



Employee Handbook

Policies Disclaimer

Optic Fusion, Inc. policies, procedures and benefits, as explained in this manual, may change from time to time as business, employment legislation and economic conditions dictate. If and when provisions are changed, the Company will update the manual accordingly.

Optic Fusion, Inc., at its sole and absolute option, may change, rescind, delete, suspend or discontinue any part or parts of the policies in this manual, except for the at-will employment policy, at any time without prior notice. Any such action shall apply to existing as well as future employees with continued employment being the consideration between the employer and employee.

Any change to the policies, procedures and benefits outlined in this manual will be made by Rick Shanaman only. No statement or promise by a supervisor, manager or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee manual, but only the subject provision. This manual supersedes all other previous manuals, statements or memoranda for Optic Fusion, Inc. as of date of signing this agreement.

INTRODUCTION

Purpose of this Manual

This manual is a contract between you and Optic Fusion, Inc. It outlines the company's expectations of you as an employee, describes its responsibilities to you as your employer, and defines the benefits you will enjoy while working at Optic Fusion, Inc.

While we have attempted to be thorough in our presentation of Optic Fusion, Inc. policies, procedures and benefits, no employee manual can possibly answer every question that might arise. If you are uncertain about a particular policy, procedure or benefit, please talk to Rick Shanaman.

What You Can Expect from Optic Fusion, Inc.

Optic Fusion, Inc. is comprised of competent people who accept with open minds the ideas, suggestions and constructive criticisms of fellow employees. As a company, we strive to promote mutual respect, teamwork and cooperation in the workplace, and endeavor to be competitive in new products and new markets, with an overall goal of continuous improvement, growth and profit. In doing so, we hope to create an environment that is challenging, productive and fun.

While our primary goals are the success of the company and the happiness of its customers, we understand that Optic Fusion, Inc. employees are integral to reaching those goals, and at all times will attempt to treat you as the valuable resource you are. Further to that, Optic Fusion, Inc. offers a competitive benefits package, including paid time off, medical, dental and vision coverage. Additional benefits may be available from time to time, existing benefits may be changed or eliminated.

What Optic Fusion, Inc. Expects from You

Optic Fusion, Inc. expects you to contribute your talents and energies toward furthering the success of the company's products and services. You are expected to understand your duties and perform them promptly, correctly and to the best of your ability. Optic Fusion, Inc. also expects you to cooperate with management and your fellow employees, and maintain a good team attitude.

You are also expected to be committed to total customer satisfaction by delivering quality products and services to customers. We expect open and active participation by all employees in achieving this objective for external and internal customers.

Communication

Successful working conditions and business relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and standards, to feel satisfied in your job you also need to contribute your ideas, suggestions, personal goals and job-related problems.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all of Optic Fusion, Inc. methods of communication, including this Employee Manual, email, discussions with your manager, memoranda and staff meetings.

Open-door Policy

Optic Fusion, Inc. believes in an open-door policy with regards to problem-solving; whenever you have a good-faith problem or complaint, we expect you to speak up and communicate directly with us. You can take the following steps:

- First, talk to your immediate manager. Your manager is most familiar with you and your job and is, therefore, in the best position to assist you.
- If your manager cannot help you resolve the matter, or if the problem concerns your manager and/or you are uncomfortable discussing the matter with your manager, you can speak to Rick Shanaman who will give your problem or complaint prompt consideration.

Remember, it is always best to resolve problems right away. We encourage you to take the above action immediately after any event causes you concern. Furthermore, we encourage you to contribute your suggestions to improve the quality of work at Optic Fusion, Inc.

Acknowledgement Agreement

Please read this manual carefully, sign the Acknowledgment Agreement at the end of the manual, and return the Agreement to Rick Shanaman. Please be aware that your signature on this Agreement indicates that you have read, understood and accepted the policies described in this manual.

EMPLOYMENT CLASSIFICATIONS, POLICIES & STANDARDS

At-will Employment

Employment at Optic Fusion, Inc. is employment *at will*. Employment at will may be terminated with or without cause and with or without notice at any time by the employee or the Company. No policy, procedure or standard described in this manual or in any Company document or statement shall limit the right of either party to terminate employment at will. No employee of the Company has any authority to enter into any agreement for employment for a specified period of time or to make any agreement or representation contrary to the Company's policy of employment at will. Only the C.E.O. of the Company have the authority to make any such an agreement, which must be in writing.

Confidential Information

As a condition of employment, each employee must execute a Confidential Information and Invention Assignment Agreement prior to beginning employment with the Company. Each employee is responsible for safeguarding confidential information obtained in connection with his or her employment. In the course of your work, you may have access to confidential information regarding the Company, its suppliers, its customers or perhaps even fellow employees. It is your responsibility to in no way reveal or divulge any such information unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a "need-to-know" basis and must be authorized by your manager. Any breach of this policy will not be tolerated and, as a result of any breach, legal action may be taken by the Company.

Employment Classification

At the time you are hired, you are classified as full-time or part-time. This classification determines whether you qualify for certain benefits. Unless otherwise specified in writing, the benefits described in this manual apply only to full-time employees. All other policies contained in this manual and communicated by Optic Fusion, Inc. apply to all employees, with the exception of certain wage, salary and time-off limitations applying only to "non-exempt" employees (see the definition that follows). If you are unsure which job classification your position fits into, please ask your manager.

