerns or disputes with this policy, you can contact our Support Team via email at support@x3tradesmen.com.

General Provisions

Under this policy, X3 will grant up to 12 weeks (or up to 26 weeks of military caregiver leave to care for a covered service member with a serious injury or illness) during a 12-month period to eligible Talents. The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in this policy.

Eligibility

To qualify to take family or medical leave under this policy, the Talent must meet the following conditions:

- The Talent must have worked for the company for 12 months or 52 weeks. The 12 months or 52 weeks need not be consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or Reserve military service obligations or when there is a written agreement, including a collective bargaining agreement, stating the employer's intention to rehire the Talent after the service break. For eligibility purposes, a Talent will be considered to have been employed for an entire week even if the Talent was on the payroll for only part of a week or if the Talent is on leave during the week.
- The Talent must have worked at least 1,250 hours during the 12-month period immediately before the date when the leave is requested to commence. The principles established under the Fair Labor Standards Act (FLSA) determine the number of hours worked by a Talent. The FLSA does not include time spent on paid or unpaid leave as hours worked. Consequently, these hours of leave should not be counted in determining the 1,250 hours eligibility test for a Talent under FMLA.

- The Talent must work in a work site where 50 or more Talents are employed by the company within 75 miles of that office or work site. The distance is to be calculated by using available transportation by the most direct route.

Type of Leave Covered

To qualify as FMLA leave under this policy, the Talent must be taking leave for one of the reasons listed below:

- The birth of a child and in order to care for that child.
- The placement of a child for adoption or foster care and to care for a newly placed child.
- To care for a spouse, child or parent with a serious health condition (Under the FMLA, a “spouse” means a husband or wife as defined under the law in the state where the Talent resides, including same-sex marriages in states that legally recognize such civil unions).
- The serious health condition (described below) of the Talent.
 - A Talent may take leave because of a serious health condition that makes the Talent unable to perform the functions of the Talent's position. A serious health condition is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or as a condition that requires continuing care by a licensed healthcare provider.

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Talents with questions about what illnesses are covered under this FMLA policy or under the company's sick leave policy are encouraged to consult with the Human Resource manager.

If a Talent takes paid sick leave for a condition that progresses into a serious health condition and the Talent requests unpaid leave as provided under this policy, the company may designate all or some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

- Qualifying exigency leave for families of members of the National Guard or Reserves or of a regular component of the Armed Forces when the covered military member on covered active duty or called to covered active duty.
 - A Talent whose spouse, son, daughter or parent has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following: a) short-notice deployment, b) military events and activities, c) child care and school activities, d) financial and legal arrangements, e) counseling, f) rest and recuperation, g) post-deployment activities, and h) additional activities that arise out of active duty, provided that the employer and Talent agree, including agreement on timing and duration of the leave.

Covered active duty means:

- In the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country.
- In the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty under a provision of law referred to in Title 10 U.S.C. §101(a)(13)(B).

The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the Talent's 12-week maximum of FMLA leave in a 12-month period.

- Military caregiver leaves (also known as covered service member leave) to care for an injured or ill service member or veteran.
- A Talent whose son, daughter, parent or next of kin is a covered service member may take up to 26 weeks in a single 12-month period to take care of leave to care for that service member.

Next of kin is defined as the closest blood relative of the injured or recovering service member.

The term covered service member means:

- A member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation or therapy or is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.

- A veteran who is undergoing medical treatment, recuperation or therapy for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of five years preceding the date on which the veteran undergoes that medical treatment, recuperation or therapy.

The term serious injury or illness means:

- In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), an injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member's office, grade, rank or rating.
- In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered service member, a qualifying (as defined by the Secretary of Labor) injury or illness that was incurred by the member in the line of duty on active duty in the Armed Forces (or that existed before the beginning of the member's active duty and was aggravated by service in the line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

Amount of Leave

An eligible Talent may take up to 12 weeks for the first five FMLA circumstances above (under heading "Type of Leave Covered") under this policy during any 12-month period. The company will measure the 12-month period as a rolling 12-month period measured backward from the date a Talent uses any leave under this policy. Each time a Talent takes leave, the company will compute the amount of leave the Talent has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount of time the Talent is entitled to take at that time.

