

THARCO, INC.

Employee Manual

August 2008

Tharco, Inc.
1510 Caton Center Drive (Suite L - M)
Baltimore, Maryland

Should there be a conflict with the statements in this Employee Manual and regulations of the State of Maryland or the United States, governmental regulations take precedence.

Welcome to Tharco, Inc.

We are very happy to welcome you to Tharco, Inc. which may be referred to as the "Company" throughout this manual. Thank you for joining us! We want you to feel that your association with Tharco, Inc. will be a mutually beneficial and pleasant one.

You have joined an organization that has established an outstanding reputation for quality services. Credit for this goes to every one of our employees. We hope you, too, will find satisfaction and take pride in your work here.

This Manual provides answers to most of the questions you may have about Tharco, Inc.'s benefit programs, as well as the Company policies and procedures we abide by - our responsibilities to you and your responsibilities to Tharco, Inc. If anything is unclear, please discuss the matter with your manager. You are responsible for reading and understanding this Employee Manual, and your performance evaluations will reflect your adherence to Tharco, Inc. policies. In addition to clarifying responsibilities, we hope this Employee Manual also gives you an indication of Tharco, Inc.'s interest in the welfare of all who work here.

Compensation and personal satisfaction gained from doing a job well are only some of the reasons most people work. Most likely, many other factors count among your reasons for working: pleasant relationships, good working conditions, career development, and promotion opportunities. Tharco, Inc. is committed to doing its part to assure you of a satisfying work experience.

I extend to you my personal best wishes for your success and happiness at Tharco, Inc.

Sincerely,

Thomas F. Harney, Jr.
President

You're Part of Our Team ...

As a member of Tharco, Inc.'s team, you will be expected to contribute your talents and energies to improve the environment and quality of the Company, as well as the Company's services. In return, you will be given opportunities to grow and enhance in your career.

Tharco, Inc. is dedicated to two goals:

1. To provide our customers with the highest quality services at competitive prices; and
2. To provide our employees with safe and productive employment at competitive wages.

This Employee Manual is prepared to inform all personnel of the organization's employee policies and procedures. One of the basic principles of Tharco, Inc. is all policies and procedures apply to every employee as equally and fairly as possible. Obviously, we can not describe every policy and procedure in detail; however, this Employee Manual is prepared to provide each employee with their own copy of the policies and procedures, so each employee has access to information about rules and procedures which affect employment and benefits. If you have questions regarding the contents of this Manual, please contact your immediate manager for clarification. The maintenance, revision and interpretation of the Employee Manual are the responsibility of the Company Controller.

The Employee Manual

The Employee Manual does not represent, nor is it meant to represent, an employment contract between the Company and its employees, by either intent or implication. Management reserves the right to revise, add, or delete any policy, procedure, Guideline, or employee benefit, as deemed necessary without notice. Notification of revisions in the Employee Manual will be issued to each employee for insertion into their copy. Each employee will be required to sign an acknowledgement stating they have received and understand the Employee Manual as well as any revisions.

Equal Employment Opportunity

It is the established policy of Tharco, Inc. to provide an equal employment opportunity to all qualified persons and to administer all aspects and conditions of employment without regard to race, religious belief, creed, color, sex, age, national origin, disability, or any other protected classification, in accordance with applicable law.

Tharco, Inc. affirms its commitment to provide a work environment free from discrimination, retaliation and harassment. Abuse of the dignity of anyone through ethnic, racist or sexist

slurs, or through other derogatory or objectionable conduct is offensive employee behavior. Discrimination or harassment against any race, religious belief, creed, color, sex, age, national origin, disability, or any other protected classification, will be subject to disciplinary action, up to and including termination.

Equal Rights Note

Wherever, in these policies, the terms "man," "men," or their related pronouns may appear, either as words or as parts of words (and other than with obvious reference to specific individuals), they have been used for literary purposes only and are utilized in their generic sense to include all people - both female and male genders.

Safety is what we want for you and those around you

Tharco, Inc. places the highest emphasis on employee safety and strives to ensure all working areas are safe and healthful. Each employee's responsibility is to work safely and to do everything possible to prevent accidents or injuries. Every employee is expected to report unsafe conditions, think before acting, and conscientiously avoid unnecessary risks.

Your safety and welfare are a great concern to Tharco, Inc. However, no matter what or how much the Company provides in safety devices and training, the effort is not effective unless you consider "SAFETY" your responsibility. It is your duty to promptly report perceived safety problems to your manager.

Accidents can be prevented. Most accidents result from actions of people rather than the failure of equipment. You can help prevent accidents by supplying information to your manager concerning dangerous conditions.

Tharco, Inc. management encourages you to be very aggressive with self-protection. The Company is dedicated to providing all employees with a safe workplace and abides by all government safety laws and guidelines.

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Personnel Administration

The task of handling personnel records and administering personnel functions is assigned to the Controller. Final authority concerning policy rests with the President. Questions regarding insurance, wages, and interpretation of policies must be directed to your immediate manager who will obtain clarifications from the Controller.