Full-time employees

An employee who normally works forty (40) hours per week is considered a full-time employee.

Part-time employees

An employee who works less than forty (40) hours per week on a regular basis is considered a part-time employee. If you are a part-time employee, please understand that you are not eligible for benefits described in this manual, except as granted on occasion at the sole discretion of the Company, or to the extent required by provision of state and federal laws.

"Non-Exempt" and "Exempt" Employees

At the time you are hired, based on your position and job responsibilities, you are classified as either "exempt" or "non-exempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for

hours worked in excess of forty (40) hours per work week. These employees are referred to as “non-exempt” in this manual. This means that they are not exempt from (and therefore should receive) overtime pay.

Exempt employees are executives, managers, professional staff, technical staff, outside sales representatives, officers, directors, owners and others whose duties and responsibilities are such that they are “exempt” from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. These employees generally receive pay based on a salary rate rather than an hourly rate and are not eligible for overtime pay.

Temporary Employment and Contractors

From time to time, Optic Fusion, Inc. may hire people for specific periods of time or for the completion of a specific project. A person hired under these conditions will be considered a temporary Contractor. The job assignment, work schedule and duration of the position will be determined on an individual basis.

Proof of U.S. Citizenship

Federal regulations require that 1) before becoming employed, all applicants must complete and sign Federal Form I-9, Employment Eligibility Verification Form; and 2) all applicants who are hired need to present documents of identity and eligibility to work in the United States. If at any time you cannot verify your right to work in the United States, Optic Fusion may be obligated to terminate your employment.

Employment of Relatives

Relatives of employees may be eligible for employment with the Company only if the individuals involved do not work in a direct managerial relationship, or in job positions in which a conflict of interest could arise. “Relatives” are defined to include spouses, children, siblings, parents, in-laws and step-relatives and like relatives of an employee’s spouse. Present employees who marry will be permitted to continue working in the job position held only if they do not work in positions as noted above. If employees who marry do work in a direct supervisory relationship with one another, the Company will attempt to reassign one of the employees to another position for which he or she is qualified, if such a position is available. If no such position is available, then one of the employees will be required to leave the Company. The decision as to who shall leave will be made by the spouse-employees.

Should two presently employed employees that work together or supervise each other enter into a personal, non-work-related relationship, one or both employees may have to be transferred, or asked to leave the Company under the same procedures described in this provision for employees who marry.

Equal Opportunity Employment Policy

Optic Fusion, Inc. will provide equal employment opportunity without regard to race, gender, age, physical or mental disability, medical condition, religion, national origin, marital status, sexual orientation, ancestry, political belief or activity, status as a veteran, family care status, or disability that does not prohibit performance of essential job functions.

The policy applies to all areas of employment, including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation, benefits, and all other conditions and privileges of employment in accordance with applicable federal, state, and local laws.

Equal employment opportunity notices are posted on appropriate employee bulletin boards as required by law. The notices summarize the rights of employees to equal opportunity in employment and lists the names and addresses of the various government agencies that may be contacted in the event that any person believes he or she has been discriminated against.

Management is primarily responsible for seeing that Optic Fusion, Inc. equal employment opportunity policies are implemented, but all members of the staff share in the responsibility of assuring that by their personal actions the policies are effective and apply uniformly to everyone. Any employees, including managers, involved in discriminatory practices will be subject to discharge.

Americans with Disabilities Act

It is the policy of Optic Fusion, Inc. to comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). Optic Fusion, Inc. will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability when known. Optic Fusion, Inc. also will make reasonable accommodation whenever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the duties and assignments connected with the job and provided that any accommodations made would not result in undue hardship to the Company.

Workers' Compensation

Workers' Compensation is a no-fault insurance plan supervised by the state and 100% paid for by Optic Fusion, Inc. This law was designed to provide you with benefits for any injury you may suffer in connection with your employment. Under the provisions of the law, if are injured while at work, you are eligible to apply for Workers' Compensation. Please see your manager for more information.

Employees returning to work after being absent due to an injury must report to their manager prior to beginning work, and must bring a doctor's clearance for returning to duty.

Outside Employment

What you do in your free time is your own business. However, if you are employed by Optic Fusion, Inc. in a full-time position, Optic Fusion, Inc. will expect that your position here is your primary employment. Any outside activity must not interfere with your ability to properly perform your job duties at Optic Fusion Inc, and must not be with a company engaged in a business competitive with Optic Fusion, Inc. While employed by the Company, employees are expected to devote their energies to their jobs with the Company. For this reason, second jobs are strongly discouraged.

For outside employment to be approved, you must submit written notice describing the employer, your duties, and expected hours of work. Further, you may not use Optic Fusion supplies, equipment, vehicles, or property for your outside employment.

Absence or Tardiness

From time to time, it may be necessary for you to be absent from work or to arrive at work later than normal. Optic Fusion, Inc. is aware that emergencies, illnesses or pressing personal business may arise, and we will make every reasonable effort to accommodate you in these circumstances.

If you know in advance that you will be absent or tardy, please notify your manager as far in advance as possible so he or she can arrange for someone else to cover your position until you arrive, if necessary. Please be aware that authorization for your absence or tardiness is at the sole discretion of your manager; if he or she does not feel that you can be absent or tardy on a particular date, your request may be denied.

