

**AGS COMPUTERS, INC.**

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AGS PERSONNEL POLICIES  
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3/7/72

## PREFACE

This handbook is developed to assist you in the understanding of the policies which affect the mutual relationship between the management and the employees.

The philosophy guiding the preparation of this handbook is to construct a framework of guiding principles around which each employee may receive fair and proper treatment. To this philosophy the company realizes the necessity of modifying the content of this handbook in such cases where there exists an inequity between the company and the employee.

We sincerely hope that the spirit of loyalty and cooperation that exists among the employees will continue unabated and will be enhanced by this handbook. We thank those employees whose efforts have helped to bring the company to its present position and we express the hope that such relationships will continue to thrive.

EMPLOYMENT

EQUAL OPPORTUNITY

AGS Computers is an equal opportunity employer. Hiring policies and subsequent promotions, salary raises and other treatment are based purely upon merit, attitude and performance. Race, color, creed or national origin are not considered.

CLASSIFICATIONS

There are two categories of employment at AGS Computers:

regular, <sup>and</sup> ~~part-time~~ and temporary, *part-time*

Regular employees are those hired to work a five-day, 37 1/2 hour week. Regular employees complete a three-month probationary period, and are then reviewed for performance before permanent appointment.

Temporary employees work less than 20 hours per week or for less than 90 days. They are not eligible to participate in the Company benefits of group insurance, sick leave, vacation or paid holidays. However, if the temporary assignment develops into a regular position after 90 days, the employee may be transferred to regular status, receiving Company benefits beginning the day he becomes a permanent employee.

In addition to these categories of employment there are two classifications used by federal and state regulatory agencies. Any employee of the Company in a clerical, secretarial, or similar position that does not meet criteria for exemption from the Fair Labor Standards Act is a non-exempt employee. Any employee of the Company in a bona fide executive, administrative or professional capacity, as such terms are defined by the Fair Labor Standards Act, is an exempt employee.

#### HOURS OF WORK

The normal eight-hour day begins at 9:00 a.m. and ends at 5:15 p.m. The work week is Monday through Friday. The official work day consists of seven and one-half (7 1/2) hours. The normal work week consists of 37 1/2 hours.

Personnel working on client premises will adhere to the daily working hours as set forth by the client. AGS' recognized holidays are listed on Page 6.

Each employee is required to fill out a time sheet every Friday.

PAY SCHEDULE

Pay periods are twice a month, on the 15th which covers the period from the 1st to the 15th; and on the last day of the month which covers the 16th through the end of the month.

LUNCH

The lunch period is forty-five (45) minutes and may be taken at any time agreed to by the employee and his supervisor.

## ATTENDANCE & PUNCTUALITY

Every work assignment is related to others in some way; thus, your absence or tardiness will place extra burdens on your fellow employees. If for any reason you must be absent from work, notify your supervisor and AGS Headquarters by 9:30 a.m. of the first morning of absence. There are times when it is necessary to take time off for an hour or two during the work day to handle certain personal business. Such occasions should be discussed in advance with your immediate supervisor.

## OVERTIME

Non-exempt employees - Overtime is paid at straight time or compensatory time. It only applies after 7 1/2 hours of work per day, or after 37 1/2 hours of work per week. Paid holidays will be considered as time worked. An exception will be made when the work schedule is altered to provide a long weekend for the benefit of all employees, and the resulting total of holiday time and time worked exceeds 37 1/2 hours. Under these conditions, overtime will be paid only for those hours exceeding the work schedule for that week. Pay for time actually worked on paid holidays will be in addition to paid holiday compensation.

*for the first two  
and are 1/2 hours  
of overtime  
and 1/2  
total*

Paid absences, such as vacation and sick leave, will not be considered in the overtime calculation.

Exempt employees - Generally, overtime work by exempt personnel is compensated for by time off in a period convenient to both the employee and his supervisor.

Under the following conditions, exempt employees (other than supervisors at the level of manager and above) may be eligible for overtime pay:

- 1) Overtime is authorized and paid for by the client.
- 2) An overtime authorization is prepared by the employee's supervisor and approved by the Manager/ Administration.
- 3) Overtime will be paid on the basis of the employee's straight time hourly rate (weekly salary divided by 37 1/2 hours times the number of overtime hours worked). Additional compensation may be paid at the discretion of the Company, if the overtime occurs on a Weekend.



## VITAL STATISTICS

Anytime there is a change in your personal status (marriage, the birth of a baby or other family changes), it must be reported to your supervisor immediately. In addition, any change of address or telephone number must also be reported to your supervisor. This is necessary for keeping important records up-to-date and for protecting you and your dependents in case of emergency.

## HOLIDAYS

AGS observes the following holidays:

- New Year's Day
- Washington's Birthday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day
- And one floating holiday that is designated each year. In the past, most employees have taken this holiday on Good Friday or Yom Kippur. In addition, compensatory time off may be granted by your supervisor or by an Officer of the Company for certain other recognized religious holidays.