Your Personnel File

Keeping your personnel file up-to-date can be important for your pay, deductions, benefits, and other matters. If you have a change in any of the following items, please notify the Controller as soon as possible:

Legal name	Exemptions on your W4 and Maryland Withholding
Home address	Person to call in case of emergency
Home/Cell telephone number	Citizenship status I-9
Number of dependents	Status of driver's license
Marital status	Any changes regarding insurance coverage
Change of beneficiary	

Upon submitting a written request, any employee may have an opportunity to review their personnel record at the office during normal business hours, within five business days of request. Any employee shall be given a copy of his/her personnel record within five business days of submission of a written request for such a copy. Under no circumstances may an employee alter, add or remove any document in the file. It is important for this information be kept up-to-date to protect your benefits and rights. It is your right to see the information, which is kept in your own personnel file. You may request copies of all documents you have signed (request in writing) from the Controller.

Employment Classifications

At the time of hire, you are classified as either a full-time, part-time, or temporary employee. Unless otherwise specified, the benefits described in this Manual apply only to full-time employees. All other policies described in this Manual and communicated by Tharco, Inc. apply to all employees. If you are unsure of which job classification your position fits into, please ask your immediate manager.

Introductory Period

Employment at Tharco, Inc. begins with an Introductory Period of ninety (90) days. During this time, the Company will evaluate your suitability for employment. Employees receive training, experience and the opportunity to determine if the Company, the job duties and working conditions match their skills and expectations. Before the end of your Introductory Period, your Manager will discuss your job performance with you. This review will be much the same as the normal performance review held for regular full-time or part-time employees on a regular basis. During the course of the discussion, you are encouraged to offer comments and ideas. Temporary and part time employees granted full-time employment are eligible for benefits based upon the date of the change in employment status. Those employees hired full-time at the start are eligible for benefits AFTER completion of the Introductory Period, based upon their first day of work. The only benefits available to employees during the Introductory Period are those required by law.

Because your employment with Tharco, Inc. is always at will, it is understood that completion of the Introductory Period does not guarantee continued employment for any specified period, nor does it require an employee be discharged only for "cause." A former employee who has been rehired after a separation from Tharco, Inc. is considered an Introductory Period employee upon rehire.

Regular Full-Time Employees

An employee, who has successfully completed the Introductory Period of employment, is not assigned to a temporary status and is regularly scheduled to work at least 40 hours or more per week is considered a regular full-time employee.

Part- Time Employees

An employee who is regularly scheduled to work less than 40 hours per week and is not a temporary employee is considered a part-time employee. If you are a part-time employee, please understand you are not eligible for benefits described in this Manual, except to the extent required by provision of law, or as specifically noted herein.

Temporary Employees

Tharco, Inc. may hire an employee as an interim replacement, to temporarily supplement the work force, or to assist in the completion of a specific project or for other reasons deemed appropriate in Tharco, Inc.'s sole discretion. An employee hired under these

conditions is considered a temporary employee. The job assignment, work schedules, and duration of the positions are determined on an individual basis. Employment beyond any initially stated period does not in any way imply a change in employment status. A temporary employee retains his/her employment status unless and until notified of a change. Summer employees are considered temporary employees.

If you are a temporary employee, please understand you are not eligible for benefits described in this Manual, except to the extent required by law. Temporary employees working more than 40 hours during any workweek receive overtime pay. The use of the term "Temporary Employee" does not convey in any manner that employment within any classification is to be considered "permanent."

Non-Exempt Status

Generally, employees paid wages per hour and occasionally some salaried employees are entitled to overtime pay for hours worked in excess of forty hours (40) per week. These employees are referred to as "non-exempt" in this Manual. This means they are not exempt from (and therefore are entitled by law to receive) overtime pay. Non-work days and/or periods, such as sick days and holidays do not count towards the hours worked in a week for the purpose of calculating overtime pay.

Exempt Status

Exempt employees include managers, executives, professional staff, technical staff, outside sales representatives, commissioned sales representatives, officers, directors, owners, and others whose duties and responsibilities "exempt" them from overtime-pay provisions of the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. It is our policy to comply with the salary basis requirements of the FLSA. Therefore, we prohibit all company managers from making any improper deductions from the salaries of exempt employees.

Length of Continuous Service

All new employees are considered Introductory employees for the first 90 days worked (Introductory period). After you have completed the Introductory Period, your length of service record starts as of the first day of your employment, not the first day after the Introductory Period, and can be broken only for one of the following reasons:

- Voluntary Quit

- Discharge

- Absence of three (3) consecutive workdays without a reasonable excuse satisfactory to the Company

- Thirteen (13) weeks lapse between employment periods

- Failure to report on the first workday following expiration of an authorized leave of absence

- Failure to report for work when recalled from layoff, either by telephone, registered letter, or Federal Express delivery.

Employment Policies

At Will Employment

All employment with Tharco, Inc. is "at will" since no contract of employment exists. This means that YOU may terminate your employment at any time. It also means that Tharco, Inc. can terminate your employment. at any time. with or without notice or cause. While the Company generally adheres to progressive discipline. it is not bound or obligated to do so. Aaain. in the Company's sole discretion. You may be terminated at any time. with or without notice or cause.

Business Hours

Regular office working hours are 7:30 AM to 4:00 PM, Monday through Friday. Customer contact and visit hours vary based upon contracts, weather, and workload. Employees will be notified by their manager of the hours they are scheduled to work. All working hours are subject to change with advance notice, and employees may be scheduled for different hours depending upon the needs of the Company.

Confidential Information

As an employee of Tharco, Inc., your job position may permit you to have access to confidential information including, but not limited to: Company records, customer information, personnel files, policy and procedures, manuals, payroll, pricing information, correspondence, bids, budgets, financial information, and processes. In most cases, even the name of the customer must be kept strictly confidential. No materials are to be removed from Company premises without prior written approval of the Controller. Failure to comply with Company confidentiality regulations is a serious offense and may result in termination of employment.

