

Sotheby's

INSTITUTE OF ART

STAFF HANDBOOK 2018-19

SOTHEBYSINSTITUTE.COM

TABLE OF CONTENTS

Page No.

INSTITUTIONAL INFORMATION.....	4
ABOUT THE INSTITUTE	4
MISSION STATEMENT	5
ACCREDITATION AND AUTHORIZATION.....	5
PURPOSE OF THE HANDBOOK.....	5
I. INSTITUTE POLICIES	7
A. HIRING PRACTICES.....	7
B. EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER.....	7
C. POLICY AGAINST HARASSMENT/SEXUAL HARASSMENT.....	8
D. AFFIRMATIVE ACTION.....	12
E. AMERICANS WITH DISABILITIES ACT	12
F. OPEN DOOR POLICY	14
G. SUBSTANCE ABUSE POLICY.....	15
H. VIOLENCE IN OUR WORKPLACE.....	19
I. MAINTAINING A SMOKE-FREE WORKPLACE	19
J. SAFETY	19
K. PERSONAL PHONE CALLS	20
L. MOBILE PHONE USE.....	20
M. PERSONAL PROPERTY	21
N. PERSONNEL FILE.....	21
O. ROMANTIC RELATIONSHIPS	21
P. ANTI-NEPOTISM POLICY.....	21
Q. EMPLOYMENT VERIFICATION POLICY.....	22
R. EMPLOYMENT REFERRALS.....	23
S. EMPLOYMENT TESTING	23
T. SOCIAL MEDIA POLICY	23
U. GENETIC INFORMATION NONDISCRIMINATION ACT OF 2008.....	25
V. HIPAA PRIVACY	25
W. STAFF GRIEVANCE POLICY.....	27
II. EMPLOYMENT AND PAY	29
A. EMPLOYMENT CATEGORIES	29
B. INTRODUCTORY EVALUATION PERIOD	30
C. WORK SCHEDULES AND ATTENDANCE	31
D. PAY PERIOD AND PAYCHECKS.....	32
E. WAGE DEDUCTION	33
F. SAFE HARBOR FOR IMPROPER DEDUCTIONS FROM EXEMPT STAFF MEMBERS	33
G. PROMOTIONS	34
H. PERFORMANCE EVALUATION	35
III. CONDUCT AND DISCIPLINE	36
A. EMPLOYEE CODE OF PROFESSIONAL CONDUCT AND WORK RULES	36
B. PERSONAL APPEARANCE/DRESS	39
C. ATTENDANCE AND PUNCTUALITY.....	40

D.	CORRECTIVE ACTION POLICY.....	41
E.	ADDRESSING WORKPLACE CONCERNS.....	43
F.	MAINTAINING UP-TO-DATE INFORMATION.....	44
G.	POOR WEATHER AND EMERGENCY CLOSURES	45
IV.	BENEFITS	46
A.	OVERVIEW	46
B.	HEALTH INSURANCE.....	46
C.	CONTINUATION OF HEALTH INSURANCE COVERAGE (COBRA)	46
D.	401K SAVINGS AND RETIREMENT PLAN	46
E.	VACATION	47
F.	HOLIDAYS.....	48
G.	SICK LEAVE	50
H.	WORKER’S COMPENSATION.....	50
I.	BEREAVEMENT LEAVE	50
J.	JURY DUTY.....	50
K.	MILITARY AND RESERVE LEAVE.....	51
L.	NEW YORK STATE MANDATED TIME-OFF	52
M.	UNPAID LEAVE OF ABSENCE	53
N.	FAMILY AND MEDICAL LEAVE	54
O.	EDUCATIONAL ASSISTANCE PROGRAM.....	60
V.	SEPARATION FROM EMPLOYMENT.....	62
A.	RETURN OF INSTITUTE PROPERTY	62
B.	FINAL PAY	62
C.	EXIT INTERVIEW	62
D.	VOLUNTARY TERMINATION	62
E.	VOLUNTARY TERMINATION DUE TO JOB ABANDONMENT	62
F.	REEMPLOYMENT/RECOGNITION OF PRIOR SERVICE.....	63

INSTITUTIONAL INFORMATION

ABOUT THE INSTITUTE

For over forty-five years, Sotheby's Institute of Art has been preparing students for careers in the art world. Students get a rare inside look at the business of art while exploring both the scholarly and practical sides of the art world, including the skills and professional connections necessary for successful entry into many art business fields. We have over 6,000 alumni worldwide, many of whom are working in a variety of art-related careers.

History

Originally a training program at Sotheby's auction house in London, the Institute has always aimed to bring a true understanding of fine and decorative arts to a global audience, thereby enhancing individual appreciation and knowledge of an essential part of civilization. Over the years, it increased its portfolio of courses and as the popularity of the courses grew, the result was a demand for degree granting authority. In 1995 the University of Manchester granted Sotheby's Institute of Art – London the status of an Affiliated Institution of its Department of Art History and Archaeology. It was the first education department of an auction house to be so closely associated with a university. Sotheby's Institute of Art – New York has been an accredited member of the National Association of Art and Design since 1989; in 2010 the New York Institute received degree-granting authority from the Regents of the State of New York. In 2013, the Institute teamed with Claremont Graduate University in Los Angeles to offer a MA in Art Business through CGU. In 2015, the Institute partnered with Tsinghua University; students take 12 credits from the Tsinghua faculty and finish their MA studies with 18 credits of classroom work and 6 credits of the thesis under the direction of the Institute's faculty.

In 2003, Sotheby's auction house transferred ownership of its London Institute and in 2005, its New York Institute to Cambridge Information Group (CIG), a US-based information and educational services firm. The Sotheby's name has been retained and strong ties are maintained, with auction house representatives serving on the London advisory board, acting as lecturers and specialists on all three campuses, and providing unrivalled access to internships, auctions and exhibitions at Sotheby's.

An important aspect of the Institute's teaching approach is the ability to work directly with art objects so that students can develop a discerning and critical eye. This is a key differentiator in the Institute's educational approach. This "hands-on" philosophy means that students learn through actual examination of works of art, design and craftsmanship in galleries, museums and private collections. Married to this academic study is the learning of business and professional skills specific to the art world.

The Institute Faculty are noted academics in their fields and many are also practicing art professionals, engaged in scholarly research, writing art criticism, curating exhibitions and offering professional advice in such specialized areas as art law.

At each of its locations, London, New York and Los Angeles, students find programs that draw on the art-rich environments of their cities and incorporate them into their curricula. Study visits to the galleries, museums, auction houses, and artists' studios form an essential part of a student's studies as do talks and discussions by invited artists and art professionals.

MISSION STATEMENT

Sotheby's Institute of Art is the pioneer in the study of art and its markets. Our academically innovative and professionally-focused curriculum enables students to acquire specialized knowledge of art's objects, histories, and markets to impact art and related industries. The Institute is committed to fostering future generations of art business leaders and cultural stewards.

ACCREDITATION AND AUTHORIZATION

Sotheby's Institute of Art - New York is accredited by the National Association of Schools of Art and Design (NASAD) and is authorized to grant degrees by the New York State Education Department.

PURPOSE OF THE HANDBOOK

The purpose of this Staff Handbook is to provide staff members with a working guide to the understanding of the day-to-day administration of personnel policies and practices at the Institute. Although parts of this handbook apply to faculty, there is also a faculty handbook which includes policies and procedures specific to faculty. This handbook is not intended to cover every possible situation which could be encountered but rather to provide an overview of current Institute personnel policies, programs, and benefits. The Institute has the right to change, modify, or add policies and procedures. As a general rule, changes will be announced in a timely fashion by memorandum, posting on Sharepoint or via email. Any subsequent revisions or other modifications supersede the relevant provision(s) of this Staff Handbook. It is your responsibility as a member of the Institute staff to read this handbook. If further clarification or interpretation is necessary, please talk with your supervisor, department head, and/or the Human Resources Office.

These policies and procedures and any subsequent revisions do not constitute an employment contract and should not be interpreted as creating an employment contract. Staff members at the Institute are employed "at will." This means that the relationship can be ended at any time, for any reason or no reason, by either the employer or the staff member. This handbook does not modify or limit the employment-at-will relationship.

Although most policies are the same for all members of staff, some differences do exist based on

employment type (Exempt Staff, Hourly Staff, and Faculty). Where applicable, these differences are explained.

Notwithstanding any other provision in the Institute's employment policies, all managerial and administrative functions and prerogatives entrusted to and conferred upon employers inherently, expressly, and by law, are retained and vested exclusively with the Institute, including but not limited to the right to exercise judgment and discretion to take whatever action is necessary to operate the Institute's business, protect its property, provide security, and protect general welfare; to reduce, contract out, sell, close down, or relocate the Institute's operations or any part thereof; to hire, layoff, direct, discipline, discharge, or increase the efficiency of the workforce in the manner and to the degree the Institute deems appropriate; to set the standards of productivity, maintenance, services, security, research and development; and, in general, to take whatever other actions are necessary in the Institute's judgment and discretion to administer the Institute's operations and direct its work force.

The Institute reserves the right to alter, amend, reduce or discontinue any wage schedule, policy, work rule or benefit included in the Institute's employment policies. The failure of the Institute to exercise any prerogative or function in a particular way shall not be considered a waiver of the Institute's right to exercise such prerogative or function or preclude it from exercising that prerogative or function in some other way.

I. INSTITUTE POLICIES

a. Hiring Practices

All applicants for employment are required to complete a job application form. The job application process requires that applicants give written permission for the Institute to perform background and reference checks, and each new staff member will be considered to be conditionally employed pending the results of these checks.

Each staff member will be responsible to furnish the Institute with accurate information including, but not limited to, the following:

- Personal information such as date of birth, current address, home and cell telephone numbers, emergency contact, email address, etc.
- An accurate employment application.
 - The Institute relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentation(s), falsifications(s), or material omission(s) in any of this information or data may result in the Institute's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.
- A minimum of two employment references.
- Social Security Number.
- Withholding tax information as required on W-4 form.
- Complete background inquiry as required under the Institute policy and applicable laws and regulations.
- Proof of certification or permits, if applicable.
- Proof of educational degrees, if necessary.
- Substance abuse/alcohol screen as required by law or Institute policy.

Personnel documents and files are considered confidential and will be treated as such. All health information in the personnel file is subject to HIPPA confidentiality provisions applicable to employers.

I-9 Forms

Federal law requires the Institute to have a properly completed Form I-9 on file for every staff member hired in the US after November 6, 1986. All staff members must complete Form I-9 no later than the date of commencement of employment and are required to submit evidence of identity and employment authorization to the Institute for examination within three business days of the date employment begins.

Federal law also requires the Institute to re-verify the continued work eligibility of staff members who have only a time-limited work authorization on or before the date their employment eligibility expires. The same documentation rules apply to re-verification efforts as to original I-9 compliance.

b. Equal Employment Opportunity Employer

The Institute is committed to providing a work environment that is free from unlawful discrimination and harassment in any form and promotes equal employment opportunity and equitable treatment of all staff members and applicants. It is the Institute's policy to comply with all federal, state and local laws prohibiting employment discrimination.

It is Institute's intent to provide equal employment opportunity to all staff members or applicants for employment, without regard to the individual's actual or perceived race, color, sex, sexual orientation (including gender identity), gender, age, disability, religion, ancestry, national origin, prior arrest or conviction record, domestic violence victim status, union affiliation, military and/or veteran status, citizenship, genetic information or any other characteristic protected by federal, state, or local law. The preceding applies to the status of any individual with whom the applicant or staff member associates. Equal employment opportunity includes, but is not limited to hiring, placement, training, promotion, transfer, working conditions, compensation, benefits, demotion, termination, and all terms or conditions of employment.

The Institute supports and recognizes that equal opportunity may be assured only by carefully managed and shared practices designed to create positive efforts in all areas of the employment process.

The Institute will make reasonable accommodations for qualified individuals with disabilities unless doing so would result in an undue hardship. Persons with disabilities who are in need of accommodation are encouraged to discuss their needs with their supervisor or Human Resources.

Any staff members with questions or concerns regarding equal employment opportunities in the workplace are encouraged to bring these issues to the attention of any supervisor, the Institute Director, or Human Resources.

The Institute will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. To ensure our workplace is free of artificial barriers, violation of this policy will lead to discipline, up to and including separation of employment.

c. Policy against Harassment/Sexual Harassment

The Institute respects the individuality of all its staff members, faculty and students and strives to create a professional, respectful atmosphere where individual beliefs, experiences, and backgrounds are highly valued. It is the policy of the Institute to maintain a professional business environment and a work place that is free from harassment and intimidation of any kind. All staff members have the responsibility to help ensure that the work environment is free from harassment.

Harassment consists of unwelcome conduct, whether verbal, non-verbal or physical, that threatens, intimidates or coerces, where that conduct is based on an individual's actual or perceived gender, race, national origin, age, disability or appearance, sexual orientation, military or veterans' status, religion or any other legally protected status. The preceding applies to the status of an individual with whom a staff member or applicant associates. Verbal harassment may include but is not limited to unflattering comments, epithets, slurs, taunting and negative stereotyping. Non-verbal harassment may include but is not limited to

the distribution, display or discussion of any written or graphic materials that ridicules, denigrates, insults, belittles or shows hostility or aversion towards an individual or group based on protected status.

A subset of harassment is sexual harassment. It is illegal and strictly against the Institute's policy for any staff member, male or female, to harass another staff or faculty member or student by making or subjecting any person to unwelcome sexual advances or unwelcome requests for sexual favors, or to engage in any unwelcome or other verbal or non-verbal or physical conduct of a sexual nature that is persistent and offensive, where:

- submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or grade, or submission to or rejection of such conduct is used as the basis for an employment decision or academic evaluation affecting the individual exposed or subjected to such conduct, or
- such conduct has the purpose or effect of interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment. This includes but is not limited to the distribution, display or discussion of any written or graphic materials that have a sexual overtone.

A single isolated incident of sexual harassment may create a hostile environment if the incident is sufficiently severe. The more severe the conduct, the less need there is to show a repetitive series of incidents to establish the existence of a hostile environment, particularly if the harassment is physical. Conduct which is pervasive or persistent, even if not severe, may also create a hostile environment.

Sexual harassment also includes acts of verbal, non-verbal or physical aggression, intimidation or hostility based on gender or sex-stereotyping, even if those acts do not involve conduct of a sexual nature.

