



CODE ACUITY INC – COMPREHENSIVE EMPLOYEE BENEFITS

EMPLOYEE CLASSIFICATIONS:

The following terms are used to describe employees and their employment status:

- Exempt employees - employees whose positions meet specific tests established by the federal labor standards act ("flsa") and maryland state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative and professional jobs who are paid a fixed salary and perform certain duties. In addition, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.
- Nonexempt employees - employees whose positions do not meet specific tests established by the flsa and maryland state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered nonexempt. Employees working in nonexempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.
- Full-time employees - employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 40 hours per work week.
- Part-time employees - employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 40 hours per work week.
- Temporary employees - employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period. Short term assignments generally are periods of three (3) months or less, however, such assignments may be extended. All temporary employees are at-will regardless of the anticipated duration of the assignment (see employment-at-will policy). Temporary employees retain that status unless and until notified in writing of a change.
- Independent contractor or consultant - these individuals are not employees of Code Acuity Inc and are self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.

Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by Code Acuity Inc or the employee at any time, with or without cause and with or without notice.

PAY PERIODS AND PAYDAYS:

Employees are paid on a Semi-monthly basis. All employees will be paid twice per month. All employees are paid by check or direct deposit on the above-mentioned pay cycle. If the regular payday falls on a company holiday, employees will be paid on the last business day before the holiday.

OVERTIME:

The fair labor standards act (flsa) permits an employer to exempt certain employees from overtime eligibility. Exemptions are based on an employee's pay amount and type of work performed. Employees that meet specified criteria in the flsa will be categorized as an exempt employee. Employees not meeting the flsa criteria for exemption are categorized as non-exempt. Every job position has been analyzed to determine if their position is exempt or non-exempt. Employee exemption status is maintained in the human resource department.

Hourly paid employees (non-exempt employee) may be expected to work overtime in case of emergency or whenever necessary. Hourly-paid employees will be paid one and one half (1.5) their normal hourly rate of pay for approved overtime hours worked in excess of forty (40) hours per week. For purpose of calculating overtime, time will be rounded to the nearest minute.

Hourly employees must obtain approval in advance to work overtime. The intent is to limit the hours of hourly regular full-time employees 40 hours per week for quality of life and fiduciary reasons; but we have the right permitted in the flsa to assign hourly employees overtime without prior notice or employee consent. The company respects its employees and expects that the assignment of unplanned overtime will be minimal. This notice is a good faith effort to give employees an advance notice that unplanned overtime may occur, and all employees should make plans accordingly for emergency dependent care and other similar circumstances.

Nonexempt employees will be paid in accordance with Federal and Maryland state law.

GROUP HEALTH INSURANCE:

Code Acuity Inc has a comprehensive health plan in place to all employees who meet the eligibility requirements below. The group health insurance plan is from United Healthcare.

The following individuals (and their dependents) are Eligible Employees and are eligible for coverage, as long as they meet these eligibility requirements:

- Full-Time Employees (including owners and partners), who work, with respect to a calendar month, on average, at least 30 hours per week. Full-Time Employee does not include a seasonal employee as defined in federal law.
- Former employees and their dependents whose eligibility for group coverage has been extended due to COBRA requirements or the Maryland state law Continuation of Coverage provisions.
- Other Eligible Employees:
 - Part-time employees with a normal workweek of at least 17.5 hours and who are not full-time employees. (Those part-time employees working less than this required time period per normal workweek are not eligible).

-
- Domestic Partners of Eligible Employees.

Coverage for a new Eligible Employee will be effective on the first day of the month following the date of employment or eligibility, whichever is later.

401(K) PLAN:

Code Acuity Inc has a 401(k) Plan in place. The 401(k) Plan is a convenient payroll deductible method to help supplement employee's retirement benefits and provide a long-term vehicle to accumulate savings. For information regarding employee benefits and services, employees should contact Human Resources or the Founder.

WORKERS COMPENSATION:

The Workers' Compensation Law is a no-fault insurance plan, which is supervised by the state and is paid for by Code Acuity Inc. This law was designed to provide employees with benefits for any injury which employees may suffer in connection with their employment. Under the provisions of the law, if an employee is injured while at work, then they are eligible to apply for Workers' Compensation.

PAID TIME OFF (PTO) DAYS:

Full time salaried employees are eligible to receive the following PTO benefits, inclusive of vacation, sick leave, personal leave. PTO for part time employees will be managed on a case-by-case basis.

New Employees: New employees shall receive 80 (eighty) hours of PTO that consolidates vacation and sick/personal leave until their one-year anniversary, each subsequent year 20 hours more are accrued not to exceed 160 hours.

Up to 80 (eighty) PTO hours may be carried over into the next calendar year. Any additional unused PTO will be paid out in the final paycheck for that calendar year.

Employees should notify their direct supervisor at minimum of Ten (10) business days in advance of taking vacation time unless special circumstances are recognized. All vacation requests must be submitted to the employee's direct supervisor and approved prior to using said vacation time. All requests will be reviewed by the supervisor with a focus on the company needs, deadlines, and requirements during the requested vacation dates. The direct supervisor will inform the employee within two business days of receipt of the vacation request of the acceptance or rejection thereof.

PTO time may be taken in hourly increments and will be compensated based on regular rate of pay.

HOLIDAYS:

US-based employees are granted Eleven (11) Federal holidays. Employees based in an overseas office are granted holidays in accordance with the holiday established by the host country government. All US based

employees receive the following holidays:

- New Year's Day
- Martin Luther King Jr. Birthday
- President's Day
- Memorial Day
- Fourth of July
- Labor Day
- Veteran's Day
- Thanksgiving
- Day after Thanksgiving
- Christmas
- Juneteenth National Independence Day

Code Acuity Inc will grant paid holiday time off to all eligible employees. Holiday pay for regular full-time employees will be calculated based on the employee's base pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro-rata basis.

If an eligible non-exempt employee works on a recognized holiday with Company approval, he or she will receive holiday pay plus wages at his or her straight-time rate for the hours worked on the holiday.

LEAVE:

Administrative Leave: Employees can request administrative leave for such instances as military leave, reservist duty, bereavement leave, and jury/witness duty.

Family and Medical Leave: Eligible employees are granted up to twelve (12) weeks of unpaid family or medical leave (as prescribed by The Family and Medical Leave Act) during any 12-month period.

R&R Leave & Home leave: Airfare costs associated with this leave are directly billable, however time taken under this type of leave are limited to vacation balances.