If you will be unexpectedly absent due to illness or other emergency, please contact your manager immediately and, if possible, indicate when you expect to return to work. If you will be unexpectedly tardy, please indicate at what

time you plan to arrive. Please notify your manager directly; **notifying a switchboard operator or a fellow employee is not sufficient**. If you are unable to call in yourself because of an illness or emergency, be sure to have someone call on your behalf. If your manager is not available when you call, you may call the NOC.

Your manager will make a note of any absence or lateness, along with the reason, and file the information in your personnel file. Your attendance record will be considered when evaluating requests for promotions, transfers, leaves of absence and approved time off. Excessive absenteeism, lateness or leaving early may lead to disciplinary action, including possible dismissal.

Absence from work for two (2) days without notifying your manager or Human Resources will be considered a voluntary resignation and will be treated as such.

Required Standards of Conduct

By accepting employment with Optic Fusion, Inc., you have a responsibility to the Company and to your fellow employees to adhere to certain rules of behavior and conduct. If you choose to violate these policies and rules, and/or engage in misconduct, you may be subject to some form of disciplinary action, including a verbal or written warning, suspension and/or discharge.

Types of misconduct and unacceptable activities are generally divided into two groups: activities that will most likely result in immediate termination, and activities that will most likely result in disciplinary action, up to and including termination. The following lists of unacceptable behavior are not all-inclusive; they do not constitute a complete list of all types of unacceptable conduct. The types of misconduct identified below are merely representative of the types of conduct that may lead to disciplinary action and/or termination. The circumstances of each case will be considered in determining the appropriate disciplinary action, if necessary.

Neither the list of prohibited conduct nor the resultant disciplinary action in any way alters the at-will nature of your employment. Either you or the Company can terminate the employment relationship at any time, without cause, for any reason and in the absence of employee misconduct.

If you have any questions concerning any of the unacceptable activities listed or any point of the disciplinary policy, please see Rick Shanaman for an explanation.

Actions Resulting in Discipline

Engagement in any of the following activities, as well as violations of any Optic Fusion, Inc. rules or policies, may be cause for disciplinary action, including possible immediate dismissal.

- Unsatisfactory or careless work performance, failure to meet objectives, production and/or quality standards as explained to you by your manager, or mistakes due to carelessness or failure to get necessary instructions.
- Obscene and/or abusive language toward any manager, employee, customer, supplier or visitor; acting in a disrespectful, rude, abusive and/or inappropriate manner to manager, employee, customer, supplier or visitor; engaging in disorderly and/or antagonistic conduct while on Company property or while representing Optic Fusion, Inc.
- Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your manager.
- Failure to report an absence or late arrival, or excessive absence or lateness.
- Excessive use of Company telephone for personal calls.
- Smoking in unauthorized areas on Company premises.
- Creating or contributing to unsanitary conditions on Company premises.
- Posting, removing or altering notices on any bulletin board on Company property without permission of an officer at Optic Fusion, Inc.
- Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities without authorization during business hours or at a time or place that interferes with the work of another employee while on Company property or while representing Optic Fusion, Inc.

Actions Resulting in Termination

The following actions are prohibited and will not be tolerated by the Company at any time. Engaging in any of the following activities could result in immediate termination.

- Willful violation of any Company policy or any deliberate action that is extreme in nature and obviously detrimental to Optic Fusion, Inc. efforts to operate profitably.
- Being intoxicated or under the influence of controlled substances/drugs while on Company property or while representing Optic Fusion, Inc.; use, possession or sale of controlled substances/drugs while on Company property or while representing Optic Fusion, Inc., with the exception of medications prescribed by a physician.
- Unauthorized possession, use or sale of dangerous or illegal firearms, weapons or explosives while on Company property or while representing Optic Fusion, Inc.
- Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone while on Company property or while representing Optic Fusion, Inc.; fighting, or horseplay or provoking a fight while on Company property or while representing Optic Fusion, Inc., or negligent damage of property.
- Engaging in an act of sabotage, or willfully and/or with gross negligence causing in any manner the destruction or damage of Company property, or the property of fellow employees, customers, suppliers or visitors.
- Theft of Company property (including documents and/or intellectual property) or the property of fellow employees; unauthorized possession or removal of any Company property from the premises without prior permission from management; unauthorized use of Company equipment or property for personal reasons or for personal profit.
- Dishonesty, willful falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by Optic Fusion, Inc.; alteration of Company records or other Company documents.
- Violating the non-disclosure agreement; giving confidential or proprietary Optic Fusion, Inc. information to competitors or other organizations or to unauthorized employees; working for a competing business while an Optic Fusion, Inc. employee; unauthorized disclosure of personnel information.
- Any act of harassment, sexual, racial or other, telling sexist or racial-type jokes, or making racial or ethical slurs while on Company property or while representing Optic Fusion, Inc.
- Threatening, intimidating or coercing fellow employees while on Company property or while representing Optic Fusion, Inc.
- Engaging in immoral conduct, lewdness or indecency while on Company property or while representing Optic Fusion, Inc.
- Conducting a lottery or gambling while on Company property or while representing Optic Fusion, Inc.
- Engaging in any illegal or unlawful activity while on Company property or while representing Optic Fusion, Inc.