Sexual harassment:

- May be blatant and involve an overt action, a threat or reprisal, or may be subtle and indirect, with a coercive aspect that is unstated
- May or may not include intent to harm, be directed at a specific target, or involve repeated incidents
- May be committed by anyone, regardless of gender, age, position or authority. While there is often a power differential between two persons, perhaps due to differences in age, social, educational or employment relationships, harassment can occur in any context.
- May be committed by a stranger, an acquaintance, or someone with whom the Reporting Individual has an intimate or sexual relationship
- May be committed by or against an individual or group
- May occur by or against an individual of any sex, gender identity, gender expression or sexual orientation
- May occur in the classroom, in the workplace, in athletic facilities, in residential settings, or in any other setting
- May be a one-time event or part of a pattern of behavior

- May be committed in the presence of others, when the parties are alone, or through the use of technology
- May affect the Reporting Individual and/or third parties who witness or observe harassment

Examples of conduct that may constitute sexual harassment as defined above may include a severe, persistent or pervasive pattern of unwelcome conduct that includes one or more of the following:

Physical conduct:

- Unwelcome touching, sexual/physical assault, and impeding, restraining or blocking movements
- Unwanted sexual advances

Verbal conduct:

- Making or using derogatory comments, epithets, slurs or humor
- Intentionally using incorrect pronouns or an incorrect name when a person has clearly stated their preferred name and pronouns
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations
- Objectively offensive comments of a sexual nature, including persistent or pervasive sexually explicit statements, questions, jokes or anecdotes

Visual conduct:

- Leering, making sexual gestures, displaying of suggestive or demeaning objects or pictures, cartoon or posters in a public space or forum
- Severe, persistent, or pervasive visual displays of suggestive, erotic or degrading images. This example should not be understood to constrain academic freedom in teaching, research or creative activity, or to limit intellectual and or expressive rights.
- Letters, notes or electronic communications containing comments, words, or images described above

Quid pro quo conduct:

- Direct propositions of a sexual nature between those for whom a power imbalance or supervisory or other authority relationship exists
- Offering educational or employment benefits in exchange for sexual favors
- Making submission to sexual advances an actual or implied condition of employment, work status, promotion, grades or letters of recommendation, including subtle pressure for sexual activity, an element of which may be repeated requests for private meetings with no academic or work purpose
- Making or threatening reprisals after a negative response to sexual advances

The Institute will not condone or tolerate the harassment/sexual harassment of its staff members by co-workers, Supervisors, faculty, guests or any other individual or by persons with whom we do business. All staff members, regardless of position or title, may be subject to corrective action, up to and including termination, should the Institute determine that the staff member is engaged in the harassment/sexual harassment of another individual. *The Institute will promptly and thoroughly investigate the facts and circumstances of any claim of harassment/sexual harassment.*

If you feel that you are being subjected to or witnessed harassment, including sexual harassment, you should initially request the person or persons that you perceive to be harassing/sexually harassing you to stop. If this response is unsuccessful and the harassment continues, or, if you prefer not to discuss the matter directly with the person you perceive as the offender, report the situation and your concerns to your Supervisor immediately. If you would prefer for whatever reason to discuss the matter with someone else, report the problem to Human Resources or the Institute's Director. Your complaint will be carefully investigated and the Institute will take the appropriate action. In addition, your complaint will be kept confidential to the extent possible consistent with a fair investigation.

Consensual Relationships

Consent to any sexual act or prior consensual sexual activity between or with any party does not necessarily constitute consent to any other sexual act.

Sexual relationships between faculty and staff members and students are fraught with the potential for exploitation. The respect and trust accorded a faculty member by a student, as well as the actual or apparent authority of the faculty member, make voluntary consent by the student suspect. Even when both parties have in fact consented, the development of a sexual relationship renders both the faculty member and the Institute vulnerable to subsequent allegations of harassment.

Policy on Consensual Sexual Relationships with Current Students: Sexual relationships, whether consensual or not, between Institute staff and students (those whom they currently teach, advise, supervise, coach, evaluate or hold authority over in any way) violate the integrity of the Institute's educational community and constitute grounds for disciplinary action up to and including termination of employment.

Policy on Consensual Sexual Relationships with Students When There Is No Formal Authority over the Student: Even if an Institute staff member does not currently hold a position of authority over a student, any sexual relationship with a student of the Institute potentially jeopardizes the integrity of the academic environment of the Institute's community. The Institute, therefore, discourages in the strongest possible terms any sexual relationship with any student of the Institute. In the event that any such relationship is found to undermine the trust, respect and fairness that are essential to the success of Institute's educational mission, the Institute will take appropriate disciplinary action, up to and including termination of employment.

Where this prohibition is applicable, if charges of sexual harassment are made, it shall not be a defense to allege that the relationship was consensual in any proceeding brought under these procedures.

No individual will be subject to, and it is the Institute's policy to strictly prohibit, any form of discipline or retaliation for reporting incidents of harassment or sexual harassment, participating in a related investigation or pursuing any claim of harassment or sexual harassment.

d. Affirmative Action

Affirmative Action Programs help management ensure that equal employment opportunity is the practice throughout the Institute. Affirmative Action Programs commit the Institute to specific actions in pursuit of equal opportunity. Institute management will take affirmative action to ensure that applicants and staff are employed and treated fairly throughout the duration of their employment, without regard to race, color, religion, creed, national origin, ancestry, gender, marital status, veterans' status or military service, sexual orientation, handicap/disability, or age, if otherwise qualified, or other characteristic protected by law, in accordance with the requirements of applicable state and federal law.

Affirmative actions and equal opportunity shall apply to, but not be limited to, the following:

- Employment/Recruitment
- Upgrading/Promotions
- Compensation
- Transfers
- Training

The Institute will comply with all applicable provisions of Executive Order 11246 (as amended by Executive Order 11375), Title VII of Civil Rights Act of 1964 (as amended by the Equal Employment Opportunity Act of 1973), the Rehabilitation Act of 1973, the Americans with Disabilities Act, and all federal, state and local laws, rules, and regulations issued pursuant thereto.

e. Americans With Disabilities Act

The Americans with Disabilities Act (ADA) requires employers to reasonably accommodate qualified individuals with disabilities. It is the policy of the Institute to comply with all federal and state laws concerning the employment of persons with disabilities.

It is our policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

The Institute will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job.

In addition, upon request and consistent with its obligations under applicable law, the Institute will provide a reasonable accommodation for a staff member whose ability to perform the essential functions of his/her job are affected by pregnancy, childbirth, related medical conditions, or breastfeeding.

An individual who can be reasonably accommodated for a job without undue hardship will be given the same consideration for that position as any other applicant.

All staff members are required to comply with safety standards. Applicants who pose a direct threat to the health or safety of themselves or other individuals in the workplace—when such threat cannot be eliminated by reasonable accommodation—may not be hired. Current staff members who pose a direct threat to the health or safety of themselves or other individuals in the workplace may be placed on appropriate leave until an organizational decision has been made in regard to the staff member’s immediate employment situation.

The Human Resources Department is responsible for implementing this policy, including resolution of reasonable accommodation, safety and undue hardship issues. If you feel that you need an accommodation, please provide the request in writing to Human Resources, which may then seek additional appropriate information in accordance with applicable law.

Definitions

As used in this policy, the following terms have the indicated meaning and will be adhered to in relation to the ADA policy.

“Disability” means a physical or mental impairment that substantially limits one or more Major Life Activities of the individual; a record of such an impairment; or being regarded as having such an impairment. Major Life Activities include and are not limited to the following:

- In general—Major Life Activities include, but are not limited to, caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating and working.
- Major bodily functions—A Major Life Activity also includes the operation of a major bodily function, including, but not limited to, functions of the immune system, normal cell growth, digestive, bowel, bladder, neurological, brain, respiratory, circulatory, endocrine and reproductive functions.

“Direct threat” means a significant risk to the health or safety of oneself or others that cannot be eliminated by reasonable accommodation.

“Qualified individual” means an individual who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires.

“Reasonable accommodation” may include making existing facilities readily accessible to and usable by individuals with disabilities, job restructuring, part-time or modified work schedules, reassignment to a vacant position, acquisition or modification of equipment or

devices, appropriate adjustment or modifications of examinations, training materials or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities.

“Undue hardship” means an action requiring significant difficulty or expense by the employer.

In determining whether an accommodation would impose an undue hardship on a covered entity, factors to be considered include, but are not limited to:

- The nature and cost of the accommodation.
- The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation; the number of persons employed at such facility; the effect on expenses and resources or the impact of such accommodation upon the operation of the facility.
- The overall financial resources of the employer; the number, type and location of facilities.
- The type of operations of the company, including the composition, structure and functions of the workforce; relationship of the particular facility to the employer.
- The impact of the accommodation upon the operation of the facility, including the impact on the ability of other staff members to perform their duties and the impact on the facility's ability to conduct business.

“Essential functions of the job” refers to those job activities that are determined by the employer to be essential or core to performing the job; these functions cannot be modified.

f. Open Door Policy

The Institute expects that all staff members and Supervisors take responsibility for resolving conflicts in the workplace in a professional, timely and constructive manner. Problem solving skills are a core competency that all staff members are expected to possess and use as appropriate. When necessary, the Institute may provide training in this area. However, we do recognize that some conflicts require consultation and coaching from management and/or Human Resources.

A staff member should first make every reasonable effort to resolve a conflict on his/her own. At some point – which will depend on the circumstances in each case – it may be appropriate to bring an issue to the attention of management and/or Human Resources as per the Addressing Workplace Concerns policy set forth within this Handbook. The Institute is committed to fostering an open door environment and working with staff members to coach them through successfully resolving specific situations.

It has always been our policy that the offices of the Institute's Director are open to all staff members for any topic of discussion. So, if you do not get a satisfactory answer to a problem from your Supervisor or Human Resources, you are free to call, email, or walk in the open door of the office of the Institute's Director, and address the problem directly with him or her. If he or she is unable to discuss the problem with you immediately, another time will be set aside for you when your problem will be given that person's full attention.

In certain circumstances staff members are required to bring an issue to the attention of management and/or Human Resources immediately. These include harassment, discrimination, physical violence, theft, or illegal substance use or possession. Non-management staff members are not expected to confront violations of the law or to enforce Institute policy without management's knowledge.

g. Substance Abuse Policy

The use of illegal drugs, the illegal use of prescription drugs and alcohol misuse by staff members are inconsistent with the longstanding commitment of the Institute to be a safe, healthy, and productive work environment. Staff members who illegally use drugs or misuse alcohol may have a number of work related problems such as absenteeism and tardiness, lower productivity, missed deadlines, poor work quality, and increased accidents and injuries. For these reasons, illegal use of drugs and alcohol misuse by Staff members will not be tolerated and may lead to disciplinary action up to and including termination.

Work Rules

Staff members should report to work fit for duty and free of any adverse effects of alcohol or illegal drugs. This policy does not prohibit staff members from the lawful possession and use of prescribed medications. Staff members have the responsibility, however, to consult with their doctors or other licensed health care professionals about the effect of prescribed medications on their ability to perform their specific job duties in a safe manner, and to promptly disclose any work restrictions to their supervisor or to Human Resources. Staff members are not required to disclose underlying medical conditions, impairments or disabilities to their supervisor or Human Resources unless specifically directed to do so by their doctors or other licensed health care professionals.

Staff members who are of a legal age to consume alcohol may possess and consume alcohol provided by the Institute at authorized Institute functions or in certain legitimate business settings such as professional meetings, dinners, etc. At all such times, however, staff members are expected to act responsibly and not to drink to the point that their judgment is impaired or their behavior is embarrassing or unacceptable.

In order to protect the safety, health, and productivity of all staff, faculty and students and the general welfare of the Institute, the following actions are considered by the Institute to be unacceptable. The Institute considers engaging in these activities to be a major offense which, in the Institute's judgment, may result in probation, suspension or termination.

- (a) Bringing onto the Institute's premises or property or to an Institute function, or having possession of, having present in the body system, being under the influence of, using, consuming, distributing or attempting to distribute, manufacturing or dispensing any form of real or counterfeit narcotic, depressant, stimulant, hallucinogen, or any kind of perception-altering drug or controlled substance (excepting only the taking of a prescribed drug under the direction of a physician, to the extent it does not impair job performance or threaten safety, health, security or property).

- (b) Bringing onto the Institute's premises or property or to an Institute function, having possession of, being under the influence of, using, consuming, distributing or attempting to distribute, manufacturing or dispensing any form of alcohol at any time, premises or property or an Institute function, except (in moderation) for authorized Institute-sponsored social activities or Institute-sponsored business entertainment purposes.
- (c) Refusing to cooperate in or submit to questioning, medical, substance, or physical tests or examination, or an inspection or search, when requested or conducted by the Institute or its designee.

Drug and Alcohol Testing Procedures

Drug and alcohol (substance) testing shall be conducted in accordance with procedures established by the Institute. The Institute shall enter into such contracts as may be necessary to provide for testing and confirmation services. Such substance testing program shall give due consideration to security of sample collection, chain of custody requirements, accuracy of testing, randomness of selection of individuals in sensitive positions and confidentiality of results.

A description of the testing methods and collection procedure to be used will be provided by the Institute's third-party vendor.

All staff members shall be required to sign General Consent to Substance Testing and Consent to Release Test Results forms.

The Institute shall afford all individuals subject to substance testing the opportunity, prior to testing, to list all prescription and non-prescription drugs and controlled substances they have used and to explain the circumstances surrounding the use of such drugs and controlled substances.

The initial expense of the drug testing shall be the responsibility of the Institute, and staff members selected for drug testing shall be considered as being on duty for all time necessary to undergo the testing process. If a staff member tests positive, a confirmation test on the same sample must be done to confirm the initial positive finding. A re-test may be requested by the staff member, at his or her own expense, at the same laboratory or at another accredited and certified laboratory.

Any staff member who expressly refuses substance testing under this policy may be subject to disciplinary action up to and including termination.

Any staff member who fails to appear for substance testing, after proper notification, shall be deemed to have refused substance screening and may be subject to disciplinary action up to and including termination.

If the testing laboratory determines that the sample of a staff member may have been adulterated, the staff member shall be directed to appear for new testing.

All reports from the testing facility are confidential and shall be accessible only to such staff of the Institute as is necessary to comply with these policies and shall not be considered a public record. The Institute shall establish such procedures as may be necessary to ensure the confidentiality of such information and to identify those staff members who are entitled to the information and/or to state or federal agencies.

A staff member may request a copy of the written test results.