An eligible Talent can take up to 26 weeks for the FMLA military caregiver leave circumstances above during a single 12-month period. For this military caregiver leave, the company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

If a husband and wife both work for the company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the husband and wife may only take a combined total of 12 weeks of leave. If a husband and wife both work for the company

and each wish to take leave to care for a covered injured or ill service member, the husband and wife may only take a combined total of 26 weeks of leave.

Talent Status and Benefits During Leave

While a Talent is on leave, the company will continue the Talent's health benefits during the leave period at the same level and under the same conditions as if the Talent had continued to work.

Talent Status After Leave

A Talent who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from the health care provider.

Use of Paid and Unpaid Leave

All Paid Time Off, personal and sick leave runs concurrently with FMLA leave.

Disability leave for the birth of a child and for a Talent's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA.

Intermittent Leave or a Reduced Work Schedule

The Talent may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced-hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill service member over a 12-month period).

Certification for the Talent's Serious Health Condition

The company will require certification for the Talent's serious health condition. The Talent must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Certification for the Family Member's Serious Health Condition

The company will require certification for the family member's serious health condition. The Talent must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Certification of Qualifying Exigency for Military Family Leave

The company will require certification of the qualifying exigency for military family leave. The Talent must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Certification for Serious Injury or Illness of Covered Service Member for Military Family Leave

The company will require certification for the serious injury or illness of a covered service member. The Talent must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave.

Recertification

The company may request recertification for the serious health condition of the Talent or the Talent's family member when circumstances have changed significantly, or if the employer receives information casting doubt on the reason given for the absence, or if the Talent seeks an extension of his or her leave. Otherwise, the company may request recertification for the serious health condition of the Talent or the Talent's family member every six months in connection with an FMLA absence.

Procedure for Requesting FMLA Leave

All Talents requesting FMLA leave must provide our Support Team with verbal or written notice of the need for the leave. Within five business days after the Talent has provided this notice, the Support Team will provide the Talent with the DOL Notice of Eligibility and Rights.

When the need for the leave is foreseeable, the Talent must provide the employer with at least 30 days' notice. When a Talent becomes aware of a need for FMLA leave less than 30 days in advance, the Talent must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the Talent must comply with the company's usual and customary notice and procedural requirements for requesting leave.

Designation of FMLA Leave

Within five business days after the Talent has submitted the appropriate certification form, the VP of Operations will provide the Talent with a written response to the Talent's request for FMLA leave.

Intent to Return to Work from FMLA Leave

The company may require a Talent on FMLA leave to report periodically on the Talent's status and intent to return to work.

WORKPLACE EXPECTATIONS

Confidentiality

Our clients and other parties with whom we do business entrust the company with important information relating to their businesses. It is our policy that all information considered confidential will not be disclosed to external parties or to Talents without a “need to know.” If a Talent questions whether certain information is considered confidential, he/she should first check with the X3 office.

This policy is always intended to alert Talents to the need for discretion and is not intended to inhibit normal business communications.

Attendance and Punctuality

Full attendance is working your scheduled shift. Any Talent that does not meet their full schedule two (2) out of four (4) consecutive weeks are in violation of the X3 Attendance Policy and may be subject to disciplinary action, placed on an attendance plan, or terminated. Absences lasting more than two (2) consecutive days require a doctor’s note.

Time Off must be scheduled with the recruiters in advance. Patterns of absenteeism or tardiness may result in discipline even if the Talent has not yet exhausted available paid time off. Absences due to illnesses or injuries that qualify under the Family and Medical Leave Act (FMLA) will not be counted against a Talent’s attendance record. Medical documentation within the guidelines of the FMLA is required in these instances.