Upon termination of employment or at any time upon the request of Tharco, Inc., an employee must deliver all confidential information in his or her possession to his or her immediate supervisor or manager.

Customer Relations

The success of Tharco, Inc. depends upon the quality of the relationships between the Company, our employees, and our customers. Our customers' impressions of the Company and their interest and willingness to purchase from us or use our services are greatly influenced by the people who serve them. You are a Company ambassador. The more goodwill you promote, the more our customers will respect and appreciate you, the Company, and its services.

Here are several suggestions to help give customers and the general public a good impression of Tharco, Inc.:

- Act professionally and deal with customers in a courteous and respectful manner. Avoid offensive language and/or implications.
- Communicate pleasantly and respectfully with other employees at all times.
- Follow up on orders and questions promptly, provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
- Take great pride in your work and enjoy doing your very best.
- Maintain a neat appearance in dress and grooming.

These are the building blocks for your continued success and they help make the Company successful. Thank you for adding your support.

Driver's License & Driving Record

Employees whose work requires operation of a motor vehicle must present and maintain a valid driver's license and a driving record acceptable to our insurer. You will be asked to submit a copy of your driving record to Tharco, Inc. from time to time. Any changes in your driving record must be reported to the personnel department immediately. Failure to do so may result in disciplinary action, including possible dismissal.

Drug and Alcohol Policy

Purpose

Drug and alcohol abuse poses a serious threat to the safety and welfare of all employees (not just the user). Specifically, drug and alcohol use lowers productivity, lessens reliability, increases absenteeism, impairs the ability of employees to perform their work, increases the likelihood of accidents, and impairs good judgment. Our policy establishes Tharco, Inc. as a drug and alcohol-free workplace. This is in the best interest of our employees, employees of companies doing business with us and our customers.

Definitions

This policy is designed to establish and maintain a workplace free from the influences of controlled substances, most particularly, drugs and alcohol.

"Employee" means all individuals employed by Tharco, Inc. in any capacity whatsoever (including management).

"Drug" means any substance recognized as a drug in the United States Pharmacopoeia, the National Formulary, or other drug compendia or supplement to any compendium.

1. The use, possession, or sale of which is illegal; or

2. That which cannot legally be purchased over-the-counter, and which is not prescribed or being used under the supervision of a physician; or
3. That which, even if purchased over-the-counter or prescribed, is being used other than as prescribed or directed.

"Alcohol" means any alcoholic beverage or substance containing alcohol.

"Under the influence" means having consumed any drug or alcohol as evidenced by behavior, appearance, attendance, performance, and/or having a detectable level - in excess of a trace - of alcohol, drugs or controlled substances in the body as determined by urine or other appropriate test.

"Company Premises" means all areas in which Tharco, Inc. has a proprietary interest, including, but not limited to, all Company property, facilities, structures, and automobiles, trucks, and other vehicles owned, leased or used by Tharco, Inc. Also included are customer stores/offices/warehouses or any other area visited while representing the Company.

Policy Statement

The unlawful manufacture, distribution, dispensation, and use of drugs and/or alcohol are prohibited. It is a violation of Tharco, Inc.'s work rules, regulations, and accepted practices for any employee to:

- Report to work, work, or attempt to work under the influence of drugs and/or alcohol.
- Use, possess, trade, attempt to sell, or sell drugs and/ or drug - related paraphernalia on Company premises - including in employee vehicles.
- Consume alcohol or use or possess unsealed containers of alcoholic beverages on Company premises - including employee vehicles.
- Engage in any illegal on or off-the-job drug or alcohol-related activities.

Violation of any of the above rules may result in discipline up to and including discharge. In addition, Tharco, Inc. may notify appropriate authorities of any use, possession, trading, sale, or attempted sale of drugs.

NOTE: *Nothing stated herein or within this Policy as a whole is intended to change or alter the at-will employment relationship established between Tharco, Inc. and any of its employees.*

Notification

As a condition of your employment with Tharco, Inc., you must abide by the terms of this policy regarding use and abuse of drugs and alcohol. Consistent with the Drug-Free Workplace Act of 1988, should you be convicted under any criminal drug statute or law for conduct occurring in the workplace, including convictions pertaining to the use of illegal drugs or drug paraphernalia, you must notify the Company of such conviction no later than five (5) days after such conviction.

Drug and Alcohol Testing

PRE-EMPLOYMENT TESTING: As a precondition to obtaining employment with Tharco, Inc., and at Company expense, applicants may be required to successfully complete a Pre-employment screen for use and/or abuse of drugs and/or alcohol by testing negative through urinalysis or similar testing administered specifically for the purpose of detecting the use or abuse of drugs and/or alcohol. Such pre-employment testing bears a direct, material, and timely relationship to an applicant's capacity to perform his or her duties safely and effectively. If the job offer is subsequently withdrawn, Tharco, Inc. will inform the applicant of the reason for its actions.

TESTING OF EMPLOYEES "FOR CAUSE": Tharco, Inc., at its expense, will require employees believed to be under the influence of drugs and/or alcohol, which may be impairing their ability to perform job duties to undergo appropriate testing to detect the use or abuse of such controlled substances. Such testing will be limited to instances where the Company has reasonable grounds to believe an employee is under the influence of drugs or alcohol, which are impairing job performance. Employees tested "for cause" will be immediately suspended, pending test results.