Upon the receipt of a laboratory report indicating the presence of a substance covered under this policy, the supervisor will contact the staff member to establish the time at which a private discussion may be conducted regarding the results of the substance testing.

Prior to taking any disciplinary action, the Institute will give all staff members who test positive the opportunity to explain the test results. Failure of any staff member to establish an adequate legal basis for the use of any substance covered under this policy with respect to which the staff member tests positive may constitute a violation of this policy.

Any staff member whose employment is terminated due to express refusal to submit to testing, fails to appear for drug screening or if the testing result indicates the use of a substance in violation of this policy, shall be ineligible for rehire for a period of up to six (6) months. Prior to reapplication for employment, the individual must complete a certified substance abuse treatment and education program at the staff member's expense and said staff member shall submit to a substance testing program at the staff member's own expense.

Voluntary Requests for Assistance

The Institute encourages staff members with drug and alcohol problems to seek help from the Institute's Employee Assistance Program (EAP). The Institute will support, assist and accommodate such staff to the extent required by applicable law. Human Resources may assist staff members by referring them to the EAP, providing them with information about other community resources for evaluation, counseling, and treatment and helping them utilize any available staff member benefits. Staff members will not be disciplined by the Institute for requesting assistance. Staff members may not, however, escape discipline by requesting assistance after they violate the Institute's policies or are notified of their selection for drug and/or alcohol testing. In addition, staff members who request assistance are not excused from complying with the Institute's policies, including its standards for Staff member performance and conduct.

Inspections

The Institute reserves the right to inspect all parts and aspects of its premises for illegal drugs, alcohol or other impermissible, unsafe, or illegal items. All staff members and visitors may be asked to cooperate in inspections of their work areas and Institute property on Institute premises that might conceal illegal drugs, alcohol or other impermissible, unsafe, or illegal items.

Examinations and Searches for Drugs and Alcohol

The Institute reserves the right, at its discretion, to the extent permitted by law, to require all staff members to submit to physical examinations or tests by a person or agency designated by the Institute, at the Institute's expense. Such examinations can include but are not necessarily limited to blood, urine, breath, or other tests for evidence of the presence of alcohol, drugs, and perception-altering or other substances in the body.

In particular, the Institute reserves the right, in its discretion, to examine or test for the presence of alcohol and drugs (as stated above) in situations such as, but not limited to, the following, in accordance with applicable law:

- (a) As part of a pre-employment physical examination.
- (b) As part of a physical examination which the Institute may require staff members to undergo on a regular basis, on a schedule to be determined by the Institute.
- (c) Due to the safety or health risk or sensitive security duties of a specific job, as determined by the Institute, at any time.
- (d) Following a safety infraction or work-related accident that does or might cause bodily injury or damage to property, in the Institute's judgment.
- (e) Specific staff member behavior on the job which the Institute determines gives management reasonable suspicion that such behavior might be or is due to alcohol or drug use.
- (f) For any other reason where testing is permitted by applicable law.

Consequences

Staff members who refuse to cooperate in this policy may be terminated. Staff members who test positive or who otherwise violate this policy may be subject to disciplinary action, up to and including termination of employment. Depending on the circumstances, a staff member's return to work, reinstatement and/or continued employment may be conditioned on the staff member's successful participation in and/or completion of any and all evaluations, counseling, treatments, and rehabilitation programs, passing of follow-up tests, and/or other appropriate conditions as determined by the Institute.

Confidentiality of Drug and Alcohol Test Results

Information and records relating to test results and other medical information shall be kept confidential and maintained in files separate from staff members' personnel files. Such records and information may be disclosed to the particular staff member, any third party designated in writing by such staff member, a substance abuse professional, physician or other health care provider responsible for determining a staff member's ability to safely perform his/her job and/or the staff member's successful participation and/or completion of

any and all evaluations, counseling, treatments, and rehabilitation programs, to and among the Institute's staff members on a need to know basis, where relevant to the Institute's defense in a grievance, administrative proceeding, lawsuit or other legal proceeding, or as required or otherwise permitted by law.

h. Violence in Our Workplace

All staff members, and employees of other companies working on or visiting our premises, should feel secure and safe in their work setting. The Institute does not tolerate violence or threats of violence in the workplace. This policy also applies to offsite functions and events.

Verbal assaults, physical gestures and attacks, threats of harm, stalking, intimidation, coercion and harassment are only some of the actions that can be considered workplace violence. None are tolerated and all will result in disciplinary action up to termination, and the incident will be reported to local law enforcement authorities.

No one is permitted to bring weapons of any kind onto Institute premises except duly authorized law enforcement personnel.

If you suspect violent activity, take threats and warning signs seriously. If you see a violent or potentially violent act unfolding, immediately contact your supervisor or the Director of the Institute.

i. Maintaining a Smoke-Free Workplace

The Institute is committed to providing a safe and healthy workplace. As required by New York State law, smoking is prohibited on the Institute premises located at 570 Lexington Avenue and at 1334 York Avenue, including the entrances and exits of the buildings. This includes the use of e-cigarettes, personal vaporizers, and e-hookahs.

Any individual violating this policy will be required to extinguish smoking materials immediately and may be subject to disciplinary action. While this action is not meant to be punitive to people who smoke, the Institute and any staff member involved in violating this policy can be subject to a New York State civil penalty and fine each such violation. This is a serious matter and will be treated as such.

Staff members who wish to stop smoking may call the Employee Assistance Program (EAP) for information on available programs and resources. Contact information for the EAP is posted on Sharepoint under Benefits on the HR page.

j. Safety

A healthy and safe working environment is critical to the overall success of the Institute. The Institute complies with applicable safety and health regulations and appropriate practices. At all times, staff members are responsible and accountable for maintaining a healthy and safe environment for the Institute. While on Institute business, staff members will not engage in

any activity that is (or gives the appearance of being) unhealthy, unsafe, illegal, immoral or harmful to the Institute, its staff members, faculty, students, business associates, vendors or the environment.

k. Personal Phone calls

While personal local phone calls are not forbidden, they must be kept to a minimum; personal long distance phone calls are not permitted, unless made from a personal mobile phone. Calls should be made or received only when necessary, and be as brief as possible.

This policy applies all modes of telephonic communication (i.e., calls on Institute-issued and personal cellular phone devices and Institute land and internet phone lines).

l. Mobile Phone Use

For purposes of this policy mobile phones are defined as devices that make or receive phone calls, leave messages, send or receive text messages, surf the Internet, or download and allow for the reading of and responding to emails whether the device is Institute-supplied or personally owned.

Mobile Phones at Work

The Institute is aware that staff members utilize their personal or Institute-supplied mobile phones for business purposes. At the same time, mobile phones are a distraction in the workplace. To ensure the effectiveness of meetings, staff members are asked to leave mobile phones at their desks. Or, on the unusual occasion of an emergency or anticipated emergency that requires immediate attention, the mobile phone may be carried to the meeting on vibrate mode.

Mobile Phone Use While Driving

This policy applies to staff members while driving personal vehicles while on duty and Institute-supplied (rented) vehicles at any time.

Staff members are prohibited from using mobile phones for any reason, business or personal, while driving an Institute-supplied (rented) vehicle. Further, the Institute prohibits staff member use of mobile phones for business purposes related in any way to the Institute while driving independently owned vehicles. This prohibition of mobile phone use while driving includes receiving or placing calls, text messaging, surfing the Internet, receiving or responding to email, checking for phone messages, or any other purpose related to your employment, the Institute and/or Institute business or any other Institute related activities not named here while driving. Hands-free use when receiving or placing calls is excepted from this prohibition.

We recognize that other distractions occur during driving however curbing the use of mobile phones while driving is one way to minimize the risk for our staff members of accidents. Therefore, you are required to stop your vehicle in a safe location so that you can safely use your mobile phone.

Staff members who violate this policy may be subject to disciplinary actions, up to and including termination.

m. Personal Property

The Institute does not accept the responsibility for your personal property. This includes on campus, at Institute sponsored events and while on travel for the Institute. We urge all staff members to leave valuables at home.

If you lose anything, please inquire with the Receptionist or the Office Manager. If you find anything of value, please turn it in to Receptionist or the Office Manager immediately.

n. Personnel File

Actively employed staff members have the right to review their employment records and reference files. Contact Human Resources if you wish to make arrangements to view your employment records.

o. Romantic Relationships

Consenting romantic or sexual relationships between a supervisor and a staff member may at some point lead to unhappy complications and significant difficulties for all concerned—the staff member, the supervisor and the Institute. Any such relationship may, therefore, be contrary to the best interests of the Institute.

Accordingly, the Institute strongly discourages such relationships and any conduct (such as dating between a supervisor and a staff member) that is designed or may reasonably be expected to lead to the formation of a romantic or sexual relationship.

By its discouragement of romantic and sexual relationships, the Institute does not intend to inhibit the social interactions that are or should be an important part or extension of the working environment.

If a romantic or sexual relationship between a supervisor and a staff member should develop, it shall be the responsibility and mandatory obligation of the supervisor promptly to disclose the existence of the relationship to Human Resources. The staff member may make the disclosure as well, but the burden of doing so shall be upon the supervisor.

This policy applies to all staff members, male and female, on an equal basis.

p. Anti-Nepotism Policy

We will consider members of a staff member's immediate family for employment on the basis of their qualifications. In the event such employment would: (1) create a direct or indirect manager/subordinate relationship between the staff member and a family member; (2) have the potential for causing an adverse impact on work performance; or (3) create either an actual conflict of interest or the appearance of a conflict of interest, the Vice President, Human Resources, must give approval in advance of making an offer. We will also consider

this anti-nepotism policy when transferring or promoting a staff member, and when engaging a consultant.

For the purpose of this policy, immediate family includes: spouse, parent, child, sibling, aunt, uncle, niece, nephew, grandparent, grandchild, those in in-law or step relationships, and other members of a staff member's household. We apply this policy also to romantic relationships.

Staff members who become immediate family members or establish a romantic relationship may continue employment as long as it does not involve any of the three circumstances above. If one of the conditions outlined should occur, the Institute will attempt to find a suitable position within the Institute to which one of the staff members can transfer to minimize problems of supervision, safety, security or morale.

q. Employment Verification Policy

Human Resources provides verification of employment information on all current and former staff members. All inquiries for information on current and former staff members should be directed to the Human Resources Department.

Disclosure to Outside Parties

Disclosure of staff member information to outside third parties without a specific, dated authorization signed by the staff member is limited to verification of dates of employment and most recently held job title only.

When the Institute is required by law (such as with a subpoena) to supply information, the Institute will attempt to notify the staff member except where such notification is prohibited by law. When information is requested from an outside agency or institution, the institution typically must send a form signed by the staff member authorizing the Institute to release the information. Standard forms used by outside agencies (such as banks), which contain a signature from the staff member authorizing the Institute to release information should be directed to Human Resources for processing.

Information relating to the staff member's performance of job duties, likelihood for continued employment or reason for termination are generally not provided, even when specifically requested, unless required by law.

Online References

Verification of employment and references can take many forms. Current technology offers online personal and professional networking products such as LinkedIn. Many of these sites allow the option of "endorsing" or recommending a current or former staff member or co-worker. From an Institute standpoint, this is not encouraged. All inquiries and requests should be forwarded to the Human Resources Department. The nature of privacy laws in the United States as well as our current policy and practice are designed to protect current and former staff members' privacy, and limits the disclosure of information to dates of employment and most recent job title.

This does not preclude staff members from providing a personal reference with the understanding that the reference is not sanctioned or endorsed by the Institute. Please use the following guidelines when providing a personal reference:

- There should be no reference to the Institute or your work relationship with the individual(s).
- You should note that it is strictly a personal reference.
- Use an email address or account not affiliated with the Institute.
- Use personal stationery for letters or other written communication.

r. Employment Referrals

The Institute recognizes present staff members as a potential source of new staff members. We encourage you to refer to us persons that you believe may be qualified for available positions.

If you send an applicant to the Institute, be sure that your name is on the employment application as the person who made the referral. If the applicant is hired and successfully completes the 90 days of continuous employment you will receive a cash award as designated on the Employment Referral Form. Directors and above are not eligible for this bonus. This form is available from Human Resources. To be eligible for any award, the form must be submitted to Human Resources within 120 days of the new staff member's date of hire, and of course, you must still be employed by the Institute at that time.

s. Employment Testing

Whenever appropriate in the Institute's discretion and in accordance with applicable laws, the Institute may authorize background and/or written and/or performance tests, including job-related skills, physical or other types of tests, singly or in groups, as circumstances warrant. Staff members should follow all appropriate testing procedures. All testing is performed in accordance with any and all applicable laws including and not limited to Americans with Disabilities Act (ADA), Fair Credit Reporting Act, Uniform Guidelines on Employee Selection Procedures, as well as state laws.

t. Social Media Policy

Emerging platforms for online networking are constantly changing the way we work, offering new ways to engage with colleagues and the world at large and are being used increasingly by staff members, faculty and by students. These new communication tools also pose challenges as they make it easy to blur the lines between personal and professional identity and activity. When using the Institute's electronic resources to access on-line social networks, Institute faculty, staff and students are expected to act with honesty, integrity, and respect for the rights, privileges, privacy, sensibilities, and property of others.

The choice to participate in social media (Blogs, Facebook, LinkedIn, Twitter, etc.) is yours; however, if you do, the following guidelines apply:

- Be aware of and always adhere to the Institute's Code of Professional Conduct.

- You are personally responsible for all of the content you publish on-line, whether in a blog, social computing site, or any other form of user-generated media. Be thoughtful about what you publish, particularly that which is conducted with an Institute email address, which can be traced back to an Institute domain, and/or which uses Institute assets. Do not link a personal blog to the Institute's website.
- If you discuss the Institute or Institute-related matters, identify yourself—name and, when relevant, role at the Institute. Write in the first person, and make it clear that you are speaking for yourself and not on behalf of the Institute. This type of disclaimer is appropriate: "The postings on this site are my own and don't necessarily represent the positions, strategies or opinions of Sotheby's Institute of Art."
- By identifying yourself as an Institute staff member, you are creating perceptions about the Institute and about yourself in the minds of the public as well as your colleagues, supervisors and our students. Be sure that all content associated with you is consistent with our values and professional standards. Don't make statements that are adverse to the Institute's interests or reputation, or that of our students. Don't use ethnic slurs, personal insults, obscenity, or engage in any conduct that would not be acceptable in the workplace, such as harassing or discriminatory statements.
- Do not disclose any Institute, student, or others', proprietary or confidential information. Ask permission to publish items that were meant to be internal and/or private and avoid sharing names of staff members and students in any online environment. Be smart about protecting other people's privacy as well as your own. Don't link to, reference, or offer image or video representation of staff members, students, associates, or suppliers without their approval. (Contact the Institute's PR Department for appropriate forms to use when documenting permissions.) When you do make a reference, where possible link back to the source.
- The creation of any social media ownership (such as a Facebook identity, blog, wiki, Twitter, etc.) as "Institute", or giving the appearance of being Institute-sanctioned, is prohibited without the approval of the Director of the Institute.
- Be sure to follow all site terms and conditions, respect all federal, state, and local laws, as well as all copyright, fair use and financial disclosure laws.
- You may not use Institute logos or trademarks as part of your postings, including in your identity on a site, unless approved to do so.