Not reporting to work and not calling to report the absence is a no-call/no-show and is a serious matter. The first instance of a no call/no show will result in a final written warning. The second separate offense may result in termination of employment with no additional disciplinary steps. A no call/no show lasting two (2) days will be considered job abandonment and will be deemed a Talent’s voluntary resignation of employment.

Attire and Grooming

It is important for all Talent to project a professional image while at work by being appropriately attired. X3 Talents are expected to be neat, clean and well-groomed while on the job. Clothing must be consistent with the standards for the construction environment and must be appropriate to the type of work being performed.

All Talent must always be covered from shoulders to ankles (no shorts or athletic type shoes are ever allowed). Natural and artificial scents may become a distraction from a well-functioning workplace and are also subject to this policy

X3 is confident that their Talent will use their best judgment regarding attire and appearance. Management reserves the right to determine appropriateness. Any Talent who is improperly dressed will be counseled or in severe cases may be sent home to change clothes. Continued disregard of this policy may be cause for disciplinary action, which may result in termination.

Solicitations, Distributions and Posting of Materials

X3 prohibits the solicitation, distribution and posting of materials on or at company property by any Talent or non-Talent, except as may be permitted by this policy. The sole exceptions to this policy are charitable and community activities supported by X3 management and company-sponsored programs related to X3 products and services.

Provisions:

- Non-Talents may not solicit Talents or distribute literature of any kind on company premises at any time.
- Talents may not solicit other Talents during work times, except in connection with a company-approved or sponsored event.
- Talents may not distribute literature of any kind during work times or in any work area at any time, except in connection with a company-sponsored event
- The posting of materials or electronic announcements are permitted with approval from the X3 Staff.

Violations of this policy should be reported to an X3 Staff member.

Talent Personnel Files

Talent files are maintained by the office staff and are considered confidential. Personnel file access by current Talents and former Talents upon request will generally be permitted within three days of the request unless otherwise required under state law. Personnel files are to be reviewed in the office only. Personnel files may not be taken outside the office.

Representatives of government or law enforcement agencies, in the course of their duties, may be allowed access to file information.

EMPLOYMENT

Reference Checks

To ensure that individuals who join X3 are well qualified and to ensure that X3 maintains a safe and productive work environment, it is our policy to conduct pre-employment reference checks on all applicants who accept an offer of employment. Reference checks may include verification of any information on the applicant's resume or application form.

All offers of employment are conditioned on receipt of a reference check report that is acceptable to X3. All reference checks are conducted in conformity with the Federal Fair Credit Reporting Act, the Americans with Disabilities Act, and state and federal privacy and antidiscrimination laws. Reports are kept confidential and are only viewed by individuals involved in the hiring process.

Additional checks such as a background check or criminal history report may be made on applicants for particular job categories if appropriate and job related.

X3 also reserves the right to conduct a background check for current Talents to determine eligibility for promotion or reassignment in the same manner as described above.

Progressive Discipline

Every Talent has the duty and the responsibility to be aware of and abide by existing rules and policies. Talents also have the responsibility to perform his/her duties to the best of his/her ability and to the standards as set forth in his/her job description or as otherwise established.

X3 supports the use of progressive discipline to address issues such as poor work performance, attendance or misconduct. Our progressive discipline policy is designed to provide a corrective action process to improve and prevent a recurrence of undesirable behavior and/or performance issues. Our progressive discipline policy has been designed consistent with our organizational values, HR best practices and employment laws. Outlined below are the steps of our progressive discipline policy and procedure. X3 reserves the right to combine or skip steps in this process depending on the facts of each situation and the nature of the offense. The level of disciplinary intervention may also vary. Some of the factors that will be considered are whether the offense is repeated despite coaching, counseling and/or training; the Talent's work record; and the impact the conduct and performance issues have on our organization.