Policy Against Harassment

The Company is committed to providing a work environment free of discrimination. In keeping with this commitment, the Company prohibits harassment based on sex (which includes sexual harassment, gender harassment and harassment based on pregnancy, childbirth, or related medical conditions) race, age, physical or mental disability, medical condition, religion, national origin, marital status, sexual orientation, ancestry, political belief or activity, status as a veteran, family care status or disability that does not prohibit performance of essential job functions. Any person who commits such a violation may be subject to personal liability as well as discipline by the Company.

What is Harassment?

Harassment includes unwelcome verbal, physical and visual conduct that creates an intimidating, offensive or hostile work environment, or conduct that interferes with work performance. Such conduct constitutes harassment when:

- Submission to the conduct is made either an explicit or implicit condition of employment
- Submission to or rejection of the conduct is used as a basis for an employment decision affecting the harassed employee
- Submission to the conduct creates an intimidating, hostile or offensive work environment
- Harassing conduct can take many forms and includes, but is not limited to, the following behavior:
- Verbal conduct such as epithets, derogatory comments or slurs relating to an employee's race, gender, age, physical or mental disability, medical condition, religion, national origin, marital status, sexual orientation, ancestry, political belief, or activity, status as a veteran or family care status ("Protected Bias")
- Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures related to a Protected Bias
- Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of a Protected Bias
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors
- Retaliation for having reported or threatened to report harassment

Sexual Harassment

Sexual harassment, in particular, can include but is not limited to:

- Unwelcome sexual flirtations, advances or propositions
- The offer of employment benefits in exchange for sexual favors
- Verbal abuse of a sexual nature, verbal commentary about an individual's body, or sexual innuendo.
- The display of derogatory or sexually suggestive posters, cartoons, drawings or objects
- Suggestive or obscene notes, letters, emails or invitations
- Visual conduct such as leering or making sexual gestures
- Sexual comments about an individual's body; or sexually degrading words to describe an individual
- Making or using derogatory comments, epithets, slurs or jokes
- Making or threatening reprisal after a negative response to sexual advances
- Other physical or verbal conduct of a sexual nature by supervisors, fellow employees or others in the workplace

It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females. Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by a supervisor or manager, or by persons doing business with or for the Company.

Preventing Harassment

Optic Fusion, Inc. has adopted a program designed to eliminate harassment from the workplace, to prevent incidents from occurring and to avoid or limit damage if harassment should occur despite preventive efforts.

Optic Fusion, Inc.'s Complaint Procedure

Optic Fusion, Inc.'s complaint procedure provides for an immediate, thorough and objective investigation of any harassment claim, appropriate corrective or disciplinary action against one found to have engaged in prohibited harassment, and appropriate remedies to any victim of harassment.

If you experience any behavior which you feel is harassment clearly and unequivocally, inform the harasser that you find the behavior offensive and objectionable.

Any employee who feels that he/she or his/her co-workers have been harassed or discriminated against on the job, including by persons doing business with or for Optic Fusion, Inc., should provide a written or verbal complaint to their own or any other Company supervisor or to Human Resources as soon as possible. The complaint should include details of the incident(s), names of individuals involved and the names of any witnesses. Supervisors and managers should immediately refer all harassment complaints to Rick Shanaman.

All incidents of harassment that are reported will be investigated. The Company will immediately undertake or direct an effective, thorough and objective investigation of the harassment allegations. The investigation will be completed and a determination regarding the harassment alleged will be made and communicated to the employee(s) who complained and the accused harasser(s). If the Company determines that harassment has occurred, the Company will take effective remedial action commensurate with the circumstances. Appropriate action will also be taken to prevent any future harassment. If a complaint of harassment is substantiated, appropriate disciplinary action, up to and including discharge, will be taken. Whatever action is taken against the harasser will be communicated to the employee who complained.

Protection Against Retaliation

Optic Fusion, Inc. policy and federal and state laws prohibit retaliation against any employee by another employee or by the Company for using this complaint procedure or for filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing. Additionally, the Company will not knowingly permit any retaliation against the employee who complains of harassment or who participates in an investigation. Company policy and federal and state laws also prohibit retaliation against any employee who opposes harassment. Thus, employees should not be afraid to complain. The Company encourages employees to report any retaliation taken against them.

Any report of retaliation by the one accused of harassment, or by co-workers, supervisors or managers, will also be immediately, effectively and thoroughly investigated in accordance with the Company's investigation procedure outlined above. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

Responsibility

Each manager and supervisor is responsible for implementing this policy within his or her area of responsibility. This policy further requires that each employee exhibit, in his or her conduct and communications, sound judgment and respect for the feelings and sensibilities of every other employee of Optic Fusion, Inc.

Additional Enforcement Information

In addition to the Company's internal complaint procedure, employees should also be aware that the federal Equal Employee Opportunity Commission (EEOC) and the Washington State Human Rights Commission, and equivalent state agencies in other states, investigate and prosecute complaints of harassment and discrimination in employment.

Modification

Modification may be necessary to maintain compliance with State and Federal regulations and/or to accommodate organizational changes within Optic Fusion, Inc. This policy can be modified unilaterally by Optic Fusion, Inc. at any time without notice.

Discipline Policy

The purpose of having a discipline policy is to identify problems and correct them if possible. If a problem arises, your manager will coach and counsel you in developing a mutually effective solution. If, however, you fail to respond to coaching or counseling, or if an incident occurs requiring formal discipline, the following progressive discipline steps may be applied.