In addition, we would like to suggest some things for you to keep in mind as you use any social media, personally or professionally.

- Protect your privacy and be mindful that what you publish will be public for a long time.

- Be accurate and honest – your honesty, or dishonesty, will be quickly noticed in a social networking environment.
- Err on the side of caution when sharing your views. Some topics—like politics or religion—slide more easily into sensitive territory. So be careful and considerate. If it gives you pause, then pause. Once the words are out there, you can't get them back, and it can be hard to stop an inflammatory discussion. Which leads to...
- If you make a mistake, admit it openly and if possible, reference the original error with a link.

This policy does not prohibit any staff members from engaging in protected, concerted activity in accordance with the National Labor Relations Act (NLRA).

Please note that any reference above to the Institute includes Cambridge Information Group (the Institute's parent) and Cambridge Information Group's affiliates, products, and brands.

u. Genetic Information Nondiscrimination Act of 2008

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other covered entities from discriminating based on genetic information. GINA also prohibits covered entities from requesting, requiring or purchasing genetic information of an applicant or staff member or family member of the individual, except as specifically allowed by this law.

To comply with this law, we are asking that you not provide any genetic information when responding to requests for medical information. "Genetic information" as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

v. HIPAA Privacy

As required by the privacy regulations issued by the US Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the Institute participates with Cambridge Information Group (CIG) in publishing a Privacy Notice. The Privacy Notice describes how medical information about you may be used and disclosed and how you can obtain access to this information. A copy of the Privacy Notice is posted on Sharepoint on the HR page under Compliance Notices.

The Institute is committed to protecting the privacy of protected health information. Protected Health Information ("PHI") is your individually identifiable health information, including demographic information, collected from you or created or received by a health care provider, a health plan, your employer, or a health care clearinghouse and relates to: (1) your past, present, or future physical or mental health or condition; (2) the delivery of health care to you; or (3) the past, present, or future payment for the delivery of health care to you.

The Privacy Notice describes how the Institute may use and/or disclose your PHI pursuant to Federal regulators, and describes various rights you may have regarding your PHI. It includes descriptions of how the Institute may use and disclose your PHI, when it is required to disclose PHI by law or to you, and when the Institute requires authorization from you to disclose or use PHI. It also describes your rights to request restrictions, receive confidential communication, inspect and copy PHI, amend PHI, and submit complaints.

If you have any questions regarding this policy or the Privacy Notice, or you believe your PHI has not been protected and you want to file a complaint, please contact:

Delores Snowden,
VP, Human Resources
Cambridge Information Group
7500 Old Georgetown Road, Suite 1400
Bethesda, MD 20814
(301) 961-6725

or

You may also file a complaint with the U.S. Department of Health & Human Services.

w. Staff Grievance Policy

The Institute is committed to creating and maintaining a community where students, faculty, administration, and staff can work together in an atmosphere of mutual respect. The intent of the Staff Grievance Policy is to facilitate the maintenance of such a community by providing a procedure for the expression, investigation and resolution of grievances in a timely manner and confidentially.

The Staff Grievance Policy applies to staff grievances relating to allegations of violations of Institute policies and procedures or of the fundamental principles of academic due process with respect to the rights of that person.

The Staff Grievance Policy does not apply to complaints related to harassment which is addressed and outlined separately in this handbook. The Staff Grievance Policy also does not apply to any claims against the Director of the Institute, which should be lodged with the Vice President of Human Resources, CIG or with the CEO of CIG Education Group.

PROCEDURES

All grievances must initially be raised informally. If the grievance is not resolved during the informal review, a formal review may follow.

Informal Review

- During an informal review, the individual discusses their grievance informally with the faculty or staff member involved.

- If the grievance is resolved to the satisfaction of the complainant, they must communicate the resolution reached in writing to Human Resources within 2 business days; no further action is necessary.
- If the grievance is not resolved to the satisfaction of the complainant, they may request a formal review (see below).
- An informal review of the grievance must be conducted before proceeding to a formal review, except as set forth below.

Formal Review

- If the grievance is not resolved informally to the satisfaction of the complainant, the individual can proceed to a formal review.
- The complainant should contact Human Resources and provide a formal written complaint which will serve as the basis for further consideration. The complaint should include a description of the alleged wrong, a summary of the attempt to resolve the issue informally, and the relief or remedy sought.
- The head of Human Resources will conduct an investigation based on the facts presented in the formal complaint and notify the complainant of the results of the investigation as soon as is practicable. This will typically involve conversations with both complainant and the target of the complaint.
- If the complainant is not satisfied with the outcome of the investigation, s/he may ask the head of Human Resources to submit the grievance to the Director of the Institute.
- As soon as is practicable after receipt of the request for further review from head of Human Resources, the Director will render a final decision which will be conveyed in writing to the complainant.

Timelines

Grievances will be processed as quickly as possible. Staff should initiate an informal review within two weeks of the incident that triggered the grievance. If the staff member is unable to arrange this informal review within two weeks of the incident, they may request a formal review by contacting Human Resources, explaining the reason for the request. The head of Human Resources may grant the request or allow more time for informal review, based upon the facts presented in the request.

Formal reviews may take up to six weeks to conduct. Either party may request an extension of the processing time, in writing, to head of Human Resources, explaining the reason for the request. The head of Human Resources may grant or deny the request, based upon the facts presented.

The Institute will make all reasonable efforts to ensure the confidentiality of all proceedings, and the records produced therefrom. However, should any matter developed during the course of the proceedings become public knowledge, the Institute reserves the right to issue appropriate statements.

II. EMPLOYMENT AND PAY

a. Employment categories

Employment status defines a staff member's position in the Institute in those areas relating to hours, benefits, payment category and regularity of employment. The purpose of this policy is to define and clarify the Institute's various employment status categories for its staff members. It is the responsibility of the staff member to know his/her employment status upon hire and thereafter, whenever an employment transaction affects one of the employment status categories.

It is the responsibility of Human Resources to determine each staff member's status with regard to the Fair Labor Standards Act ("FLSA") and applicable state laws and regulations based on job responsibilities. The Institute is committed to complying with all federal and state wage and hour laws, including the payment of overtime when required.

Staff members are identified under the following employment status categories:

1. Regular or Temporary
2. Full-time or Part-time
3. Exempt or Non-exempt

The following staff is not covered under this policy:

1. Staff members of outside agencies
2. Independent contractors, even if they perform work in Institute facilities

1. Regular or Temporary Staff Members

- Regular Staff Members
 - A *regular* staff member has successfully completed 90 days of continuous employment and is one whose employment is not expected to be temporary.
 - Regular Staff Members regularly scheduled to work 20 hours or more per week are eligible for benefits.
- Temporary Staff Members (including Student Interns) on the Institute's payroll
 - A *temporary* staff member is one who was hired with the understanding that his or her employment is expected to be for a temporary period of time.
 - *Temporary* staff members may work a full-time or part-time schedule.
 - A *temporary* staff member who moves to a regular position without interruption in service will receive service credit for previous service as a temporary worker.
 - Temporary staff members are not eligible for benefits.

2. Full-time or Part-time Staff Members

- A *full-time* staff member is one who is regularly scheduled to work a full schedule set within a specific department, typically a minimum of 35 hours per week.
- A *part-time* staff member is one who is regularly scheduled to work less than a full-time schedule. Regular part-time staff members that work at least 20 hours per week

receive, on a pro-rata basis established by the Institute, the paid leave benefits provided to regular full-time staff members. They are eligible for all other applicable benefits provided under the Institute's policies. Regular part-time staff members who are regularly scheduled to work less than 20 hours per week receive no benefits.

3. Exempt or Non-exempt Staff Members

- *Exempt* staff members perform certain types of executive, administrative or professional work and are paid a salary (a fixed amount each pay period). They are exempt from the legal requirement to receive overtime pay.
- *Non-exempt* staff members are entitled to the overtime pay provisions of the applicable state and federal laws and typically are paid an hourly rate of pay. In compliance with overtime laws, the Institute will pay non-exempt staff members an overtime premium of one-and-one-half times his or her regular hourly rate for hours worked in excess of 40 hours per week.

Due to the need to track hours to calculate wages correctly, non-exempt staff members are required to complete timesheets. A staff member's failure to complete and submit his or her timesheet promptly and accurately and/or falsification of information on any staff member's timesheet may result in disciplinary action, up to and including termination.

Everyone will be informed of their initial employment classification and of status as exempt or non-exempt at the time of hire. If you change positions during employment as a result of a promotion, transfer, or otherwise, you will be informed by the Institute of any changes in your position classification. The Institute complies with the New York State Wage Theft Prevention Act.

All employment at the Institute is a voluntary employment-at-will relationship for no definite period of time.

Work Reductions

Although the Institute strives to maintain work for all of our staff members, there may be situations where we determine that it is necessary to reduce our work force. Before making our final decision as to which staff members will be affected, the Institute will give consideration to comparative ability, training, work performance, length of service, needs of the business and other factors and qualifications we deem relevant, in our sole discretion and judgment.

b. Introductory Evaluation Period

The initial period of employment is a particularly important time for staff members and the Institute, because it allows you the opportunity to evaluate whether the Institute fits into your career goals, and it also provides the Institute with a period during which it can assess whether your performance appears to satisfy our present needs.

During this period, your Supervisor may discuss your performance with you. In most cases, the introductory evaluation period will last for 90 days from your date of hire, but it may be shortened or extended at the discretion of the Institute.

Internal Transfers/Promotions

An introductory evaluation period is also applicable to staff members who internally transfer or are promoted to a new position. Upon completion of 90 days in a new position your Supervisor may meet with you to discuss your performance in the new position.

Note: Your successful completion of this initial evaluation period does not result in any change in the employment at-will relationship as described elsewhere in the Institute's policies.

c. Work Schedules and Attendance

The Institute realizes that in order to accomplish its goals the combined efforts of all staff members are needed. In order to achieve this, each staff member must report to work as scheduled and maintain regular attendance.

Habitual tardiness or absenteeism by any staff member may be grounds for disciplinary action, up to and including termination. If you are absent from work and do not contact your Supervisor, you will be regarded as absent without authorization and will be subject to disciplinary action, up to and including termination. If you are absent from work for 3 consecutive workdays without contacting your Supervisor you will be considered to have voluntarily resigned your employment with the Institute.

Work Schedules

Exempt and non-exempt staff members work hours are set by the Supervisor based on the needs of the Institute. A work week is defined as Sunday through Saturday with the regular work week being Monday through Friday. The regular hours for most staff members are 9:00 a.m. to 5:00 p.m. Your Supervisor will advise you if you are expected to work a different schedule.

Overtime

Depending on the needs of the Institute, staff members will be expected to work overtime when requested to do so. Non-exempt staff members are entitled to overtime pay. Exempt staff members are not entitled to overtime pay. Questions concerning specific eligibility should be directed to Human Resources.

If you are a non-exempt staff member, your Supervisor must establish and approve the amount of overtime work you do PRIOR to your working the hours.

If you are a non-exempt staff member, you will be paid one and one-half times your regular hourly rate for all hours you work in excess of 40 hours in a workweek. Time charged to sick, vacation, personal or bereavement leave will not be treated as hours worked when computing overtime, but time charged for a holiday will.

Attendance

Staff members are expected to report to work on time at the beginning of their normally scheduled work hours. If a staff member feels unable to report to work, the staff member

should contact his or her Supervisor directly at least one hour prior to his or her scheduled start time. You must report the reason for your absence and the expected date or time of return to your Supervisor. If circumstances change regarding the expected date or time of return, you must get back in touch with your Supervisor.

Tardiness

Staff members who do not report to work at the beginning of their scheduled work time are considered tardy. In case of tardiness, you must report the reason for your tardiness and your expected arrival time to your Supervisor as soon as practical. If circumstances change regarding your expected arrival time of return, you must get back in touch with your Supervisor.

Staff members who report to work late should accurately report all absence time and actual time worked on their timesheet. Non-exempt staff members will only be paid for the time they actually work.

No staff member is authorized to work "make up time" without prior written approval from his or her supervisor.

Meals and Rest Breaks

Meal breaks must be taken in accordance with Federal and State work laws, in most cases outlined as a 30-minute meal break for every workday in which the staff member works five or more hours; and a ten minute rest-period during every work period of four hours. Meal breaks for non-exempt staff members are unpaid. Rest periods are based upon department needs and may be taken as work and time permit, though in some departments they may be scheduled. Rest periods are paid time.

Compensable Time Off (Comp Time)

The Institute does not recognize nor provide Compensable Time Off for exempt or non-exempt staff members. This includes travel and time spent for optional meetings, programs, events, etc.

d. Pay Period and Paychecks

Staff members are paid current, on a semi-monthly schedule, on the 15th and the last business day of the month. If the 15th or the last business day is a holiday or weekend, then staff members are paid the preceding business day. An annual Payroll Calendar which provides actual payroll dates is posted on Sharepoint.

Access to Payroll Information

Payroll information may be accessed via the Institute's payroll provider's website. Instructions for use are posted on Sharepoint.

The payroll provider's website also allows staff members to enter a change of address, change direct deposit information, print W-2 tax forms and view information regarding benefits enrollment.

Direct Deposit

The Institute may pay staff members by direct deposit, in accordance with federal and state law. Please see Human Resources to activate direct deposit. Electronic pay vouchers are available on the Institute's payroll provider's website.

e. Wage Deduction

The Institute is required by law to make certain mandatory deductions from staff members' wages. The standard deductions we withhold are Social Security, Medicare, State and Federal taxes, unemployment and in some states, disability premiums.