The following outlines X3 progressive discipline process:

- **Verbal warning:** The recruiter verbally counsels a Talent about an issue of concern, and a written record of the discussion is placed in the Talent's file for future reference.
- **Written warning:** Written warnings are used for behavior or violations that the recruiter considers serious or in situations when a verbal warning has not helped change unacceptable behavior. Written warnings are placed in a Talent's personnel file. Talents should recognize the grave nature of the written warning.

X3 reserves the right to determine the appropriate level of discipline for any inappropriate conduct, including oral and written warnings, suspension with or without pay, or termination.

Separation of Employment

Separation of employment within an organization can occur for several different reasons.

- **Resignation:** Although we hope your employment with us will be a mutually rewarding experience, we understand that varying circumstances cause Talents to voluntarily resign employment. Resigning Talents are encouraged to provide two weeks' notice, to facilitate a smooth transition out of the organization. If a Talent provides less notice than requested, the employer may deem the individual to be ineligible for rehire depending on the circumstances regarding the notice given.
- **Retirement:** Talents who wish to retire are required to notify the office at least two (2) weeks before the planned retirement date.
- **Job abandonment:** Talents who fail to report to work or contact their recruiter for two (2) consecutive workdays shall be considered to have abandoned the job without notice, effective at the end of their shift on the second day. Talents who are separated due to job abandonment are ineligible to receive accrued benefits and are ineligible for rehire.
- **Termination:** Talents of X3 are employed on an at-will basis, and the company retains the right to terminate a Talent at any time.

Based on each State's regulations, accrued Paid Time Off (PTO) will be paid in the last paycheck unless the Talent resigned or did not give a full two weeks' notice or is terminated.

Rehire

Former Talents who left X3 in good standing and were classified as eligible for rehire may be considered for reemployment. An applicant or Talent who is terminated for violating

policy or who resigned in lieu of termination from employment due to a policy violation will be ineligible for rehire.

If Talent has not worked for X3 in the prior six (6) months, Talent must provide a resume with updated references and complete a drug screen before being rehired.

WORKPLACE SAFETY

Drug-Free Workplace

X3 has a longstanding commitment to provide a safe and productive work environment. Alcohol and drug abuse pose a threat to the health and safety of Talents and to the security of the jobsite. For these reasons, X3 is committed to the elimination of drug and/or alcohol use and abuse in the workplace.

This policy outlines the practice and procedure designed to correct instances of identified alcohol and/or drug use in the workplace. This policy applies to all Talents and all applicants for employment of X3.

Talent Assistance and Drug-Free Awareness

Illegal drug use and alcohol misuse has several adverse health and safety consequences. Talents should report to work fit for duty and free of any adverse effects of illegal drugs or alcohol. This policy does not prohibit Talents from the lawful use and possession of prescribed medications. Talents must, however, consult with their doctors about the medications' effect on their fitness for duty and ability to work safely and promptly disclose any work restrictions to their supervisor. Talents should not, however, disclose underlying medical conditions unless directed to do so.

Work Rules

The following work rules apply to all Talents:

- Whenever Talents are working, are present on company premises, or are conducting related work off-site, they are prohibited from:
 - Using, possessing, buying, selling, manufacturing or dispensing an illegal drug (to include possession of drug paraphernalia).
 - Being under the influence of alcohol or an illegal drug as defined in this policy.
- The presence of any detectable amount of any illegal drug or illegal controlled substance in a Talent's body while performing work or while on a jobsite is prohibited.

- X3 will not allow any Talent to perform their duties while taking prescribed drugs that are adversely affecting the Talent's ability to safely and effectively perform their job duties. Talents taking a prescribed medication must carry it in the container labeled by a licensed pharmacist or be prepared to produce it if asked.
- Any illegal drugs or drug paraphernalia will be turned over to an appropriate law enforcement agency and may result in criminal prosecution.