Any employee involved in a work-related accident may, at Tharco, Inc.'s discretion, be required to consent to a drug and/or alcohol test(s) immediately thereafter, but in no case later than thirty-two (32) hours after the accident. If, due to injuries, the employee cannot submit to testing within the prescribed time, the employee will provide the Company with necessary authorization required to obtain hospital reports and other documents indicating the presence or non-presence of any drugs and/or alcohol in the employee's system at the time of the accident.

RANDOM TESTING: Tharco, Inc., at its expense, may require employees to undergo drug and alcohol testing on a random basis.

TESTING DURING REHABILITATION PERIOD: Tharco, Inc. may require employees who continue to work, or return to work after involvement in any bona fide drug-related rehabilitation program, to undergo testing to detect any continued use or abuse of controlled substances. Such post-rehabilitation testing, at the employee's cost, will be required for a period deemed appropriate by the Company, but in no case shall the period exceed 24 months after the completion of the formal rehabilitation program. An employee who has undergone rehabilitation will not be allowed to return to his/her prior job if that job involves safety-related functions, including and without limitation, the operation of the Company motor vehicles, unless the employee can perform the job in a safe manner, with or without a reasonable accommodation.

DISCIPLINE: All employees or job applicants have the right to refuse to undergo drug and alcohol testing. However, in the discretion of Tharco, Inc., any refusal may result in disciplinary action, up to and including termination. Employees who receive a positive test

on an initial screening and a positive test result on a confirmatory test may, in the discretion of the Company be subject to discipline, up to and including termination
Disciplinary actions outlined in this policy are not intended to modify the employment at will relationship and do not create any contractual obligations.

Retest Rights

A copy of any positive test results will be provided to the employee with the name and address of the testing facility.

Any employee or applicant who has received a positive test result on a confirmatory test may submit information, at his/her expense, to Tharco, Inc. explaining the reasons for the result within three business days after notification of a positive result. This is in addition to any information submitted previously by the employee or applicant.

Any employee or applicant who has received a positive test result on a confirmatory test may also request and pay for a confirmatory re-test of the original sample within five business days after notification of a positive test result.

Confidentiality

Tharco, Inc. believes the privacy of its employees is of paramount importance. The Company will take all appropriate steps to ensure medical and personal information obtained pursuant to this policy shall be held confidential. Such information will be disseminated only to authorized personnel on a "need to know" basis.

An employee or applicant may request and receive from Tharco, Inc. test results report copies on any drug or alcohol test connected directly to the employee or applicant.

Alcohol and Company Related Functions

Company, customer or supplier-sponsored activities that may include the service of alcoholic beverages are not included in this policy. However, all employees are viewed as representatives of Tharco, Inc., whether at work or at participation in these events. The Company does not require employees to consume alcohol at these functions; it is up to the discretion of the employee. If the employee decides to consume alcohol at one of these functions, the Company expects that such consumption will be appropriate so as not to reflect negatively on its professional reputation or expose it or its employees to undue legal liability. An employee should not operate a motor vehicle or otherwise engage in any hazardous activity if alcohol is consumed.

Employee Objectives

Tharco, Inc. strives to provide job satisfaction, recognition of achievement, opportunities for personal and professional advancement, and providing long-term job security for deserving employees. Accordingly, Company management will:

- Mutually respect the human dignity of every employee;
- Demonstrate leadership deserving of employees' confidence and loyalty;

- Pay fair wages based upon the job requirements and individual performance in that job;
- Encourage all employees to develop their capacities to maximum potential through the provision of all appropriate training opportunities;
- Strive to maintain facilities and working conditions conducive to employees' health, safety, and convenience;
- Seek ways of perpetuating high morale through fair and equitable treatment of all employees;
- Endeavor to provide recourse in the event an employee does not feel a complaint has been handled equitably;
- Provide equal employment opportunities without regard to race, color, religion, creed, sex, national origin, age or disability.

In return, Tharco, Inc. expects all employees to demonstrate genuine interest in the proper performance of their responsibilities and to deliver a good day's work every day.

Anti-Harassment Policy

We do not tolerate unlawful harassment of any of our employees, customers or clients, vendors, suppliers, or independent contractors. Any form of harassment which violates federal, state or local law, including, but not limited to harassment related to an individual's race, religion, color, creed, gender, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, medical condition (including cancer, HIV/AIDS, or genetic defect), disability, or any other protected status in accordance with the requirements of all federal, state and local laws is a violation of this policy and will be treated as a disciplinary matter.

Harassment is conduct focused on a person or group of persons including, but not limited to:

- Physical or verbal abuse
- Unwelcome activity of a sexual nature including retaliation related thereto
- Any behavior or action that interferes with an individual's ability to perform assignments, or that creates a hostile or intimidating work environment.

Harassment of any kind is counter-productive to the Company goals and profitability because it diminishes the employee willingness to perform jobs in a caring and responsible manner.

The following are examples of various types of harassment.

- Verbal Abuse - Any language that degrades or berates others, including, but not limited to, racial, religious, or sexual comments, jokes, sexual innuendoes, or threats of any kind.
- Physical Abuse - Includes touching, hitting, slamming, throwing, kicking, or threatening another person, including restraining by force or blocking the path of another.