Some staff members may also have additional deductions mandated by court such as wage garnishments, child support, IRS Tax levies and/or student loans. The Institute must make these deductions, so if you have a dispute in regard to the amount or frequency of these deductions, contact the Payroll Department.

You may voluntarily authorize deductions from your paycheck for your contributions to our benefit plans, 401(k) Plan and other items permitted by the Institute. It is your responsibility to be certain that all such deductions are correct and to report immediately any discrepancies to the Payroll Department or Human Resources.

f. Safe Harbor for Improper Deductions from Exempt Staff Members

It is our policy and practice to accurately compensate staff members and to do so in compliance with the Fair Labor Standards Act (FLSA) and all applicable state and federal laws. Therefore, we prohibit any improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and that the company does not allow deductions that violate the FLSA and all applicable state and federal laws.

If you are classified as an exempt salaried staff member, you will receive a salary which is intended to compensate you for all hours you may work for the Institute. This salary will be established at the time of hire or when you become classified as an exempt staff member. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

Under federal and state law, your salary may be subject to certain deductions. For example, unless state law requires otherwise, your salary can be reduced for the following reasons:

- Full-day absences for personal reasons.
- Full-day absences for sickness or disability.
- Full-day disciplinary suspensions for infractions of our written policies and procedures.

- Family and Medical Leave absences (either full- or partial-day absences).
- To offset amounts received as payment for jury and witness fees or military pay.
- In the event you work less than a full week during your first or last week of employment.
- Any full work week in which you do not perform any work.
- Social security/Medicare, Federal, state or local taxes.
- Court ordered deductions such as wage garnishments, child support, etc.

Your salary may also be reduced for certain types of deductions such as your portion of medical and/or dental insurance premiums, voluntary benefits, or voluntary contributions to the 401(k) plan.

What To Do If An Improper Deduction Occurs

To ensure that you are paid properly and that no improper deductions are made, you must review your pay information in Ultipro promptly to identify errors. If you believe that an improper deduction has been made to your salary, you should immediately report this information to the Payroll Department or to Human Resources. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

Payroll Issues

It is each Staff Member's responsibility to review his/her pay vouchers regularly. Any issues regarding payroll should be reported immediately to the Payroll Department or to Human Resources.

Salary Advances

The Institute does not give salary advances or loans to staff members. However, if a staff member is not paid or not paid correctly due to an error, the staff member may contact the Payroll Department to request to have a check prepared and issued.

g. Promotions

Institute management recognizes the value of its staff members and is committed to providing them with career development opportunities. "Promotion from within" is the Institute's policy whenever it is appropriate to do so, at our discretion.

This policy applies to all regular full-time and regular part-time staff members.

Except in extraordinary circumstances, a staff member must be in his or her current position at least twelve months to be eligible to apply for a new position. Certain departments may require a longer timeframe before a staff member is eligible to apply for a new position. However, a staff member's current supervisor may waive the timing requirement if necessary to meet Institute needs. If the Institute reassigns a staff member to an equal or lower position, the twelve-month timing requirement would include current position and previous position service.

A staff member must have satisfactory performance in order to post for a new position, although it is recognized that in some circumstances it may be preferable to transfer a staff member to a position to which he or she is better suited than to insist upon satisfactory performance in one position before permitting transfer to another.

Open positions are generally posted on the Institute's website and during that time internal and external candidates may apply. Outside candidates may also be recruited. Management reserves the right to promote individuals on a case-by-case basis and in its sole and absolute discretion without the use of the posting procedure.

To be considered for a transfer to a new position, consult with your Supervisor, who will speak to Human Resources. The Institute will review and consider all current staff members expressing interest in an open position along with all other external candidates before making a selection.

h. Performance Evaluation

The evaluation of staff members' performance is an ongoing process, one that continues throughout the year with a formal performance appraisal meeting conducted annually. The intent of the annual formal appraisal is to communicate expectations, document accomplishments, provide constructive feedback, compare current performance against expectations and for the staff member and supervisor jointly to formulate performance development plans for the coming year.

The annual performance appraisal consists of three parts: 1) a staff member's self-evaluation; 2) the supervisor's evaluation and 3) a performance appraisal meeting. The process is as follows:

1. Staff members will complete a Self-Evaluation form and submit it to their supervisor once each year.¹
2. Supervisors will complete the Performance Appraisal form and schedule a private meeting with the staff member to discuss the content of the forms. These meetings should be completed no later than mid-July.
3. Within one week of the meeting, staff members will sign the Performance Appraisal form and return it to their supervisor with any relevant comments or feedback. Signing the form represents an acknowledgement of the completed review process and does not necessarily represent agreement with the supervisor's evaluative comments. This stage of the process should be completed no later than the end of July.
4. Completed forms will be reviewed by the Institute's Director and a copy will be retained for the Director's file.
5. All original signed forms will be sent to the Human Resources Department at CIG at the completion of the process and will be kept in personnel files.

¹ A calendar of specific dates and deadlines will be issued each year.

III. CONDUCT AND DISCIPLINE

a. Employee Code of Professional Conduct and Work Rules

Each day we interact with a variety of individuals and groups—including our students, faculty, co-workers, consultants, vendors, and the communities in which we operate. We are committed to interacting with all of these audiences in a respectful, ethical manner and in compliance with applicable laws and regulatory requirements. Whatever your role is within the global organization, your actions and the decisions you make in the course of your job help determine the Institute's reputation and its stature as a valued member of the community. Therefore, it is important that all staff members understand the high value we place on integrity in the conduct of our business. In our relationships with each other, we strive to be open, honest, and respectful in sharing our ideas and thoughts, and in receiving input. You are expected to help us carry out this policy by extending every courtesy and all assistance necessary, not only to students, faculty, clients and your fellow staff members, but also to any callers or visitors to the Institute.

The Institute's Code of Professional Conduct is a central guide and reference for our staff members in support of day to day decision making. Many of our best practices and policies are simple statements of common sense and good conscience regarding fair, honest and lawful behavior. To ensure systematic operations and provide our staff members with the best possible work environment, the Institute expects all staff members to adhere to our best practices of professional conduct. They have been created to protect the interests and safety of all staff members, faculty, students and the Institute.

Regulatory Compliance

The Institute is aware of and obeys the laws and regulations that govern the management of the Institute. Staff members are responsible for understanding these laws and regulations as they apply to their jobs and for preventing, detecting, and reporting instances of non-compliance to the Institute Director, Human Resources or the General Counsel.

Treatment of Confidential and Proprietary Information

Information designated as confidential or proprietary may not be disclosed to anyone outside the Institute and may be discussed within the organization only on a "need to know" basis. Staff members are prohibited from attempting to obtain confidential or proprietary information for which they have not received authorization. Such information may include, but is not limited to:

- Financial/income statements (actual, forecasted or budgeted)
- Student information (FERPA)
- Plans for new programs or courses
- Any litigation in which the Institute is involved

In addition, staff members have a responsibility to avoid unnecessary disclosure of non-confidential information about the Institute, its staff members, its students, and its faculty. The responsibility to safeguard information is not intended to impede normal Institute

communications and relationships nor interfere with employees' rights under the National Labor Relations Act (NLRA).

In certain situations, staff members authorized to have access to confidential or proprietary information may be required to sign non-disclosure agreements.

Intellectual Property

Staff members are required to comply with the laws and regulations that govern the rights to and protection of the Institute's and others' copyrights, trademarks, patents, trade secrets, and other forms of intellectual property.

Protection and Use of Institute Assets

Staff members are expected to protect and use assets of the Institute in a fair and responsible way. Assets include, but are not limited to: equipment, facilities, financial resources, services, information, and new programs, etc.

Use of Institute's Name

Because of the Institute's unique identity and its legal agreement and affiliation with Sotheby's (auction house) the use of its name is carefully regulated. The Institute is pleased and proud to be mentioned in a staff member's bio or other factual information published or shared publicly and encourages such visibility. Any advertising for marketing purposes or use that might imply an endorsement by the Institute or Sotheby's is generally not permitted. Questions about proposed use of the Sotheby's name should be directed to the Institute Director or General Counsel.

Media Inquiries

The Institute seeks to maintain positive relationships with members of the media. The Institute Director is the official spokesperson for the Institute. All media inquiries and other inquiries of a general nature are to be directed to the Director. In addition, only the Director or the Director's designee may approve press releases, publications, speeches, or other official declarations.

Use of Information Technology and Equipment

Staff members should follow applicable authorization protocols while using Institute-provided equipment and/or accessing information technology and its contents. All electronic and telephonic communication systems and devices, including computers and other business equipment, Internet access, Institute-provided mobile phones, voice mail/e-mail, fax machines and similar business devices are the sole property of the Institute. Any information accessed, created, transmitted by, received from, or stored in such equipment is also the property of the Institute. Staff members should only use the aforementioned for legitimate Institutional purposes to advance Institute's business interests and not for their own personal or business use.

The following are some examples of unacceptable uses for Institute information technology/equipment:

- Using Institute information or equipment to conduct the operations of a business other than the existing business of Institute
- Accessing, storing or transmitting offensive material including (but not limited to) sexually explicit, racially antagonistic, gender antagonistic, ethnically antagonistic, harassing or violent material
- Sending or forwarding chain mail, known hoax information, rumor, or information detrimental to the reputation of Institute, an individual, group, or any organization
- Gambling in any form
- Spending excessive amounts of time, as determined by your Supervisor, on the Internet for personal use

Staff members should have no expectation of privacy in connection with the use of the Institute's electronic and telephonic communications systems. All messages and materials accessed, created, transmitted by, retrieved from or stored within the Institute's systems shall be regarded as non-personal, business communications. The Institute reserves the right to monitor and intercept electronic or telephonic communications in the ordinary course of business, and may monitor or download computers or software, in accordance with applicable law.

Conflict of Interest

Staff members are expected to act in the best interests of the Institute and to exercise sound judgment unclouded by personal interests or divided loyalties. You cannot allow personal outside activities or familial relationships interfere with the best interests of the Institute.

Certain activities which are improper for staff members include, but are not limited to:

- Working for a competitor
- Using the Institute's time, facilities or equipment to engage in another business or occupation
- Engaging in other outside activity which results in your losing excessive time from work, or otherwise performing your job unsatisfactorily, or which could result in the appearance of a conflict.

If in doubt about a potential conflict, speak with the Institute Director before engaging in any activity that might be covered by this policy.

Gifts

No staff member may solicit or accept gifts of significant value (i.e., in excess of \$50.00), lavish entertainment or other benefits from potential and actual business associates, vendors, etc. Special care must be taken to avoid even the impression of a conflict of interest.

A staff member may accept meals and refreshments if they are in connection with business discussions and are infrequent, of nominal value, consistent with generally accepted business practices, do not violate any law or generally accepted ethical standards and the public disclosure of the same would embarrass the Institute.

If you do receive a gift or other benefit of more than nominal value, report it promptly to the Director of the Institute. It will be returned or donated to a suitable charity.

Diversity

The Institute promotes and supports a diverse workforce at all levels within the organization. It is our belief that creating a work environment that enables us to attract, retain, and fully engage diverse talents promotes creativity and productivity and leads to high morale and job satisfaction.

The concept of diversity encompasses acceptance and respect. The Institute understands and embraces that each staff member is unique and recognizes individual differences. As a global institution this means we promote inclusion, focus on creating and maintaining an environment where all differences are valued, and enable each staff member to develop his or her fullest potential.

Violations of Institute Policy

Violations of this Code of Professional Conduct policy may have serious consequences for the Institute and for everyone who works for the Institute. Therefore, you are obligated to report any violations of these policies to the Institute Director, Human Resources or the General Counsel. Claims of ignorance, good intentions or bad advice will not be accepted as excuses for noncompliance.

There shall be no retaliation for reporting of actual or suspected violations of this Code of Professional Conduct or for participating in a related investigation. Such reporting should be in good faith and may be anonymous. If not anonymous, the Institute will make reasonable attempts to keep the identity of the person or persons making a report or inquiry confidential. The Institute will promptly investigate any alleged violation and, if it determines a violation has occurred, will take appropriate disciplinary action.

Concealment of a violation, refusal to cooperate in an investigation, retaliation against any individual, failure to detect or report a subordinate's violation of this Code of Professional Conduct, or failure to otherwise comply with these policies may result in disciplinary action, up to and including termination of employment and, in certain instances, legal action may be taken. Individuals who have willfully failed to report known violations will also be subject to disciplinary action.

Any questions regarding this policy, its interpretation or application should be directed to the Institute Director, Human Resources or the General Counsel.

b. Personal Appearance/Dress

Each staff member is expected to exercise good judgment in dressing appropriately for his or her position. The Institute expects that a staff member's appearance will be neat and clean and that good personal hygiene will be maintained. Professionalism, safety, and the image we present to colleagues, faculty, students and visitors should determine each staff member's appearance while at work.

Staff members who report to work inappropriately dressed may be required to go home and change clothing on their own time.

General questions regarding appropriate business attire should be directed to your Supervisor or Human Resources.

c. Attendance and Punctuality

Punctuality and regular attendance are essential to the proper operation of the Institute. All staff members are expected to maintain attendance at a level to accomplish all job performance expectations. Excessive absence and tardiness are undesirable performance factors for all staff members, and those found to be in violation of the Institute's attendance standards may be subject to disciplinary action, up to and including termination.

Scheduled leave, including leave for non-illness related situations and elective medical procedures, must be submitted for approval in advance and may be disapproved based on staffing needs, operational needs, or frequency of absences. Failure to report to work on a day for which approval of leave has been denied may result in disciplinary action.

Normally, staff may not take scheduled leave during the following periods:

- Two weeks prior to, or following, the Fall Orientation/beginning of the first (fall) semester
- The week prior to, or after, the start of the second (spring) semester
- The week prior to Graduation

Absences qualifying under the Family & Medical Leave Act are excluded from this policy.

If you will be arriving late, leaving early, or not reporting to work for any reason, you must inform your supervisor as close as possible to, and no later than 1 hour after, your normal starting time (unless an unexpected medical or other emergency makes it impossible to do so). To avoid any miscommunications due to supervisor absence or technology problems, a copy of the email and/or a voicemail message from the employee to the Office Manager will ensure everyone who needs to know is aware of the absence. The message should include a telephone number where you can be reached. If circumstances change regarding the expected date or time of return you must get back in touch with your supervisor. If you are physically unable to make a personal call, you must have someone else call for you. Failure to call in properly will be considered an unreported absence, and may result in disciplinary action up to and including termination.