Required Testing

The company retains the right to require the following tests:

- **Pre-employment:** All applicants must pass a drug test before beginning work with X3. Refusal to submit to testing will result in disqualification of further employment consideration.
- **Random:** Talents are subject to random drug testing. Talent will have one hour to get this test done at a medical facility X3 chooses.
- **Reasonable suspicion:** Talents are subject to testing based on observations by a supervisor of apparent workplace use, possession or impairment. The X3 Staff must be consulted before sending a Talent for reasonable suspicion testing.
- **Post-accident:** Talents are subject to testing when they cause or contribute to accidents that seriously damage a company vehicle, machinery, equipment or property and/or result in an injury to themselves or another Talent requiring off-site medical attention. In any of these instances, the investigation and subsequent testing must take place within two (2) hours following the accident, if not sooner.
- **Follow-up:** Talents who have tested positive, or otherwise violated this policy are subject to discipline up to and including discharge. Depending on the circumstances and the Talent's work history/record, X3, Inc. may offer a Talent who violates this policy or tests positive the opportunity to return to work on a last-chance basis pursuant to mutually agreeable terms, which could include follow-up drug testing at times and frequencies for a minimum of six (6) months but not more than two (2) years. If the Talent either does not complete his/her rehabilitation program or tests positive after completing the rehabilitation program, he/she will be subject to immediate discharge from employment.

Consequences

Applicants who refuse to cooperate in a drug test or who test positive will not be hired. Talents who refuse to cooperate in required tests or who use, possess, buy, sell, manufacture or dispense an illegal drug in violation of this policy will be terminated. If a Talent tests positive for alcohol or illegal drug use under this policy, the result will be disciplined up to and including discharge.

Talents will be paid for time spent in alcohol/drug testing, and if further analysis is required by MRO, Talent will be suspended without pay pending the results rendered by the MRO.

Confidentiality

Information and records relating to positive test results, drug and alcohol dependencies and legitimate medical explanations provided to the medical review officer (MRO) shall be kept confidential to the extent required by law and maintained in secure files separate from normal personnel files.

Inspections

X3 and their clients reserve the right to inspect all portions of its premises for drugs, alcohol or other contraband. All Talents, contract Talents and visitors may be asked to cooperate in inspections of their persons, work areas and property that might conceal a drug, alcohol or other contraband. Talents who possess such contraband or refuse to cooperate in such inspections are subject to appropriate discipline up to and including discharge.

Crimes Involving Drugs

X3 prohibits all Talents from manufacturing, distributing, dispensing, possessing or using an illegal drug in or on company premises or while conducting company business. Talents are also prohibited from misusing legally prescribed or over-the-counter (OTC) drugs. Law enforcement personnel shall be notified, as appropriate, when criminal activity is suspected.

Violence in the Workplace

All Talents, customers, vendors and business associates must always be treated with courtesy and respect. Talents are expected to refrain from conduct that may be dangerous to others.

Conduct that threatens, intimidates or coerces another Talent, customer, vendor or business associate will not be tolerated. X3 resources may not be used to threaten, stalk or harass anyone at the workplace or outside the workplace. X3 treats threats coming from an abusive personal relationship as it does other forms of violence.

Indirect or direct threats of violence, incidents of actual violence and suspicious individuals or activities should be reported as soon as possible to a supervisor, or any member of X3 management team. When reporting a threat or incident of violence, the Talent should be as specific and detailed as possible. Talents should not place themselves in peril, nor should they attempt to intercede during an incident.

X3 will promptly and thoroughly investigate all reports of threats of violence or incidents of actual violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as possible. X3 will not retaliate against Talents making good-faith reports of violence, threats or suspicious individuals or activities. In

order to maintain workplace safety and the integrity of its investigation, X3 may suspend Talents suspected of workplace violence or threats of violence, either with or without pay, pending investigation.

Anyone found to be responsible for threats of or actual violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

X3 encourages Talents to bring their disputes to the attention of the X3 Staff before the situation escalates. X3 will not discipline Talents for raising such concerns.