- Interference or Hostile Environment - Includes any behavior or action that interferes with an employee's ability to perform work assignments or results in or creates a hostile or intimidating work environment.
- Sexual Harassment - Includes, but is not limited to, sexual advances, requests for sexual acts or favors and other physical conduct of a sexual nature when:
 - o Submission to such conduct is made either explicitly or implied as a term or condition of an individual's employment;
 - o Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or
 - o Such conduct is severe and pervasive, and has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.
- Retaliation - Any adverse action or threat of adverse action taken or made because an individual has exercised or attempted to exercise any rights under state or federal employment laws or under the policies of Tharco, Inc... Retaliation may include, but is not limited to:
 - o Verbal abuse
 - o Threats of withholding or withdrawal of pay, promotions, training, or other employment opportunities.

In addition to the above forms of harassment, any behavior or action that interferes with an individual's ability to perform job duties or results in or creates a hostile or intimidating work environment is considered harassment.

Tharco, Inc. will not tolerate the discrimination or harassment of employees and/or applicants. Comments, conduct, off-color jokes, and innuendoes that may be perceived as offensive or harassing are strictly prohibited and will not be tolerated.

In addition, Tharco, Inc. will not tolerate the harassment of Company personnel by nonCompany personnel on Company premises. Non-Company personnel include, but are not limited to, customers, vendors, guests and regulators.

Any employee who feels he/she is the victim of discrimination, retaliation or harassment has a responsibility to report this to the President, the Controller, or other managerial personnel. Reporting of the incident should be made verbally and in writing to the President, the Controller or other managerial personnel immediately. A written complaint should include the specific nature of the incident, date and place of incident, names of all parties involved, as well as a detailed report of all pertinent facts. Complaints of harassment will be promptly and carefully investigated. Investigations will include interviews with all relevant persons, including the accused and other potential witnesses.

Any employee who in good faith files a complaint of harassment will be free from any and all reprisal or retaliation as a result of filing the complaint. Investigators will make every effort to strike a balance between the parties' desires for privacy and the need to conduct a fair and effective investigation.

Any employee who engages in harassment may be subject to disciplinary action including possible termination. Likewise, any employee making deliberately false accusations in this regard may be subject to similar disciplinary actions.

Responsibility

All Tharco, Inc. employees have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment must report it immediately to a management representative. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any employee found to have harassed a fellow employee or subordinate may be subject to immediate disciplinary action, up to and including dismissal. The Company may also take any additional action necessary to appropriately remedy the situation. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

Tharco, Inc. does not condone nor tolerate the harassment of one employee by another employee. The individual who makes unwelcome advances, threatens, or in any way harasses another employee is personally liable for such actions and their consequences.

State and Federal Remedies

In addition to the above, if you believe you have been subjected to sexual harassment, you may file a formal complaint with the *United States Equal Employment Opportunity Commission ("EEOC")*. Using our complaint process does not prohibit you from filing a complaint with the EEOC, although it has a period of 180 days to file the complaint which begins the day the alleged accusation occurred.

Health Examinations

Tharco, Inc. reserves the right to require an employee to participate in a health examination to determine the employee's fitness to perform his/her essential job functions. All such health exams shall be paid for by the Company.

Job Descriptions

We attempt to maintain a job description or a job duty list for each position at Tharco, Inc., and each employee is provided a copy for reference when appropriate. If your position's duties and responsibilities are changed, your job description or duties list will be updated. If you wish to review your job description or duty list, please see your manager.

Knowledge of Tharco, Inc.

After having learned to competently perform your own duties, your next step is to familiarize yourself with other Tharco, Inc. activities. This can prove valuable to you, our customers, and Tharco, Inc. as well. Tharco, Inc. may provide additional "cross-training."

Knowledge of the services and products of Tharco, Inc. will help you avoid the "I don't know" syndrome. Our customers' confidence in you increases as you are able to answer their basic questions. However, please don't pretend you know the answer or try to guess the answer when you are uncertain. If you are unsure of the correct information, refer the inquiry to your manager, or to a person more qualified to respond.

Proof of Citizenship / Right to Work

Federal regulations require all applicants must complete and sign Internal Revenue Service Form W4; and, all applicants who are hired need to present documents of identity and eligibility to work in the United States and complete United States Citizens and Immigration Services Form I-9. Our Company intends to hire only individuals who are U.S. citizens or aliens authorized to work in the United States. In compliance with the Immigration Reform and Control Act of 1986, as amended, documentation of citizenship or authorization to work in the United States will be solicited from all employees.

The Form I-9 must be completed the first day of employment but no later than three days. Failure to comply with submission of the I-9, according to federal law, is cause for termination.

Rehiring Former Employees

Applications from former employees will be processed according to the same procedures as new hires and will be given the same consideration afforded all other applicants, although prior performance records and circumstances surrounding prior termination will be considered. Any employee leaving the Company without providing sufficient notice of 14 days or discharged by the Company for reasons of performance or misconduct may not be considered for rehire. Seniority consideration for things such as vacation will begin again with the employee's new hire date.

Security Checks

Tharco, Inc. may exercise its right to inspect all packages and parcels entering and leaving its premises.

We Need Your Ideas

There may be areas in Tharco, Inc.'s operations needing improvement. These could be in service, production methods, equipment, communications, safety, marketing, and measures to reduce costs, losses, and/or waste. Please give us the benefit of your unique experience and thoughts. Also, make sure to document your innovative or money-saving

ideas for placement in your personnel file (include dates, detailed descriptions of your contributions, estimates from the accounting department regarding cost-savings or profits generated, etc.) - these may favorably affect your performance reviews.