For absences of three or more consecutive scheduled workdays, you may be required to provide a written doctor's statement to your supervisor. However, your supervisor may

request written documentation for an absence of any length or pattern. Furthermore, if a staff member is absent for 5 consecutive days or more, the Institute reserves the right to require that a signed, written statement be submitted by an attending physician indicating that the staff member is able to return to work.

Chronic, habitual, or excessive absenteeism or lateness, as determined by the Institute at its discretion, or failure to return to work after being released for duty by a doctor, unless specifically requested not to do so by Human Resources or the Institute Director may result in disciplinary action up to and including termination. If a staff member is absent from work for three or more consecutive scheduled workdays without calling in, it will be assumed that the staff member has voluntarily terminated his or her employment.

d. Corrective Action Policy

The Corrective Action Policy assists supervisors in addressing deficiencies in work performance or conduct of staff members in a clear and straightforward manner. This policy is intended to address performance and/or behavior concerns where overall performance or behavior is not meeting or exceeding expectations.

The corrective action we take may vary depending, in our discretion, on among other things, the gravity of the offense, the circumstances under which it occurred, the duties and overall work record of the staff member, including prior misconduct.

The use of progressive corrective action as a pre-condition to termination is discretionary. This policy does not entitle a staff member to any one or more of the corrective measures outlined herein, nor require the Institute to undertake any one or more of the corrective measures prior to terminating a staff member.

The Company's decision in every case is final and binding on all concerned, including the disciplined employee and all other persons or entities involved in any way, directly or indirectly.

This policy does not alter the at-will nature of a staff member's employment.

Counseling Discussion with the Staff member

Prior to taking corrective action, the supervisor may meet with the staff member with the performance or behavior problem and talk to the staff member about the situation. The supervisor and staff member should set steps for improvement and follow up, to ensure that progress is being made. In addition, the supervisor should inform the staff member of the potential consequences should the unacceptable performance issue or behavior continues. Where appropriate, the supervisor may offer additional training and/or coaching.

The supervisor should document the counseling session. If the performance or behavior issue continues, the supervisor should begin the written warning process. From this point on, Human Resources should be involved in all steps of Corrective Action and should review all warnings prepared by supervisors prior to discussion with the staff member.

Warning

In this step of the process, the staff member may be counseled again regarding the problem and receive a written warning. The warning outlines the problem or issue in detail and sets forth clear expectations for performance improvement. Consequences of failure to correct the problem or issue should be discussed and documented. The staff member should sign the document to acknowledge that he/she has read and understands it. A copy of this warning should be given to Human Resources to be placed in the staff member's file.

Final Warning

If the warning fails to correct the problem, the supervisor will meet with the staff member again and provide the staff member with additional counseling and a final warning. The final warning should outline the problem or issue in reasonable detail and set forth clear expectations for performance improvement. At this point, the staff member should be told that failure to correct the problem or issue may result in termination of employment. The staff member should sign the document to acknowledge that he/she has read and understands it. A copy of the final warning should be placed in the staff member's Human Resource file.

If the staff member fails to improve his or her performance or behavior, the supervisor may discuss termination with Human Resources and a decision to terminate the staff member's employment may be made.

Suspension

Suspension requires the staff member to remain off the job for a period of time specified by management. Suspensions may be with or without pay, in the Institute's sole and absolute discretion. Suspension may be used to facilitate the investigation of an offense or problematic conduct, to secure the workplace from potential threat or disruption, and/or to allow management time to make a decision on an issue. Supervisors must work with Human Resources in any suspension situation.

Examples of Unacceptable Behavior

While it is not possible to list all forms of unacceptable behavior, the following are examples of violations of Institute policy (and violations of applicable federal, state and/or local laws) which may be injurious to the Institute and/or the reputation of the Institute that may result in corrective action, up to and including immediate termination:

- Any illegal activities on Institute property, while on Institute business or at an Institute event
- Deliberately producing faulty work, deliberately restricting work output or other forms of sabotage to Institute operations
- Lying or falsifying information in any job-related situation, including but not limited to falsifying or altering Institute reports, records or financial statements,

misrepresenting the Institute to a supplier/student or potential student, lying about performance results or misrepresenting/abusing leave time

- Intentional abuse, theft, or destruction of Institute property or the property of fellow staff members, faculty members, or students
- Possession of any weapon or explosive on Institute premises, while on Institute business or at an Institute event
- Possession of illegal drugs or medical marijuana on Institute premises, while on Institute business, or at an Institute event
- Fighting or physical violence on Institute premises, while on Institute business, or at an Institute event
- Violation of the terms and conditions of suspension and/or final warning
- Working in a state of intoxication or under the influence of illegal drugs or medical marijuana
- Performing personal work or work for another employer on Institute time or with Institute resources
- Workplace harassment or discrimination towards any staff member, student, faculty member, supplier, visitor, or contractor

The following are some additional examples behavior that the Institute deems unacceptable in the workplace and which could result in corrective action up to and including termination:

- Excessive absenteeism and/or tardiness
- Failure to follow Institute policies
- Failure to effectively perform assigned work to the established standards
- Participation in behavior that disrupts the work or safety of others
- Failure to comply with safety policies and procedures
- Failure to maintain security and care of all Institute property
- Unauthorized use of Institute systems (i.e., phone, email, voice mail), computers, tools, or equipment
- Failure to work with others in a respectful and collaborative style
- Failure to follow established work schedule which fits the needs of the position, including refusal to work scheduled overtime
- Insubordination
- Posting, removing, or tampering with bulletin board material without permission
- Improper distribution or mishandling of confidential information
- Inappropriate or unprofessional behavior toward a student, faculty member, contractor, supplier, visitor, or fellow staff member
- Failure to report participation in an undisclosed intimate relationship with a subordinate and to continue to supervise the subordinate
- Solicitation of any kind during working time
- Actively selling merchandise or services on Institute premises
- Smoking in unauthorized areas

e. Addressing Workplace Concerns

In the event you have any questions, problems or concerns about your work, the Institute will give each work-related topic fair and sincere consideration, and will make reasonable efforts

to resolve those issues on a mutually acceptable and timely basis. The Institute will attempt to maintain, to the extent possible, the confidentiality of all parties involved. The Institute will not tolerate any form of retaliation toward a staff member making a complaint or participating in a related investigation.

When a staff member wishes to bring an issue forward for resolution, he/she may do so in discussion with his/her Supervisor and, if necessary, with successive levels of management, including Human Resources. The discussion should be initiated within a reasonable amount of time following the occurrence of the problem.

Supervisory Review

The staff member should talk with his/her immediate Supervisor about the matter, explaining the nature of the issue, and offer any potential solutions. It is the responsibility of the direct Supervisor to investigate the situation and determine if any corrective action is needed. In most cases, the Supervisor should respond to the staff member with a resolution within one week of the original discussion. If the staff member is not satisfied with the Supervisor's solution to the problem, he/she may appeal to the next level.

In some cases, a staff member may feel that circumstances warrant referral of the issue directly to the Institute's Director or to Human Resources. Should a staff member decide to do so, he or she may do so without fear of reprisal at any point in this process.

Senior Management Review

In the event your Supervisor does not resolve your problem to your satisfaction within a reasonable period of time, you may ask to talk it over with the Institute's Director. Human Resources can also assist you (if you so desire) in presenting your problem to the Institute's Director for final resolution.

In order to ascertain the facts, all pertinent information, as well as any written explanation of previous steps taken, should be presented to the Institute's Director. The Institute's Director should review the facts, make the final decision, and communicate it to the staff member and the relevant Supervisor. Human Resources will be available to assist in the review and resolution of the issue.

Alternative Review

We recognize that some problems may be of such a personal nature or that, for some other good reason, you may prefer not to discuss the matter with your Supervisor or the Institute's Director. In such a case, as an alternative, you may take the problem directly to Human Resources immediately.

f. Maintaining up-to-date information

Up-to-date, personal information is necessary for a number of reasons, including ensuring proper administration of your employee benefits. It is your responsibility to update any change in your address, telephone number, marital status, number of dependents, beneficiary designation, emergency contact information or anything else that would affect

your employee benefits or our ability to contact you quickly.

You can make most of these changes via self-service on the UltiPro website at <https://www5.intersourcing.com> or by contacting Human Resources.

g. Poor weather and emergency closures

Please refer to the Institute's Emergency Action Plan, which is on Sharepoint.

IV. BENEFITS

a. Overview

Regular staff members regularly scheduled to work 20 or more hours per week are eligible to participate in various health and welfare benefits programs. All benefits programs are sponsored by Cambridge Information Group ("CIG") (www.cig.com), the Institute's parent company. Information about the benefits programs is posted on the Human Resources page on Sharepoint.

CIG and the Institute reserve the right to modify, amend or terminate benefits at any time and for any reason. If you have any questions regarding your benefits, please contact Human Resources.

b. Health Insurance

The Institute offers a group health insurance program to regular staff members who are regularly scheduled to work 20 or more hours per week. Detailed information about the health insurance program offered by the Institute will be reviewed at the time of hire, and is available via the Human Resources Department or on Sharepoint.

c. Continuation of Health Insurance Coverage (COBRA)

In accordance with applicable law, if your employment with us is terminated, or if you experience a reduction in hours of employment below a certain level, you will be eligible either to continue your present level of health insurance coverage, as well as your EAP benefits, under the Institute's group health insurance plans and EAP, at your own cost (which is 100% of the premium plus a 2% administrative fee), for a period of up to 18 months, or you may be able to convert your group coverage to individual coverage (or 24 months for USERRA covered leave).

If your spouse, domestic partner and/or any dependent children are covered under our Institute's group health insurance plans and EAP at the time of your termination or reduction of hours, they may also have the same right to continue their insurance coverage. In addition, they may have the right to elect to remain covered under these plans for 36 months if they lose coverage because of: (a) your death; (b) your divorce or legal separation; (c) your entitlement to Medicare; or (d) a dependent child's ceasing to be a "dependent child" under the plan. However, if events (b) or (d) above occur, you or your spouse must notify us of the event within 60 days in order for your spouse or child to be eligible to continue coverage.

To be eligible for these continuation rights for yourself or your spouse and any dependent children, the law requires that certain conditions be met. In addition, the Plan Booklets contain further details concerning this continuation. Of course, because the law changes and because our insurance benefits change periodically, the continuation benefits described above may also change.

d. 401K Savings and Retirement Plan

The Institute offers a voluntary pre-tax salary reduction 401(k) plan in which staff members

who are 21 years of age or older are eligible to participate beginning on their date of hire. Staff members (including adjunct faculty and part-time staff) will be automatically enrolled in the 401(k) plan, contributing 5% of their salaries, unless they opt out or change the percentage contribution.

The Institute matches a portion of staff member contributions. Institute contributions are subject to a 3-year vesting schedule.

The Institute also offers a voluntary post-tax salary reduction Roth 401(k) plan in which staff members who are 21 years of age or older may elect to participate beginning on their date of hire. Staff members can participate in either the pre-tax 401(k) plan or the Roth 401(k) plan or both. However, all Institute match dollars will be deposited into the pre-tax 401(k) plan account.

Further details and the Plan Document are posted on the Human Resources page on Sharepoint under Benefits; 401(k). If you have any questions about the 401(K) plan, contact Human Resources.

e. Vacation

Time off should be requested and approved in advance when possible and must be recorded by each staff member on a *Monthly Attendance Record* form. These forms are issued at the beginning of the year and must be updated monthly by each staff member. Once the form is updated, it must be signed by his or her supervisor and then submitted to the Administrative Assistant no later than noon on the 4th of each month.

It is up to each staff member to monitor the accuracy of his or her own attendance record and to compare it to the records that appear on the electronic payroll voucher. Please note that there may be a time lag between the submission of the *Monthly Attendance Record* and the documentation on the payroll voucher. Discrepancies that persist over one or two payroll cycles should be reported to the Institute's Administrative Assistant.

All regular, full-time administrative staff members are eligible for vacation leave. Regular part-time staff members regularly scheduled to work at least 20 hours per week are also eligible for vacation leave, but the amount is accrued on a prorated basis according to the number of hours regularly scheduled to work. The amount of annual vacation leave is determined at the time of hire and is normally based on the staff member's years of service at the Institute; it is accrued each pay period over the calendar year. Additionally, vacation leave is only accrued on actual time worked and is not accrued on unpaid leaves of absences.

Annual Vacation Accrual Rate for Full-time Staff Members:

1 st day – end of 2 nd year	=	12 vacation days
2 years + 1 day – end of 5 th year	=	17 vacation days
5 years + 1 day	=	22 vacation days

Vacation should be scheduled in advance, to accommodate both the needs of the staff member and the Institute. Supervisors must balance the desires of staff members with the needs of the Institute and the ability of other staff to accomplish the resulting extra work in regard to vacation scheduling.

Vacation time must be requested by completing the *“Request for Time Off”* form and submitting it to the supervisor for approval prior to scheduling or taking vacation. Staff members should make their vacation requests at least one month prior to the start of the requested vacation period.

Excluded Periods

Normally, staff may not take vacation time during the following periods:

- Two weeks prior to, or following, the Fall Orientation/beginning of the first (fall) semester
- The week prior to, or after, the start of the second (spring) semester
- The week prior to Graduation

When an Institute’s holiday falls during a scheduled vacation, it is not counted as a vacation day. Staff members should preferably take vacation in whole day increments. The Institute does not allow for staff members to take vacation leave in excess of their accrued hours.

Carrying over unused vacation time

Staff members are allowed to carry over 5 days of unused vacation from year to year. However, this deferred vacation should be used by the end of the first quarter of the next calendar year. **Unused vacation carried over from the prior calendar year will be forfeited on April 1st.**

Vacation Pay-out

Unused accrued vacation is paid out when a staff member separates from the Institute. Payment is issued in the first pay period following the date of termination.

f. Holidays

The Institute recognizes certain days during the year as paid holidays for regular staff members. Non-exempt staff members must be actively employed and in pay status (i.e. may not be on unpaid leave) with the Institute the day preceding and the day following these holidays in order to receive holiday pay.

Full-time regular staff members will receive 8 hours of pay for a holiday. Regular part-time regular staff members regularly scheduled to work at least 20 hours per week are also eligible for holiday pay, but the amount of pay is prorated according to the number of hours worked.