The three-step procedure outlined below will generally be applied if there is a disciplinary problem; however, this procedure is offered as a guideline only—alternative approaches may be employed at the sole discretion of the Company at any time. For example, the seriousness of the particular offense may justify the omission of one or more of the steps in the procedure. Likewise, there may be times when the Company may decide to repeat a disciplinary step before progressing to the next step.

The Discipline Policy may be applied at Company discretion; however, neither the existence of this policy nor its application from time to time is intended to alter Optic Fusion, Inc. at-will employment policy. Either you or the Company can terminate your employment relationship without any cause at any time, in the absence of employee misconduct and in the absence of unsatisfactory performance.

Step One: Verbal Warning

Your manager will meet with you to discuss the problem, making sure that you understand the nature of the problem or violation and the expected remedy. The purpose of this conversation is to remind you of exactly what the rule or performance expectation is and that it is your responsibility to meet that expectation. Documentation of the incident will be filed in your personnel file and will be made available to you on request.

Step Two: Written Warning

If your performance does not improve within a reasonable, pre-defined period following an Oral Warning, or if you are again in violation of any Optic Fusion, Inc. practices, rules and standards of conduct, your manager, after reviewing the situation with his or her manager, will discuss the problem with you further, emphasizing the seriousness of the problem and the need for you to immediately remedy the problem.

Following the conversation, your manager will write a memo to you summarizing the discussion and outlining steps for progress and resolution. The original memo will go to you and a copy will be routed to the Human Resources department and placed in your personnel file.

Step Three: Decision-Making Leave

If your performance does not improve within a reasonable, pre-defined period following a Written Warning, or if you are again in violation of any Optic Fusion, Inc. practices, rules and standards of conduct, you will be placed on Decision-making Leave, the final step of Optic Fusion, Inc. progressive disciplinary policy.

Decision-Making Leave is a paid, one-day disciplinary suspension in which you will spend the day away from work deciding whether to correct the immediate problem and conform to Optic Fusion, Inc. practices, rules and standards of conduct, or to terminate your employment with Optic Fusion, Inc.

If you decide to return to work and abide by Optic Fusion, Inc. practices, rules and standards of conduct, you will be allowed to do so only with the understanding that if a positive change in behavior does not occur, or if any other disciplinary problem occurs within a reasonable and pre-defined period of time, your employment with Optic Fusion, Inc. will be terminated. Your manager will write a letter to you explaining the consequences of failing to meet this commitment and you will be required to sign it to acknowledge your understanding of the agreement you have made. The original memo will go to you and a copy will be routed to Rick Shanaman and placed in your personnel file.

If you are unwilling to make such a commitment, your employment may be terminated immediately.

Crisis Suspension

Engaging in any of the actions listed in the “Actions Resulting in Termination” section above (or any other action not specified but similarly serious) may be cause for suspension without pay pending the investigation of the situation. Other disciplinary measures up to and including immediate termination may also occur depending on the

circumstances of the event. Following an investigation your employment may be terminated without any previous disciplinary action having been taken.

Termination of Employment

Dismissal

If your performance is unsatisfactory due to lack of ability, failure to abide by Optic Fusion, Inc. practices, rules and standards of conduct, or failure to fulfill the requirements of your job, the Company will generally notify you of the problem and advise you of changes you must make in order to retain your position, as outlined in the Disciplinary Policy above. However, the at-will nature of your employment and the seriousness of a particular circumstance may result in your immediate dismissal. Under these circumstances the Company is not obligated to provide you with an opportunity to cure the problem.

Resignation

While we hope both you and Optic Fusion, Inc. will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your position with Optic Fusion, Inc. to pursue other opportunities. If you anticipate having to resign, we hope you will extend us the professional courtesy of giving written notice to your manager at least two weeks in advance of the date on which you must leave.

Termination Benefits

When your employment with the Company is terminated in good standing, two weeks notice to resign is required, any accrued but unused paid time off will be paid at the time of the employment termination, as specified under "Paid Time Off" section of this manual.

Return of Company Property

You must return any Optic Fusion, Inc. property issued to you, such as laptop computers, cellular phones, Company credit cards, product samples, tools or other equipment, at the time of your dismissal or resignation, or whenever it is requested by your manager or by a member of management. You are responsible for paying for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck and you may be required to sign a wage deduction authorization for this purpose.

Your Personnel File

Your personnel file contains a number of important documents, including your hiring paperwork, salary and payroll information, performance evaluations and any agreements you may have signed.

Keeping your personnel file up-to-date is critical with regard to pay, deductions, benefits and other matters. If you have a change in any of the following, please be sure to notify your manager as soon as possible:

- Legal name
- Home address
- Home telephone number
- Emergency contact(s)
- Number of dependents
- Marital status
- Change of beneficiary
- Military or draft status
- Exemptions on your W-4 form
- Changes to your payroll deductions

You may review the contents of your personnel file once yearly. If you wish to do so, please contact the C.E.O.

Paid & Unpaid Time Off

Company Holidays

The following holidays are recognized as paid Optic Fusion, Inc. holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

When a holiday falls on a Saturday or Sunday, either the preceding Friday or the following Monday will be observed as the recognized holiday. On these holidays, the office and construction division will be closed and you will not be expected to work; however, if you feel that you need to come into the office, normal weekend access will be available.