- o Two (2) hours are granted on Election Day for voting.

Entitlement to vacation begins six (6) months after the start of employment. The company reserves the right to grant or not grant vacation to employees of not less than six months duration.

VACATIONS

After completing the three-month probationary period, all permanent employees are eligible for a paid vacation in accordance with the following schedule:

<u>MONTHS OF EMPLOYMENT</u>	<u>DAYS PER FISCAL YEAR EARNED VACATION</u>
6 Months	5 Days
12 Months	10 Days

Vacation schedules should be submitted to the Manager/Administrator for approval sufficiently ahead of the planned vacation to permit effect on manpower scheduling and resource allocation.

PROFESSIONALISM

In a growth company as dynamic as AGS Computers, stimulating the individual's career advancement has always been a primary consideration, and all staff members are encouraged to participate in organizations which offer opportunity for professional growth.

AGS will pay membership fees in such organizations and for the cost of certain dinner meetings upon approval.

Personnel are often sent to professional conferences at Company expense.

Employees are invited to submit technical papers for publication through the Company's Publication Committee. When a paper is approved for publication and is published - depending on its length, where published and the content of the paper - certain honorariums are awarded.

#### LEAVES OF ABSENCE

Sick Leave for All Employees - Sick leave is a privilege granted by the Company. Payment for days that an employee is out sick is at the discretion of the Company.

Absences longer than five consecutive days require medical leave arrangements. These arrangements are covered in the medical insurance booklet.

Payments to an employee during periods of extended medical leave are in lieu of payments that would otherwise be paid for holidays and vacation accrued during the period of absence.

You may be required to furnish medical certification of your illness and your fitness to resume normal duties.

Death Leave - Permanent employees, whether or not they have completed the required probationary period, will be granted up to three days paid leave when a death occurs in the immediate family.

"Immediate family" is defined as the employee's wife, husband, father, mother, brother, sister, son, daughter, mother-in-law, father-in-law, brother-in-law, and sister-in-law. Temporary employees will be granted up to three days without pay. Death leave will be granted as stipulated above without regard to the work status of the employee.

Jury Duty Leave - Permanent employees, upon presenting written notice or summons for jury duty and subsequent record of the period served and the amount paid, will be paid their regular salary less any ~~taxable~~ income received for jury duty service for a period not to exceed two calendar weeks *once every three years.*

~~Military Leave - If you are called to active duty for training as a member of the Armed Forces, Reserves or National Guard you will be granted Military Leave (of up to two weeks per calendar year) provided you are a regular employee and have completed the required three-month probationary period. Upon receipt by the Office Manager of a copy of your orders, AGS will pay the difference between your AGS' salary and your taxable military pay for your period of active duty, for a maximum of two calendar weeks. Military orders should be presented and arrangements for the leave made as early as possible before departure.~~

Leaves of Absence without Pay - Permanent employees may be granted a leave of absence for extension of vacation, personal emergency and other valid personal reasons. Requests must be submitted in advance and will be considered on an individual basis. Such leaves are usually granted without pay; however, extenuating circumstances may warrant full or partial pay at the discretion of the Company. An approved leave of absence does not break a record of continuous employment. An employee

on approved leave must make arrangements to prepay hospitalization, major medical, and other benefits he wishes to maintain in force while on leave.

Maternity Leave - Expectant mothers may continue working *as long as they wish* until ~~the end of the seventh month of pregnancy,~~ provided they satisfactorily perform their duties. A medical certificate stating the expected date of normal delivery must be given to the Company prior to the sixth month of pregnancy.

#### INSURANCE

To each Permanent Employee the Company makes available a comprehensive Medical Insurance and Disability Plan. This insurance program is described in detail in a booklet given each employee at the time of his employment.

#### STOCK OPTION PLAN

AGS has a stock option plan for its employees. Options are granted at the discretion of the Board of Directors.

FUTURE GROWTH

REVIEWS AND SALARY

All permanent employees are reviewed semi-annually from the date of employment for job performance and/or at the completion of each project assignment.

It should be clearly understood that all increases are based on merit alone.

PROMOTIONS

Whenever possible, promotions will be made from within the Company. You will have the opportunity for promotion or advancement to more responsible work, depending on current needs, your present qualifications and your past performance.



COMPANY EXPENSES

TRAVEL

When air travel is used on Company business, tourist accommodations on jet aircraft constitute the normal service that travelers use.

Employees are expected to provide their own transportation to and from their place of assignment. AGS will reimburse an employee for the authorized use of private automobiles if AGS determines that the assignment requires greater than normal commuting expense. Payment is \$.10 per mile by the shortest reasonable road route, as established by the American Automobile Association Guide. Tolls for bridges, tunnels and roads are also reimbursable, as are parking fees.