Safety

It is the responsibility of each Talent to conduct all tasks in a safe and efficient manner complying with all local, state and federal safety and health regulations, program standards, and with any special safety concerns for use in a particular area or with a client. Each Talent has the responsibility to identify and familiarize her/himself with the emergency plan for his/her working area.

Furthermore, management requires that every person in the organization assumes the responsibility of individual and organizational safety. Failure to follow company safety and health guidelines or engaging in conduct that places the Talent, client or company property at risk can lead to Talent disciplinary action and/or termination.

DIVERSITY

Equal Employment Opportunity Statement

X3 provides equal employment opportunity (EEO) to all Talents and applicants for employment without regard to race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran in accordance with applicable federal, state and local laws. X3 complies with applicable state and local laws governing nondiscrimination in employment in every location in which the company has offices. This policy applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, compensation and training.

X3 expressly prohibits any form of unlawful Talent harassment based on race, color, religion, gender, sexual orientation, national origin, age, genetic information, disability or veteran status. Improper interference with the ability of X3 Talents to perform their expected job duties is absolutely not tolerated.

X3's Anti-Harassment Policy and Complaint Procedure

X3 is committed to a work environment in which all individuals are treated with respect and dignity. Everyone has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits unlawful discriminatory practices, including harassment. Therefore, X3 expects that all relationships among persons on the jobsite will be business-like and free of bias, prejudice and harassment.

It is the policy of X3 to ensure equal employment opportunity without discrimination or harassment based on race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran. X3 prohibits any such discrimination or harassment.

X3 encourages reporting of all perceived incidents of discrimination or harassment. It is the policy of X3. to promptly and thoroughly investigate such reports. X3 prohibits retaliation against any individual who reports discrimination or harassment or who participates in an investigation of such reports.

Definitions of Harassment

Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; b) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Harassment based on any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal, written or physical conduct that shows hostility or aversion toward an individual because of his/her race, color, religion, gender, sexual orientation, national origin, age, disability, marital status, citizenship, genetic information or any other characteristic protected by law or that of his/her relatives, friends or associates, and that a) has the purpose or effect of creating an intimidating, hostile or offensive work environment; b) has the purpose or effect of unreasonably interfering with an individual's work performance; or c) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; inappropriate jokes; and written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed

on walls or elsewhere on the employer's premises or circulated in the workplace, on company time or using company equipment via email, phone (including voice messages), text messages, tweets, blogs, social networking sites or other means.

Individuals and Conduct Covered

These policies apply to all applicants and Talents, whether related to conduct engaged in by fellow Talents or someone not directly connected to X3. (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Complaint Process

Individuals who believe they have been the victims of conduct prohibited by this policy statement or who believe they have witnessed such conduct should discuss their concerns with their jobsite supervisor and the X3 recruiting staff.

When possible, X3 encourages individuals who believe they are being subjected to such conduct to promptly advise the offender that his or her behavior is unwelcome and request that it be discontinued. Often this action alone will resolve the problem. X3 recognizes, however, that an individual may prefer to pursue the matter through complaint procedures.

X3 encourages the prompt reporting of complaints or concerns so that rapid and constructive action can be taken before relationships become irreparably strained. Therefore, although no fixed reporting period has been established, early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment.

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

Misconduct constituting harassment, discrimination or retaliation will be dealt with appropriately.

False and malicious complaints of harassment, discrimination or retaliation may be the subject of appropriate disciplinary action.

Americans with Disabilities Act (ADA) and the ADA Amendments Act (ADAAA)

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act, known as the ADAAA, are federal laws that prohibit employers with 15 or more Talents from discriminating against applicants and individuals with disabilities and that when needed provide reasonable accommodations to applicants and Talents who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of X3 to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is our company policy not to discriminate against qualified individuals with disabilities regarding application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

The company will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job unless doing so causes a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation and/or if the accommodation creates an undue hardship to X3.

Contact the X3 office with any questions or requests for accommodation.