The Network Operations Center (NOC) will be open on these holidays. If you are scheduled to work, you will be paid one and one half times your normal pay rate regardless if you are a full time or part time employee.

If you do choose to work on an official, paid holiday, you will not receive additional compensation for doing so.

Only salary and full-time hourly employees are eligible for paid holidays. Part-time or temporary employees are not entitled to holiday pay.

Paid Time Off

Amount

Regular full-time employees accrue twelve (12) days per year of Paid Time Off (PTO) for vacation, illness and personal reasons.

Accumulation Rights

You may accrue a maximum of twelve (12) days of PTO. Once this cap is reached, no further PTO will accrue until PTO days are used. 1 PTO day is accrued per month starting after your 90 day review. You must be a salary or full time hourly employee in good standing to use accrued PTO.

Payments in Lieu of PTO

The purpose of PTO is to provide you with a time to rest and relax; therefore, the Company will not pay you wages in lieu of your taking the PTO, except that the Company will compensate you for any accrued, unused PTO when you leave the Company in good standing.

Funeral/Bereavement Leave

In addition to PTO, you are entitled to take up to three (3) days off with pay to attend the funeral of and/or take care of personal matters related to the death of a member of your immediate family (defined as parent, sibling, spouse, spouse's parent, child or spouse's child) or in the case of the death of a grandparent, your spouse's grandparent or

sibling, or any member of your extended family living in your home. Only regular full-time employees are eligible for paid funeral leave.

The Company will only pay you for actual time lost from work, at your regular rate of pay. If the need for bereavement leave occurs at a time when you are not scheduled to work, your allotment of days for bereavement leave will not be reduced and you will not be paid for these days. If a holiday or part of your PTO occurs on any of the days when you need bereavement leave, you will receive either the holiday pay/PTO or the paid funeral leave and your allotment of days for only that type of paid absence will be reduced.

Jury Duty

If you are called for jury duty, Optic Fusion, Inc. will permit you to take the necessary time off and, in an effort to help you avoid some of the financial loss associated with such service, Optic Fusion, Inc. will reimburse regular full-time employees for the difference between your jury pay and your regular pay, not to exceed eight (8) hours per day, for a maximum of five (5) business days. Any remaining time off for jury duty service will be unpaid. In order to receive jury duty pay, you must present a statement of jury service and pay to your manager, as issued by the court. You must notify your manager in writing within forty-eight (48) hours of receipt of the jury summons, and on any day or half-day you are not required to serve, you will be expected to return to work.

The Company will provide regular part-time and temporary employees time off for jury duty, but any such time will be unpaid.

Unpaid Personal Leave of Absence

In very special circumstances, Optic Fusion, Inc. may grant a leave for a personal reason at its sole discretion, but never for taking employment elsewhere or going into business for yourself. A personal leave of absence must not interfere with the operations of your department or the business needs of Optic Fusion, Inc. You must request an unpaid personal leave of absence in writing from your manager, who will submit your request to the appropriate member of management for final approval.

Any leave taken under this provision that qualifies as family/medical leave will be charged to your entitlement of 12 work weeks of family/medical leave in a 12-month period and treated in the manner described above under Family/Medical Leave. In addition, any extension of a family/medical leave or pregnancy disability leave beyond the statutorily-guaranteed period which does not qualify for treatment under the Disability Leave policy will be treated as unpaid personal leave under this section.

A personal leave of absence may be granted for up to thirty (30) days, unless required otherwise by law, such as in the case of military service. If your leave is extended for more than thirty (30) days, PTO and other benefits will cease to accrue until your return, unless required otherwise by law. Consult your group insurance booklet to determine your insurance coverage during an unpaid personal leave of absence. Failure to return from an unpaid personal leave at the time agreed may result in termination of employment.

Accepting Other Employment or Going into Business While on Leave Of Absence

If you accept any employment or go into business while on any leave of absence from Optic Fusion, Inc. without first obtaining written permission from Optic Fusion, Inc., you may be considered to have voluntarily resigned from employment with Optic Fusion, Inc. as of the day on which you began your leave of absence.

THE BENEFITS PACKAGE

As a means of thanking you for your hard work and commitment, and treating you as the valuable resource you are, Optic Fusion, Inc. is proud to offer a comprehensive and competitive benefits package. From time to time, Optic Fusion, Inc. will review the package and make modifications as appropriate to the Company's condition. The Company reserves the right to modify, revise, rescind, cancel or change any of its benefits at its sole discretion and any time, with or without notice.

Eligibility for Benefits

If you are a regular full-time employee you will enjoy all of the benefits described in this manual as soon as you meet the eligibility requirements as set forth by law and in the particular benefit plan. Temporary and part-time employees are not eligible for benefits.

Health Benefits

Optic Fusion, Inc. offers the following health benefits, as defined in the literature provided by our insurance company:

- Medical Health Care Coverage
- Dental Care Coverage
- Vision Plan

Enrollment in insurance coverage begins on the first day of the month following your 90 day initial employment period as a full time employee. At that time, you may choose to accept or decline insurance coverage. If you choose to accept the coverage, you will be provided with a booklet describing your benefits. If you choose to decline coverage, you will be asked to sign an insurance waiver.