STANDARDS OF CONDUCT

Tharco, Inc. is committed to conducting its business affairs with honesty and integrity. The commitment applies to relationships with customers, vendors, and employees. These rules, practices and policies concerning conduct and behavior ("Standards") are instrumental to our continued success, and yours, at the Company.

Whenever people gather to achieve goals, some rules of conduct are needed to ensure everyone works together efficiently, effectively and harmoniously. By accepting employment with us, you have a responsibility to Tharco, Inc. and your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights but make certain you understand what conduct is expected and necessary. When employees are aware of these rules, they can depend upon co-workers to follow the rules of conduct. This makes the Company a better place to work for everyone.

Compensation & Performance

WAGE & SALARY POLICIES

It is our desire to pay wages and salaries competitive with other employers in the marketplace and be fair, and equitable; variable with individual and Company performance; and in compliance with all applicable statutory requirements. A compensation package consists of two parts - direct compensation (taxable wage or salary) and indirect compensation (benefits). All compensation adjustments must be recommended by the employee's manager and approved by the Controller.

Deductions from Paycheck (Mandatory)

Tharco, Inc., like all employers, is required by law to make certain deductions from your paycheck. Among these are income taxes, and your contribution to Social Security and Medicare. Change in name, address, telephone number, marital status, or number of exemptions must be reported to the Controller immediately, to ensure proper credit for tax purposes.

Any other mandatory deductions made from your paycheck, such as court-ordered attachments, will be explained whenever the Company is ordered to make such deductions.

Deductions from Paycheck (Other)

Employees enrolled in Tharco, Inc. benefit plan(s) will have the amount detailed in the plan(s) for premiums deducted from their pay each payday (See Plan description(s) for details).

Error in Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, please contact your manager immediately. Your manager will take the steps to research the problem and ensure necessary corrections are made by the next pay period.

Overtime Pay

Occasionally, you may be requested to perform overtime work. Your Manager must approve all overtime in advance and initial your time sheet. When it is necessary to work overtime, you are expected to cooperate as a condition of your employment. There are two types of overtime work:

- **Scheduled Overtime:** Scheduled overtime work is announced in advance. This type of overtime becomes part of the required workweek. If you need to be excused from performing scheduled overtime, please speak with your Manager. He/she will consider your situation and the requirements of the department or operation when deciding whether or not you may be excused from performing the scheduled overtime.
- **Incidental Overtime:** Incidental overtime is not scheduled but becomes necessary in response to extenuating circumstances. Incidental overtime may become necessary when an illness or emergency keeps co-workers from being at work, as anticipated. The opportunity to perform incidental overtime is normally given first to employees who usually perform the task. If that employee cannot perform overtime, the Manager will offer overtime to a suitably qualified person available to perform overtime.

Overtime is paid for more than 40 hours worked within a seven-day period. Should an employee take a vacation day during a workweek, or when a paid holiday falls in a workweek, those day(s) do not count as part of the 40 hours worked for the purpose of determining overtime hours. As compensation for overtime worked, overtime hours worked are paid at the rate of one and one-half times the employee's regular hourly rate.

Pay Cycle

Tharco, Inc. pays based upon work performed during the weekly cycle of Saturday 12:01 a.m. through Friday 12:00 midnight. Payday is normally on Thursday afternoon for services performed for the one week period ending the previous Friday at 12:00 midnight.

Paycheck Distribution & Cashing Procedures

Paychecks/stubs are distributed directly to employees on payday. If you are absent on payday, you may have someone pick up your check on payday by authorizing a specific individual in writing to do so. This person must sign for the check and provide picture identification such as a driver's license for identity verification. Direct deposit is available with the company and recommended for ease and consistency.

A regular employee who may be home for a week or two on a rotating shift, vacation, leave, etc., should call the office on Monday to make arrangements to pick up his/her paycheck.

Employee paychecks may not be cashed at Tharco, Inc. It is Company policy not to cash an employee's paycheck.

Duplicate Paychecks

Employees requesting duplicate paychecks to be issued for lost or stolen paychecks will be charged the current "Stop-Pay" fee as charged by the bank. This fee must be paid to Tharco, Inc. before the duplicate check will be issued or it will be deducted from the duplicate check.

Payroll Advances and Personal Loans

Tharco, Inc. does not offer payroll advances and/or personal loans to employees.

PERFORMANCE & COMPENSATION REVIEWS

Performance - What we expect

Employees are expected to provide good customer service, keep Company equipment well-maintained and in good working condition, maintain a neat and clean work area, be effective "salespeople" of all Company services and be productive during all working hours. Errors can and will be eliminated by conscientious efforts on the part of everyone to do his/her best at all times. Employees who fail to comply with these requirements in this respect and within reason will be subject to disciplinary actions.

Each employee is responsible to ensure his/her work area is kept clean and neat. Waste cans are provided and all trash is to be placed in the appropriate container.

Housekeeping is a reflection on every employee and each employee is expected to do his/her part to reflect an image of quality and neatness to other employees and customers.

Performance Reviews

Your Manager is continuously evaluating your job performance. Day-to-day interaction between you and your Manager should give you a sense of how your Manager perceives your performance. However, to avoid any misconceptions, Tharco, Inc. will generally

conduct a formal review once each year. Additional evaluations may be conducted at any time at the discretion of your Manager.