An annual holiday schedule will be distributed at the beginning of each calendar year. Normally, the holidays that the Institute observes are as follows:

- New Year’s Day
- Martin Luther King, Jr. Day
- President’s Day

- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- The Friday after Thanksgiving Day
- Christmas Day
- The week between Christmas and New Year's

g. Sick Leave

The Institute provides sick leave to all full-time regular administrative staff members for periods of temporary absence due to illness, injury, or medical appointments for themselves or an immediate family member. Sick leave may be used to care for immediate family members who are experiencing medical problems as well. Keep in mind that sick days can be used only for illness, injury or medical appointments and that the Institute reserves the right at any time to require medical verification that an absence, regardless of its duration, was due to the aforementioned. Regular part-time staff members regularly scheduled to work at least 20 hours per week are also eligible for sick leave, but the amount is accrued on a prorated basis according to the number of hours worked.

Staff members who are unable to report to work due to illness or injury must notify their supervisor as early as possible to, and no later than 1 hour after, your normal starting time (unless an unexpected medical or other emergency makes it impossible to do so). To avoid any miscommunications due to supervisor absence or technology problems, a copy of the email and/or a voicemail message to the Office Manager will ensure everyone who needs to know is aware of the absence.

Absences of three or more consecutive workdays may require proper documentation (i.e. physician statement). However, your supervisor may request written documentation for any absence of any length. Furthermore, if a staff member is absent for 5 consecutive days or more, the Institute reserves the right to require that a signed, written statement be submitted by an attending physician indicating that the staff member is able to return to work.

Sick time for a full-time administrative regular staff member will be accrued at a rate of ten days per year (3.33 hours per pay period) on time worked. Regular part-time staff members regularly scheduled to work at least 20 hours per week are also eligible for sick leave, but the amount is accrued on a prorated basis according to the number of hours worked. No sick days are accrued on unpaid leaves of absences.

Sick leave balances carry over from calendar year to calendar year up to a maximum of 720 hours for regular full-time staff members. The number of hours regular part-time staff members are permitted to carry over from one calendar year to the next is pro-rated based on the number of hours worked per week throughout the year. The Institute does not allow for staff members to take paid sick leave in excess of their accrued hours. Unused earned sick leave is not paid out upon separation from the Institute.

Leave Sharing Bank

The Institute's leave-sharing program allows staff members to donate accrued, unused sick time to staff members who would otherwise need to take leave without pay because of very serious or unexpected illnesses or injuries. Staff members are eligible to request donations of leave if they are experiencing these kinds of illnesses or injuries or are caring for family members who are. The leave sharing bank is generally available up to that amount of days necessary to coordinate with long term disability leave.

Family members include the staff member's spouse, parent, child and sibling but not relatives by marriage (other than the staff member's spouse).

To be eligible to request donations of leave, an staff member must have:

- worked for the Institute for a minimum of one year;
- exhausted all earned leave available to him or her; and
- received the consent of Human Resources and the Director of the Institute

Staff members donating sick leave must reserve enough sick days to enable them to take a minimum of 5 sick days off in the current year. In other words, staff members may donate any balance in excess of 5 days.

h. Worker's compensation

If you are injured or become ill as a result of your work, you may be eligible to receive insurance benefits as provided under the State Workers' Compensation law. It is important that you report to your Supervisor or the Office Manager immediately any accident or injury that occurs on the job or that you believe is job-related.

i. Bereavement Leave

The Institute recognizes the difficulties staff members face following the loss of a family member. Up to three days of paid bereavement leave will be provided to full-time administrative staff members when there is a death of a regular staff member's family member. Regular part-time staff members regularly scheduled to work at least 20 hours per week are also eligible for bereavement leave, but the amount is prorated according to the number of hours worked. "A family member" is defined as the staff member's parent, spouse, child, sibling, father/mother-in-law, children's spouses, grandparent or grandchild. Step-relatives and relatives by adoption, along with any relatives living in the household, are included on the same basis, as are domestic partners of a staff member.

This leave is not an accrued benefit and cannot be accumulated from year to year. The Institute will not give monetary compensation for unused bereavement leave. This leave is not available for staff members on unpaid leaves of absence.

Staff members who wish to take time off due to the death of a family member should notify their supervisor as soon as possible and should submit a Request for Time Off form.

j. Jury duty

The Institute grants time off for jury duty to all regular staff members in accordance with applicable law. If you are called for jury duty, you must notify your Supervisor and forward a copy of the subpoena, jury certificate, or court order to him or her before leave is granted.

The Institute will pay any regular staff member absent on authorized court duty his/her regular base salary (or hourly rate) for a period not to exceed 4-weeks. The staff member will give the Institute the income received for court services, if any; staff members may retain monies received for parking and other related expenses.

k. Military and Reserve Leave

Military and Reserve Leave covers absences to perform any duty in a "uniformed service," including active duty, training, weekend drills, summer camp, fitness-for-duty examinations and funeral honors duty. "Uniformed services" includes: full time and reserve components of the Army, Navy, Marine Corps, Air Force and Coast Guard, National Guard, Commissioned Corps of the Public Health Service and any other category of persons designated as a "uniformed service" by the President in time of war or national emergency.

To assist in the transition into active duty, the staff member is required to provide appropriate documentation (i.e., a copy of official military orders) and must give timely notice of his or her need to perform military service, unless giving such notice is impossible, unreasonable or precluded by military necessity.

Staff members on military or reserve leave will not be paid by the Institute, and will not accrue leave benefits (i.e., vacation, sick, personal, bereavement or holiday) while on leave, just as with any other leave. However, staff members may request to use accrued vacation or personal days during military leave.

Staff members on military or reserve leave and their dependents are entitled to continue current coverage in the Institute's medical, dental and vision plans for the first six months of leave due to military service. After the initial six month period, the staff member may elect to continue coverage under COBRA for a period of up to 18 months at a cost of 102% of full premium coverage rate. Health claims incurred as a direct result of military service should be submitted for coverage through the primary military health plan provider. Life insurance and disability insurance coverage provided by the Institute will cease as of last day worked prior to military service.

If a staff member participated in the Cambridge Information Group 410(k) Retirement Savings Plan at the time he/she left for military or reserve duty, he/she will be permitted to make additional contributions to the 401(k) plan. A staff member may initiate these additional payments as of his/her reemployment date and continue them for the period of time permitted by law.

The Institute reserves the right in its sole discretion to modify or augment the military and reserve leave with additional benefits in specific situations for a limited period of time. A staff member on leave due to military service will retain the seniority he or she reached as of the date the leave began, but will not continue to accrue seniority during the period of the leave.

The Institute will comply with all applicable laws and regulations governing a staff member's

right to reinstatement upon return from leave for military service. Staff members on military leave who wish to return to work for the Institute should contact the Institute as promptly as possible with information regarding their return so that appropriate arrangements can be made and in accordance with USERRA.

Staff members who fail to report for work within the prescribed time after completion of military or reserve duty will be considered to have voluntarily terminated their employment.

The Institute follows The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). In no circumstance, does the Institute policy supersede the federal law.

I. New York State Mandated Time-Off

It is the policy of the Institute to comply with all time off mandates issued by the New York State. No staff member will be penalized or retaliated against for utilizing mandated time off. This policy applies to all staff members working at the Institute's New York campus.

Blood Donation

Staff members who are regularly scheduled to work 20 or more hours a week are eligible for three (3) hours of unpaid leave in a 12 month period for donating blood. Staff members must provide advance notice of their intention to take this leave. Staff members may use accrued time off if they so choose.

Bone Marrow Donation

Staff members who are regularly scheduled to work at least 20 hours per week can take unpaid time off to donate bone marrow. The amount of time off should be determined by a physician, but may not exceed a total of 24 work hours, unless agreed to by the Institute. The Institute may request verification from the physician for the purpose and length of each leave.

Break Time to Express Milk

Nursing mothers will be provided with reasonable unpaid break time (no less than 20 minutes at least once every three hours) or paid break or meal time to express breast milk for their nursing child, for up to three years after the birth of the child. The Institute may, however, require postponement (for no more than thirty minutes) the break period until appropriate coverage is available to fill in for the nursing mother.

Military Spouse Leave

Anyone regularly scheduled to work 20 or more hours per week may take up to ten (10) days of unpaid leave to attend to matters related to his/her spouse's deployment to serve in the Uniformed Services.

Parental Leave

Staff members are entitled to 26 weeks of leave for pregnancy disability and recovery from

childbirth. New York's Temporary Disability Insurance program is funded by contributions from both employers and staff members. The maximum leave is 26 weeks.

Victim Leave

If you have been the victim of a crime and need time off to appear in court as a witness, to consult with a district attorney, or to obtain an order of protection or if you are a victim of domestic violence and need time off from work for medical or mental health care you may use your paid leave under the same terms and conditions as leave for any other reason. If you have no paid leave unpaid leave may be granted by your supervisor.

Voting

Staff members that vote in New York state wide elections who do not have 4 consecutive non-working hours between polls opening and closing, and who do not have "sufficient" non-working time to vote, are entitled to up to 2 hours paid leave to vote. Staff members may request the leave between 2 and 10 days before Election Day. The Institute can specify whether it be taken at the beginning or the end of the work day.

Staff members living in other states will need to inform their Supervisor in advance if they expect any conflict between their work schedule and the exercise of voting rights in any election for any public office. Supervisors will adjust staff members' schedules as needed to ensure that they will have the opportunity to vote.

m. Unpaid Leave of Absence

On occasion, you may desire to take extended time off from work for personal reasons. Depending upon all the circumstances, including but not limited to our business needs, your overall job performance, length of service with the Institute, and the reason for needing the time off, the Institute may grant you, at its sole discretion, an unpaid leave of absence for a period extending up to 3 months. All regular full-time and part-time staff members who successfully complete 1 year of continuous employment are eligible to receive this benefit.

If you desire such a leave of absence, you must notify your Supervisor who will consult with Human Resources for further consideration. To permit advance planning, any request for a leave of absence must be submitted at the earliest time you have reason to believe you will have a future need for such leave. An approved leave of absence will not be extended beyond the date of the initial request without further request and approval.

Being granted a leave of absence does not assure you the right to return to work for the Institute or to return to the job you held before you left. It simply means our Institute will make an effort, but is not obligated, to place you in a job upon your return. If you fail to accept an offer of reinstatement to a position offered by the Institute at the end of such leave of absence, you will be deemed to have voluntarily resigned.

During an unpaid leave of absence, you may continue your participation in the Institute's health insurance programs by continuing to pay your share of the premiums for such programs (on a post-tax basis).

When you are on an unpaid leave of absence, you will not receive holiday pay or bereavement leave that falls within the unpaid leave period.

Anyone who applies for unemployment insurance benefits while out on a leave of absence will be considered to have voluntarily quit his or her employment as of the date the claim was filed.

This policy does not apply to leaves of absence covered by The Family and Medical Leave Act ("FMLA"). Leave under the FMLA is covered by a separate policy.

n. Family and Medical Leave

The Institute recognizes that circumstances may arise in which staff members find it necessary to be absent from work for an extended period of time due to illness or injury or to care for a family member with an illness or injury. The federal Family and Medical Leave Act (FMLA) of 1993, as amended, requires employers with 50 or more employees to provide eligible employees with unpaid, job-protected leave.

Eligibility for FLMA

Staff members may be eligible for FMLA leave if they:

- Worked for the Institute for at least 12 months in the last seven years;
- Have worked at least 1,250 hours for the Institute during the 12 calendar months immediately preceding the commencement of the leave;
- Are employed at a worksite that has 50 or more Staff members within a 75 mile radius; and
- Have a qualifying reason for FMLA

Basic Family Leave

Staff members who meet the eligibility requirements described above are eligible to take up to 12 work weeks of leave during a 12-month period, defined as a rolling 12-month period measured backward from the date a staff member's first FMLA leave begins for one, or more, of the following reasons:

1. The birth of the staff member's child, and to care for the newborn child during the first 12 months following the birth;
2. The placement with the staff member of a child for adoption or foster care, and to care for the newly placed child;
3. To care for staff member's spouse, child or parent (called a "covered relation") with a serious health condition;
4. Because of a staff member's own serious health condition that makes the staff member unable to perform one or more of the essential functions of his or her job.

In cases where a married couple is employed by the Institute, the two spouses together may take a combined total of 12 work weeks' leave during the 12-month period for reasons 1 and 2, or to care for the same individual pursuant to reason 3.

Military Family Leave

There are two types of Military Family Leave available.

- (1) *Qualifying Exigency Leave*. Staff members meeting the eligibility requirements described above may be entitled to use up to 12 work weeks of FMLA Leave to address certain qualifying exigencies. Leave may be used if the staff member's spouse, child, or parent is a covered military member on active duty (or has been notified of an impending call or order to active duty) in support of a contingency operation. Qualifying exigencies may include:
 - *Short-notice deployment*: Leave (up to 7 calendar days) to address any issue that arises from an impending call or order to active duty in support of a contingency operation seven days or less prior to the date of deployment.
 - *Military events and related activities*: Leave to attend any military ceremony, program, or event related to the active duty or call to active duty status or to attend certain family support or assistance programs and informational briefings.
 - *Child and school activities*: Leave to arrange or provide for childcare or school-related activities.
 - *Financial and legal arrangements*: Leave to make or update various financial or legal arrangements.
 - *Counseling*: Leave to attend counseling (by someone other than a health care provider) when necessary as a result of the active duty or call to active duty status.
 - *Rest and recuperation*: Leave to spend time with a covered military member who is on short-term, temporary, rest and recuperation leave during the period of deployment (up to five days).
 - *Post-deployment activities*: Leave to attend arrival ceremonies (including funeral or memorial services), reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of 90 days following the termination of the covered military member's active duty status.
 - *Additional activities*: Leave to address other events arising from military duty agreed upon between Institute and staff member.

- (2) *Leave to Care for Covered Service Member*. Staff members who meet the eligibility requirements for FMLA leave may take up to 26 work weeks of leave in a single 12-month period to care for a covered service member who has a serious injury or illness incurred in the line of duty on covered active duty, if the staff member is the spouse, child, parent, or next of kin of the covered service member.

Requesting Use of FLMA

Foreseeable: If a staff member's need for FMLA leave is foreseeable, the staff member must give the Institute at least 30 days' prior notice of the need to take leave.

Unforeseeable: When 30 days' notice is not possible, staff members must give notice as soon as practicable (generally within two business days of learning of the need for leave, except in extraordinary circumstances). Failure to provide such notice may be grounds for delay of leave.

Staff members should contact Human Resources to request a family and medical leave, or with any questions about FMLA.