In the event of your termination of employment with Optic Fusion, Inc., you may be eligible under COBRA to remain covered under the group health insurance program for a limited period of time as defined by law.

In the event there is an employee contribution required for available coverage, you agree to sign a payroll deduction form to permit the employee portion of the benefit cost to be deducted from your wages.

COMPENSATION & PERFORMANCE

Salary Policy

Optic Fusion, Inc. strives to pay competitive, fair and equitable salaries that comply with all applicable statutory requirements. Salaries vary with individual and Company performance, and are determined solely at the Company's discretion in accordance with its business interests and the requirements of state and federal law.

Payroll

You are employed by Optic Fusion, Inc. and will be carried directly on our payroll. No person may be paid directly out of petty cash or any other such fund for work performed.

Pay Period & Work Week.

There are twenty-four (24) pay periods per year. Paychecks are currently distributed on the fifteenth and the first day of the month. If the 15th or 1st falls on Saturday, you will be paid on Monday. If it falls on Sunday you will be paid on the following Monday. Time sheets for non-salary employees and contractors are due 2 business days before the 1st or 15th completed through the current pay period. The established work week is 12:00AM Sunday – 11:59PM Saturday.

Mandatory Paycheck Deductions

Optic Fusion, Inc. is required by law to make certain deductions from each paycheck. Among these are your federal, state and local income taxes, and your contribution to Social Security as required by law. These deductions will be itemized on your check stub, and will depend on your earnings and on the information you furnish on your W-4 form regarding the number of dependents and exemptions you claim. To ensure proper credit for tax purposes, any change in name, address, telephone number, marital status and/or number of exemptions must be reported to Human Resources immediately. The W-2 form you receive for each year indicates precisely how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court-ordered wage garnishings, will be explained whenever Optic Fusion, Inc. is ordered to make such deductions.

Errors in Pay

Every effort is made to avoid errors in your paycheck. However, if you believe an error has been made, please tell your manager immediately and the necessary steps will be taken to research the problem and make any necessary correction promptly and correctly.

Performance & Compensation Reviews

Performance Reviews

The primary reason for performance reviews is to ensure that your perception of your work performance is consistent with how you are perceived by your manager and co-workers. However, it is equally important to identify your strengths and weaknesses, reinforce Optic Fusion, Inc. knowledge of your skill set, identify areas that need development, discuss any performance-related issues and evaluate how your work performance compares to your

job description and position objectives. Performance reviews also offer a good opportunity to discuss your career interests and identify ways of achieving work-related goals.

Performance reviews should be conducted on a regular basis as determined by Human Resources. During formal performance reviews, your manager will consider the following factors, among others:

- Attendance, initiative and effort
- Knowledge of your work
- Attitude and willingness
- The quality and quantity of your work

Compensation Reviews

Optic Fusion, Inc. conducts compensation reviews on an annual basis, generally in conjunction with a performance reviews. Compensation adjustments are based on merit alone, not length of service or the cost of living.

Having your compensation reviewed does not necessarily mean that you will be given an increase, nor will a good performance evaluation guarantee a pay increase, nor is it a promise of continued employment.

Any compensation adjustments will appear in the pay period ending after the dates they are granted.

Position Reviews

In addition to individual performance reviews, Optic Fusion, Inc. periodically conducts a review of position descriptions to ensure that we are aware of any changes in the duties and responsibilities required of each position, and that such changes are recognized and adequately compensated.

Miscellaneous Information

Start Date

The first day you report to work is your official Start Date. Your Start Date is used to compute various conditions and benefits described in this manual.

Business Hours

Your particular hours of work and schedule will be determined and assigned by your manager. The Optic Fusion, Inc. corporate office is open 9am to 5pm Monday through Friday.

Travel & Expense Policy

It is Optic Fusion, Inc.'s policy to offer reasonable reimbursement for travel, entertainment and business expenses you incur while operating on its behalf. For a complete description of these reimbursable expenses and the proper procedures, please consult with your supervisor.

Personal Phone Calls and Voicemail

The Company's telephone system allows employees to create, send, receive, transfer and otherwise manipulate voice mail communications. The system is Company-owned and maintained at a significant expense exclusively for the Company's benefit. Voice mail is to be used for business purposes. Please limit personal calls to breaks, lunch or after work.

The Company reserves the right to listen to voice mail messages if there is a business need to do so, without notice to the employee and/or in the employee's absence. Consequently, employees should assume that such messages are non-confidential.

Dress Code

You must dress appropriately for your day of work. Shirts and pants should always be clean. No tee-shirts. Shorts must be one color. Prints, patterns, nylon material or anything else that can be confused with a swim suit is not acceptable. Shorts must be no more than 4 inches above the knee. Please remember even though we are a technology service company many of our customers are Fortune 500 traditional economy business.

Email Policy

This policy provides Optic Fusion, Inc. employees with effective, consistent standards with regards to the use of the electronic mail systems (email) provided by the company.