When an employee is on travel status, he will be reimbursed for actual and reasonable cost expenses.

The actual cost of taxi fares and communications, as related to business and travel, is reimbursable.

In all instances where an employee expects reimbursement for expenses, receipts should be requested and forwarded to the office with detailed accounting.

#### SPECIAL SERVICES

Special Services are defined as authorized business luncheons, dinners, or other related expenses incurred as an extension of a business meeting involving Company employees and/or customers.

AGS will pay the actual cost of these services. In all cases, the employee must have a receipt for the service, stating what the service was, where and when it took place, and how much it cost. The business purpose of the service must also be stated, as well as the names and organizations of Non-AGS persons present.

#### GIFTS

The Company will not reimburse an employee for gifts of any kind, nor will it allow its employees to receive gifts.

CORPORATE DISCLOSURE

Shareholders' confidence rests on the premise that all officers and employees are at all times acting on the Company's best interest and have no conflicting interests of their own. Therefore, AGS Computers has a firm policy that sensitive information is not to be disclosed or needlessly discussed.

"Sensitive Information" is any information that may tend to influence the market price of securities or those of any other company with whom AGS deals. Knowledge obtained from one's employment which relates to customers, suppliers, or competitors of AGS may meet this definition.

In recent years the exposure to public censure of the use of private information in the purchase or sale of securities has increased. Therefore, each employee must be conscious of his responsibility and if he believes that sensitive information may be involved when he intends to buy or sell securities, he is invited to discuss the matter in advance with the Vice President.

## PATENTS AND COPYRIGHTS

Each employee signs an agreement at the time of his employment which gives to the Company all rights to any inventions or writings that he conceives during his employment. The Company, in turn, has established a patent bonus plan to pay the employee for patent or copyright disclosures which are accepted for filing.

The employee is asked to promptly and fully disclose to the Company any idea which he believes is subject to patent or copyright. This action must be taken whether the idea is conceived by him alone or jointly with others, during his regular work hours or not, or whether it can be used directly or indirectly for the benefit of the business of AGS. A patent committee decides what constitutes an invention of sufficient interest to the Company to be worth processing. Its decision is based largely on safeguarding the rights of AGS, both in its present business, as well as any future contemplated activities. If an employee's idea is of no interest to the Company, he can submit a request to the Administration to obtain a release from the Company for all rights.

The employee is expected to cooperate fully with the Company in securing a patent or copyright for his invention or writing, at the Company's expense. When notice is received from the Company's patent attorney that a patent or copyright application has been filed, the Company pays the employee a bonus of \$100. for a patent application and \$25. for a copyright application. If there are two or more joint inventors the bonus is divided equally between them. No further payment is made by the Company whether the patent or copyright is eventually issued or not.

The employee may exclude from the agreement any inventions or copyrights he has developed before his employment with AGS, if the disclosure is made at the time he executes his patent agreement.

CONTRACTS

DOCUMENTATION

AGS Computers takes exceptional pride in the ability of its employees to effectively document their work. The AGS Standards Manual should be used in the preparation of all documentation, whenever the client does not specify his own standards. The Project Management Handbook also contains a complete chapter on documentation standards. Application of the corporate approval policy assures that proper review is made of all external publications.

USE OF COPYRIGHTED MATERIALS

Written permission must be obtained from the publisher before any material covered by a copyright can be included in an AGS Computers document or report. Material can be used without permission if the source document is not copyrighted, but such use is subject to other restraints imposed by any military security classification. Whenever there is any doubt, the advice of the Administration should be sought.

The author is responsible for obtaining the permission required. This request should describe the material in detail, citing the source(s) desired and page(s) involved. Permission must be given in writing with the reply addressed to the Administration. Full credit will be given to the source of all materials used, whether they are copyrighted or not.

OFFICE SERVICES

COMMUNICATIONS

Costs of communicating are a major expense item. Every employee should be consciously aware of the communication services available and of the relative costs of using one method over another.

When time permits, the U. S. Mail will provide the most economical means of communication.

SUPPLIES

Stationery and supplies are maintained in open areas on a self-service basis in the office. Items not available must be requested according to standard purchasing procedures.



PURCHASING

Where the supplies and/or services are related directly to work performed under a particular contract they will be charged directly to the contract and the Purchase Requisition must be approved by the appropriate project manager.

Other requests will require approvals from the Office Manager.

No other persons are authorized to make commitments for supplies or services on behalf of the Company.

#### ACCESS TO OFFICES

AGS' office is open between 8:00 a.m. and 6:00 p.m. Monday through Friday. After-hours access at all offices is by key only. Keys are available from administration on a loan basis to be checked out and returned the following day, or on a permanent basis with supervisor approval.

#### SECURITY CLEARANCE

AGS has a Facility Security Clearance. Any employee who is assigned to a project which requires security clearance will be required to fill out the appropriate forms as required by the DOD Industrial Security Manual.

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