All employees are normally reviewed during these review periods regardless of anniversary dates. We endeavor to review new employees at least once during their 90day introductory period. A review may also be conducted in the event of a promotion or change in duties and responsibilities or at the request of any Manager.

During performance evaluations, Managers consider the following things, among others:

- Attendance, initiative, and effort
- Knowledge of your work
- Attitude and willingness to work
- Quality and quantity of your work
- Work habits
- Adherence to the policies in the Company Employee Manual and the duties and responsibilities stated in their job description
- A record of safely performing work without injury to oneself, fellow workers other people or damage to property.

The primary reason for performance reviews (evaluations) is to identify your strengths and areas of improvement, to reinforce your good habits and to develop ways for you to improve. This review also serves to make you aware of and to document how your job performance compares to Tharco, Inc. goals and the description of your position. This is a good time to discuss your interests and future goals. Your Manager is interested in helping you progress and grow to achieve personal and work-related goals.

In addition to individual job performance reviews, the Company normally conducts a review of position descriptions to ensure awareness of any changes in duties and responsibilities of each position.

WORK SCHEDULE

The normal work week consists of five (5) days, eight (8) hours long, Monday through Friday. Your schedule of daily work hours will be given to you by your manager. You will be notified promptly whenever a change is necessary. Should you have any questions concerning your work schedule, please ask your manager.

From time to time, it may be necessary for you to be absent from work. Tharco, Inc. is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise.

If you are unable to report to work or if you will arrive late, please contact your manager immediately. Give him or her as much time as possible to arrange for someone else to cover your position until you arrive. If you know in advance that you will need to be absent, you are required to request this time off directly from your manager.

When you call in to inform Tharco, Inc. of an unexpected absence or late arrival, ask for your manager directly. For late arrivals, please indicate when you expect to arrive for work. Notifying a fellow employee is not sufficient. If you are unable to call in yourself because of an illness, emergency or for some other reason, be sure to have someone call on your behalf. If your manager is not available when you call, you may leave the information with another manager.

Absence from work for three (3) consecutive days without notifying your manager will be considered a voluntary resignation.

Break/Rest Periods

You are entitled to two 15-minute rest breaks each day. Normally these rest breaks will be scheduled in mid-morning and mid-afternoon. These will be determined by your manager. If you work in a department where breaks are not directly assigned, please coordinate with your manager to maintain adequate coverage at all times. Always be sure to return to work on time at the end of any break.

In the unlikely event of an emergency or unusual condition, your manager may ask you to change or postpone your break.

Excessive Absenteeism or Lateness

In general, five (5) unexcused absences in a year will be considered excessive, and the reasons for the absences may come under question. Tardiness or leaving early is as detrimental to Tharco, Inc. as an absence. Three such incidents in a gO-day period are considered a "tardiness pattern" and carry the same weight as an absence. Other factors, like the degree of lateness, may be considered.

Excessive absenteeism, lateness or leaving early may lead to disciplinary action, including possible dismissal.

Lunch Period

If you work longer than four (4) hours, you will be given an unpaid lunch period. The time when lunch periods are scheduled will be dependent upon the job requirements, however, it is recommended that you take your lunch from 12:00 to 12:30.

You are expected to take your full allotted time for lunch. You are requested not to perform any work during your regularly scheduled lunch period, unless specifically requested to do so by your manager. In that event, your lunch will be rescheduled or you will be paid for the time that you worked.

BENEFITS

In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits that will enhance your job satisfaction. We are certain that you will agree that the benefits program described in this Manual represents a very large investment by Tharco, Inc.

A good benefits program is a solid investment in Tharco, Inc. and its employees. It not only insures the loyalty of long-time capable employees, it also helps to attract talented newcomers who can help Tharco, Inc. grow. Tharco, Inc. will periodically review the benefits program and will make modifications as appropriate.

PAID LEAVES OF ABSENCE

Holidays

All full-time employees are eligible for holiday pay after the Introductory Period. Nonexempt employees are not eligible to receive holiday pay during your Introductory Period of 90 days. Non-exempt Part-time and Temporary employees are eligible for holiday pay at their average daily wage (regular days pay) after successfully completing their Introductory Period of 90 days.

The following paid holidays are recognized by Tharco, Inc. only if the holiday falls on a normally scheduled workday:

- New Year's Day (Jan. 1)
- Memorial Day (May)
- July 4th
- Labor Day (Sept.)
- Thanksgiving Day (Nov.)
- Christmas Day (Dec. 25)

Vacations

Vacation is a time for employees to rest, relax, and pursue personal interests. Tharco, Inc. provides a paid vacation as one of the many ways we show our appreciation for your loyalty and continued service.

All full-time employees are eligible for paid vacation. You begin to become eligible for vacation from your first day of employment (anniversary date); you are qualified to take any paid vacation that has accrued up to the first January of your employment.

Vacation compensation policy is applicable to all full-time employees averaging a minimum of 30 hours per week. Exempt employees will receive their base weekly salary during the week(s) of vacation.

Starting with the date of hire, regular full-time hourly employee' vacation is calculated in the following manner.

Beginning on the first day of employment each hour employee works vacation time is accumulated for the following year (Jan 1st). (Holiday and vacation time is included with the hours worked for calculation). Time is calculated from Jan 1st through Dec. 31st each year. The percentage used will depend upon the number of years of employment with Tharco, Inc. Vacation will be available for use beginning Jan 1st of the year following its accumulation. The percentage used will be as follows:

From the first day through two years of continuous employment vacation percentage will be 1.95% of each hour worked. (This will equal one week / 40 hours of vacation hours, if you work 40 hours every week for the entire year). If you work additional hours during the year you will earn additional vacation.