Staff members must provide sufficient information for the Institute to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the staff member is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Staff members also must inform the Institute if the requested leave is for a reason for which FMLA leave was previously taken or certified. Refusal or failure to give reasons for requesting FMLA leave or to provide the requested certification may result in denial of the leave until such information is provided.

Certification

Staff members will be required to provide a medical certification if the leave request is: 1) for the staff member's own serious health condition, 2) to care for a family member's serious health condition, or 3) military caregiver leave. Failure to provide the requested certification in a timely manner may result in denial of the leave until it is provided. If a staff member refuses to provide a certification, his/her leave request may be denied and the staff member may be disciplined.

The Institute, at its expense, may require a medical examination by a health care provider of its own choosing if it has a reasonable question regarding the medical certification provided by the staff member. If the second health care provider's opinion conflicts with the original medical certification, the Institute, at its expense, may require a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion.

In lieu of a second opinion, the Institute may contact the health care provider directly to clarify or authenticate a medical certification, including certifications for military caregiver leave. Second opinions may not be required for military caregiver leave.

Separate certification may also be required regarding the nature of the family member's military service and/or the existence of a qualifying exigency.

When a leave is requested, the Institute will notify the staff member of the requirement for certification and when it is due [*Notice of Eligibility and Rights & Responsibilities*]. Staff members must provide complete and sufficient certification if required. Failure to provide adequate certification may result in the denial of leave.

Recertification

The Institute will require recertification of a medical condition for a staff member's own serious health condition or to care for a covered relation every six months in connection with an absence. Recertification may be requested more often under some circumstances, such as with an extension of leave or if circumstances described in the previous certification have changed.

Reporting While on Leave

If leave is taken because of a staff member's own serious health condition or to care for a covered relation, staff members must report periodically on their status and intent to return to work. In addition, staff members must give notice as soon as practicable (within two business days if feasible) if the dates of leave change, are extended, or initially were unknown.

Use of Supplemental Pay for Unpaid Leave

Family and medical leave is unpaid leave, although a staff member may be eligible for short or long-term disability payments and/or workers' compensation benefits under those insurance plans or policies. If entitled to receive money from these sources, leave will be considered "paid leave" for the period during which money is received.

The Institute and staff member may mutually agree to supplement the disability benefits pay with any other form of paid time off benefits the staff member may have (e.g., vacation, sick days, etc.) if State law permits. However, the Institute may not require the staff member to supplement the disability benefits, nor can the staff member unilaterally elect to do so.

Use of Paid Time Off Benefits for Unpaid Leave

If leave is "unpaid," staff members will be required to substitute accrued paid time off (vacation, sick days, and personal days) for "unpaid" family and medical leave. The ability to substitute accrued paid leave is determined by the terms and conditions of those leave and time off policies.

Family and medical leave runs concurrently with other types of leave (i.e., paid vacation, short-term disability, workers compensation, etc.). The substitution of paid leave time for unpaid leave time does not extend the 12-week or 26-week leave period. Further, in no case can the substitution of paid leave time for unpaid leave time result in receipt of more than 100% of a Staff member's salary.

Benefits and Protections

During an approved family and medical leave, the Institute will maintain all health and welfare benefits (Medical, Dental, Vision, Life, and disability insurance, as applicable to the staff member) as if the staff member continued to be actively employed. If paid leave is substituted for unpaid family/medical leave, the Institute will deduct the staff member's portion of the health plan premium as a regular payroll deduction. If the leave is unpaid, the staff member must pay his/her portion of the premium. Health care coverage will cease if premium payment is more than 30 days late. If payment is more than 15 days late, a letter

will be sent to this effect. If payment is not received within 15 days after the date of this letter, health care coverage may cease.

If a staff member elects not to return to work for at least 30 calendar days at the end of the leave period, he/she will be required to reimburse the Institute for the cost of the health benefit premiums paid by the Institute for maintaining coverage during the leave, unless the staff member cannot return to work because of a serious health condition or other circumstances beyond his/her control.

On return from an approved family and medical leave most staff members will be returned to their same position held when leave commenced, or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment. In addition, if health care coverage lapsed because of lack of premium payment, upon return, health care coverage will be restored without preexisting condition, waiting period or medical examination.

Use of an approved family and medical leave will not result in the loss of any employment benefit that accrued prior to the start of a staff member's leave.

Intermittent and Reduced Schedule Leave

Leave because of a serious health condition or serious injury or illness may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced leave schedule (reducing the usual number of hours worked per workweek or workday) if medically necessary. Leave due to qualifying exigencies may also be taken on an intermittent basis. If leave is unpaid, the Institute will reduce a staff member's salary based on the amount of time actually worked.

Staff members who require intermittent leave or a reduced leave schedule must arrange medical treatments and appointments to minimize work disruption.

A staff member requesting non-continuous leave that is foreseeable may be required to transfer temporarily to an available alternative position offered by the Institute for which the staff member is qualified and which better accommodates recurring periods of leave than the regular employment position of the staff member. The staff member will be entitled to equivalent pay and benefits, but will not necessarily be assigned the same duties in the alternative position.

Returning from Leave

If leave is taken because of a staff member's own serious health condition (except when staff member is taking intermittent leave), staff members are required to provide medical certification that they are fit to resume work. Fitness for Duty Certification Forms may be obtained from the Human Resources Department. Staff members failing to provide the Fitness for Duty Certification Form will not be permitted to resume work until it is provided and may no longer be entitled to reinstatement.

Concurrent Leaves of Absence

To the extent that a staff member is entitled to take FMLA leave pursuant to this policy, and under the same circumstances is also entitled to take one or more kinds of leave pursuant to other Institute policies or practices, both the FMLA and otherwise available leaves will be deemed to be taken concurrently.

State and Local Family and Medical Leave Laws

Where State or local family and medical leave laws offer more protections or benefits to staff members, the protections or benefits provided by such laws will apply.

No Work While on Leave

While on approved leave, it is expected that staff members only engage in those activities that are consistent with the reason for the leave. The taking of another job while on an approved leave of absence may be grounds for immediate termination, to the extent permitted by law.

Exemption for Highly Compensated Staff Members

The Institute may choose not to return highly compensated staff members (highest paid 10% of staff members at a worksite or within 75 miles of that worksite) to their former or equivalent positions following a leave if restoration of employment will cause substantial economic injury to the Institute. (This fact-specific determination will be made by the Institute on a case-by-case basis.) The Institute will notify staff members if they qualify as a "highly compensated" staff member, if the Institute intends to deny reinstatement, and of their rights in such instances.

o. Educational Assistance Program

The Institute encourages its staff members to extend their knowledge through formal education by reimbursing the costs of courses and/or seminars considered to be directly related to the current job of that staff member. In addition, reimbursement will be made for registration and laboratory fees and those textbooks specifically required for the course. Other fees such as supplies, graduation, parking, late payment, and other miscellaneous costs are not eligible for payment under this program. Approval is required prior to enrolling in the course and/or seminar.

This program applies to all regular full-time and regular part-time staff members scheduled to work at least 20 hours per week.

Program Description

Reimbursement is limited to two (2) courses per semester except as otherwise approved. The amount of monetary assistance provided to a staff member in a calendar year will not, however, exceed the current U.S. federal tax limit established by the Internal Revenue Service (IRS). The current limit is \$5,250. The Director of the Institute and the Vice President of Human Resources must approve any exceptions to this prior to registration. Any expenses beyond the federal limit represent taxable income to the staff member. **Please note: Classes taken within the calendar year will be counted towards your \$5,250 limit**

for that year (even if paid in the following year).

Degree programs paid for under the program must be job-related, i.e., courses of study which will maintain or improve the staff member's qualifications for the functions and responsibilities of his/her current job, or provide preparation for his/her next step within the Institute to which transfer or promotion might reasonably be expected. Consequently, all courses required as part of obtaining a degree will be covered, subject to the yearly limit set forth above. However, individual courses that are not part of a degree must be job-related in order to be covered by the program, and may not be taken on a 'Pass'/'Fail' basis. As such, the Supervisor and staff member should work together to identify the staff member's career goals and available opportunities within the Institute to identify the training and education necessary to achieve these goals.

Eligible courses offered by an accredited College, University, Correspondence School or Trade School are acceptable for reimbursement.

To provide incentive to excel in coursework, course reimbursement will be paid based on the grade received as outlined below.

Employment between the:	Reimbursement levels for grades:	
6 th and 12 th month of continuous service	50% - A/B	25% - C
13 th and 36 th month of continuous service	75% - A/B	50% - C
37 th or more months of continuous service	90% - A/B	75% - C

- For any grade below C or a Fail grade on a Pass/Fail scale, no reimbursement will be provided.
- The Educational Assistance Program will not pay for the same course more than once.

Staff Member Responsibility

A Tuition Reimbursement Form must be completed and approved before enrolling in coursework in order to qualify for assistance. Appropriate documentation (registration information listing all costs of the program for which reimbursement will be sought) should be attached to the form. Completed and approved application forms should be sent to Human Resources for processing prior to the course start date, along with a copy of grades when received upon course completion. Human Resources will process reimbursement based on the grade received and the length of service, as set forth above.

It is the staff member's responsibility to turn in grades within six weeks of course completion, or reimbursement will be forfeited.

Supervisor Responsibility

As noted above, Supervisors are responsible for discussing educational assistance plans/desires with their staff members. Prior to approval, courses should be reviewed for job relationship and appropriateness. The Supervisor should also consider the staff member's job performance when contemplating course approval.

The staff member's management and Human Resources have joint discretion to determine whether a course relates to a staff member's current job duties or the staff member's next step within the company.

Payment for Courses

Staff members who are included under government (Federal, State, County, or City) or other educational assistance plans are eligible to participate in the Institute's program for only that part of their tuition, registration, and textbook costs which is above the amount paid for by the government or other agency. Educational loans applied for during a staff member's term of employment which require pay back, are not eligible for payment under this program.

All education assistance payments will be made to the staff member. No payments will be made directly to the educational institution.

Tax treatment of educational payment will always be in accordance with the IRS code.

Staff members that voluntarily terminate their employment within 6 months of receiving reimbursement for course work are required to repay the Institute the amount that was reimbursed during the 6 month period immediately preceding their termination date.

Expenses for any courses/seminars taken at the request of the Institute will be reimbursed 100%.

V. SEPARATION FROM EMPLOYMENT

a. Return of Institute Property

In the event that your employment with the Institute is terminated, all Institute property charged to you such as ID Cards, books, equipment, files, computers and other items as noted on the Fixed Asset Agreement you signed or that is otherwise in your possession and control must be returned prior to departure.

b. Final Pay

Final hours worked and unused, accrued vacation hours will be paid in the payroll immediately following the staff member's last day of employment. If the staff member has a negative leave (vacation, sick or personal days) balance, a deduction from the staff member's final paycheck will be made to re-pay the Institute for the negative hours and in accordance with federal wage and hour laws.

c. Exit Interview

Before you depart, Human Resources may conduct an exit interview with you. Human Resources also will welcome your frank opinion on how we can improve the Institute.

d. Voluntary Termination

Notice of Resignation

Resignations should be submitted in writing to your supervisor. A minimum of two weeks' notice is typically appropriate. The supervisor will notify Human Resources and submit the resignation notice to Human Resources.

Supervisors have the option of reducing or eliminating the notice period after receipt of the resignation.

Staff Member Responsibilities

It is expected that staff members will actively work for the duration of the notice period, barring unforeseen circumstances such as illness or pre-approved time away from work. It is the staff member's responsibility to ensure that work is concluded, or to notify the supervisor of work in progress prior to the termination date.

Departing staff members may not remove Institute property or download Institute information from computers or the network.

Remember also that you must continue to protect confidential and proprietary Institute information even after you leave the Institute.

e. Voluntary Termination Due To Job Abandonment

Absent extenuating circumstances, absences from work for three days without prior approval, prior notification, or without having followed the appropriate procedure for scheduling time away from work, would be considered job abandonment. In this circumstance the Institute would assume that the absent staff member has quit without notice, and the employment relationship would be terminated retroactive to the first day of absence.

f. Reemployment/Recognition of Prior Service

Staff members who resign in good standing or who are laid off due to a reduction in force may be eligible for reemployment. Former staff members will be considered for open positions along with all other candidates.

The Institute will reinstate years of service earned prior to separation for staff members joining the Institute if they have been separated from the Institute for less than 12 months and have at least 12 months of continuous service prior to their separation.

Recognition of prior service will apply to benefits eligibility, vacation accruals, 401(k) vesting, and years of service awards. Former staff members who are hired for reemployment after one year will be treated as new staff members for purposes of seniority-related benefits.

If a staff member who is rehired had received or is receiving separation pay, the following rules apply:

- Rehire prior to completion of separation period: separation benefits will cease on the date of rehire. Should the staff member be subsequently involuntarily terminated and eligible for separation benefits, the staff member's benefits, if any, will be based upon the balance of unpaid separation benefits plus eligible benefits for the re-employment period.
- Rehire after the completion of separation period: separation benefits will be considered to be paid in full. Should the staff member be subsequently involuntarily terminated and eligible for separation benefits, the staff member's benefits will be based upon years of service after the reemployment date.

ACKNOWLEDGEMENT FORM

I ACKNOWLEDGE BY MY SIGNATURE THAT I HAVE RECEIVED AND REVIEWED A COPY OF THE INSTITUTE'S STAFF HANDBOOK.

SINCE THE INFORMATION, POLICIES, AND BENEFITS DESCRIBED ARE SUBJECT TO CHANGE, I ACKNOWLEDGE THAT REVISIONS TO THE MANUAL MAY OCCUR. ALL SUCH CHANGES WILL BE COMMUNICATED THROUGH OFFICIAL NOTICES, AND I UNDERSTAND THAT REVISED INFORMATION MAY SUPERSEDE, MODIFY OR ELIMINATE EXISTING POLICIES.

I ACKNOWLEDGE THAT THIS STAFF HANDBOOK IS NEITHER A CONTRACT OF EMPLOYMENT NOR A LEGAL DOCUMENT AND THAT I AM AN AT-WILL EMPLOYEE. I HAVE RECEIVED THE MANUAL, AND I UNDERSTAND THAT IT IS MY RESPONSIBILITY TO READ AND COMPLY WITH THE POLICIES CONTAINED IN THIS MANUAL AND ANY REVISIONS MADE TO IT.

The original, signed form will be maintained in your HR file.

Name (print)

Date

Signature

Date

4840-5161-1713, v. 2