All electronic communications and stored information transmitted, received or archived in the company's information system are the property of the company. The company reserves the right to access and disclose all messages sent by email. Following are guidelines in using the system:

- Use professional language. Never send abusive, harassing, threatening or ethically oriented messages, even in jest. Do not pass along jokes that contain sexual or racial themes, or belittle any group in any way.
- Use common sense about what you say or send and keep in mind that you cannot control who will ultimately read the message—remember that confidentiality is a misnomer and privacy does not exist. A good rule of thumb is to never write anything to email that you would not want to become public knowledge.
- Review your message carefully before you send it—a sentence that might be clear to someone talking to you face-to-face might come across quite differently without the tone of your voice or the facial expression to support your words and ideas.
- Think before you send email to more than one person—respect other employees' time.
- **Email is not personal property and may be reviewed by management from time to time with or without notice!**

Personal Use of Company Property

If you want to use Optic Fusion, Inc. equipment or tools during or after work hours for personal benefit, you must have the written approval of your manager. Such approval is at the sole discretion of your manager and it may be approved or denied with or without reason. You must understand and agree that Optic Fusion, Inc. is not liable for personal injury incurred during the use of Company property for personal projects. As an Optic Fusion, Inc. employee, you accept full responsibility for any and all liabilities for injuries or losses which occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition, and you agree that you are required to pay for any damages that occur while using the equipment or tools for personal projects. You further agree that such payments may be deducted from your wages.

Lockers

Lockers will be provided at no charge to both contractors and employees. Optic Fusion is not liable for any lost, stolen or damaged personal items while the items are being kept at Optic Fusion. A Contractor or employee may bring a personal lock to secure his/her personal items in the lockers. Personal items will be kept for no more than thirty (30) days past employee termination or end of Contractor's term. Lockers are the property of Optic Fusion and are subject to periodic inspections with or without notice at anytime.

Office Supplies

All company-funded supplies are located in the company supply area; please feel free to take a reasonable supply of what you need for business reasons.

Food & Beverages

All company-funded food will be located in the company kitchen area. For specific information on this policy, please consult your manager. No other food expenses will be covered, unless approved in advance by your manager.

Cell Phone Policy

Certain employees may require a cellular phone to perform their job optimally. If you feel that you require a cell phone, please speak to your manager, who will advise you as to the current policy.

Company Credit Cards

Certain employees may require a company credit card to perform their job optimally. If you feel that you require a credit card, please speak to your manager, who will advise you as to the current policy.

Company Expense Reports

Certain employees may be required to purchase materials pertaining to a current project with the expectation of being reimbursed for the expenses related to the company. All expenses incurred for the company must be listed on an expense report with all corresponding receipts and submitted to your manager. Approved expense reports will be submitted for reimbursement 2 business days before the end of the current month to be paid at the employees next pay period.

Computer Software

Optic Fusion, Inc. does not condone the illegal duplication of software. The copyright law is clear: the copyright holder is given certain exclusive rights, including the right to make and distribute copies. Federal law states that it is illegal to make or distribute copies of copyrighted material without authorization. The only exception is the users' right to make a backup copy for archival purposes.

The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless a backup copy is not provided by the manufacturer. Unauthorized duplication of software is a Federal crime. Penalties include fines of as much as \$250,000, and jail terms of up to five years.

References

All requests for references must be directed to Rick Shanaman. No other employee, including managers, is authorized to release references for current or former employees. The Company's policy as to references for employees who have left the Company is to disclose only the dates of employment and the title of the last position held. No other information will be provided.

Safety Rules

Safety is everybody's business. Please report all injuries (no matter how slight) to your manager immediately, as well as anything that needs repair or is a safety hazard. Your manager or department head may post other safety

procedures in your department or work area. You are expected to work safely, to observe all safety rules and to keep the premises clean and neat. Remember that carelessly endangering yourself or others may lead to disciplinary action, including possible dismissal.

Federal law (“OSHA”) requires that we keep records of all illnesses and accidents which occur during the workday. If you hurt yourself or become ill, please contact your manager for assistance. If you fail to report an injury, you may jeopardize your right to collect workers’ compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards which might be present on the job. Should you have any questions or concerns, contact your manager for more information.

Employees may discuss and participate in any WISHA safety and health related practice and may refuse to perform dangerous tasks without fear of discrimination. Discrimination includes: dismissal, demotion, loss of seniority, denial of a promotion, harassment, etc. ([see Chapter 296-360 WAC, Discrimination](#)) pursuant to [RCW 49.17.160](#) for a complete description of discrimination and the [department](#)’s responsibility to protect employees.

EMPLOYEE ACKNOWLEDGEMENT

I, _____(print name), an employee of Optic Fusion, Inc., do hereby acknowledge that I have read and accepted the terms of the Employee manual.

Employee:

Manager / Supervisor:

Printed Name: _____

Printed Name: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

Policies Disclaimer

Optic Fusion, Inc. policies, procedures and benefits, as explained in this manual, may change from time to time as business, employment legislation and economic conditions dictate. If and when provisions are changed, the Company will update the manual accordingly.

Optic Fusion, Inc., at its sole and absolute option, may change, rescind, delete, suspend or discontinue any part or parts of the policies in this manual, except for the at-will employment policy, at any time without prior notice. Any such action shall apply to existing as well as future employees with continued employment being the consideration between the employer and employee.

Any change to the policies, procedures and benefits outlined in this manual will be made by Rick Shanaman only. No statement or promise by a supervisor, manager or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision in this Employee manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee manual, but only the subject provision.

This manual supersedes all other previous manuals, statements or memoranda for Optic Fusion, Inc. as of date of signing this agreement.