From three years through seven years of continuous employment: Vacation percentage will be 3.90% of each hour worked. (This will equal two weeks / 80 hours of vacation hours, if you work 40 hours every week for the entire year). If you work additional hours during the year you will earn additional vacation.

From eight years and beyond of continuous employment: Vacation percentage will be 4.85% of each hour worked. (This will equal three weeks / 120 hours of vacation hours, if you work 40 hours every week for the entire year). If you work additional hours during the year you will earn additional vacation.

Starting with the original date of hire, salaried employees will receive:

- After one (1) year continuous employment - 5 days of paid vacation
- After three (3) years continuous employment - 10 days of paid vacation
- After eight years continuous employment - 15 days of vacation

All vacation times are subject to Company approval. The scheduling of vacations is at the discretion of the Company in accordance with the needs of the business. No vacation advances are permitted. If you do not have the time accumulated, your pay will be docked. Vacation request forms must be completed and submitted to the employee's immediate manager at least 14 days prior to the desired vacation start date.

Employees may receive pay in lieu of vacation time not taken at the end of each year. You cannot accumulate earned vacation time from year to year. If an employee is discharged for cause, he/she is not eligible to receive any of their accumulated vacation time.

Marriage Vacations

If a full time employee marries, Tharco Incorporated will present a one week marriage vacation check equivalent to his/her base pay to give time off and enjoy time together as a newly married couple. This vacation will not be deducted from your earned vacation time.

UNPAID LEAVES OF ABSENCE

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with Tharco, Inc., but may not wish to submit your resignation. Under certain circumstances, you may be eligible for an unpaid leave of absence. There are several types of unpaid leaves for which you may be eligible.

Funeral (Bereavement) Leave

Tharco, Inc. provides employees with three paid days off for the Bereavement of an immediate family member (father, mother, spouse, child, brother or sister, mother in law or father in law). Tharco, Inc. also provides one paid day off for the Bereavement of an employee's grandmother or grandfather). If additional Bereavement leave is needed, a request for the additional unpaid time must be in writing and is at the sole discretion of the Company for approval.

Educational Leave of Absence

An educational leave of absence may be approved if the desired curriculum is of mutual benefit to you and Tharco, Inc. Apply in the same manner as you would for a personal leave of absence.

Election Day

We encourage you to exercise your voting privileges in local, state, and national elections. However, since the polls are open for long periods, you are encouraged to vote before or after regular working hours.

Jury Duty

It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, you will be granted the necessary time off. You must present a statement of jury service to the office upon completion of your service. This document is issued by the Court. You must notify your manager within 48 hours of receipt of the jury summons. Tharco, Inc. will grant an employee time off for mandatory jury duty. The employee must provide a copy of the jury summons to his or her manager.

Military Reserves Leave of Absence

Employees serving in United States military organizations may take necessary unpaid time off, without pay, to fulfill this obligation, and retain all their legal rights for continued employment under existing laws, when they return within the stipulated time frame. Employees may apply accrued vacation time (if any) to the leave if they wish, but are not obliged to do so. You are expected to notify your Manager as soon as you are aware of the dates you will be on duty so arrangements can be made for replacement, if necessary, during this absence.

Personal Leave of Absence

In very special circumstances, Tharco, Inc. may grant an unpaid leave for a personal reason, but never for taking employment elsewhere. You should request an unpaid personal leave of

absence from your manager. A personal leave of absence must not interfere with the operations of your department or Tharco, Inc. Your manager will submit your request to the appropriate member of management for final approval.

A personal leave of absence may be granted for up to 30 days. If your leave is extended for more than 30 days, vacation and other benefits will no longer continue to accrue. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. Failure to return from a leave at the time agreed will result in termination of employment.

INSURANCE COVERAGE

All full-time employees are eligible for group insurance. Employees are eligible to sign up for group insurance coverage 60 days after the date of hire but coverage will not become effective until the first of the following month after becoming eligible. Upon extending an offer of employment, the company will provide the employee with a breakdown of the various coverage and the amounts paid by Tharco, Inc.

For complete information regarding Tharco, Inc.'s insurance benefit plans, consult your manager.

Group Medical Insurance

In the event of your termination of employment with Tharco, Inc. or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program for a limited period of time at your or their own expense.

Filing a Claim

No claim forms are required for this coverage. You use your Identification card supplied by the insurance company.

Termination of Insurance

Your insurance policy will terminate when you cease to be eligible for coverage under the terms of our group insurance program, or when you cease to be employed as a regular employee eligible for insurance per the requirements of the federal law known as COBRA (Consolidated Omnibus Budget Reconciliation Act.) Coverage beyond COBRA is permissible under a separate conversion option within 30 days after termination of COBRA coverage. Please see the insurance plan description for more details. Your manager can provide details concerning your rights and responsibilities under COBRA.

Insurance Premium Payment During Leaves of Absence

Tharco, Inc. continues to make payments on behalf of the employee; however, the employee is obligated to make full payments, including the normal Company contribution, in order to maintain the coverage. Failure to do so may result in loss of coverage and possible refusal by the insurance carrier to reinstate your coverage.

MISCELLANEOUS BENEFITS

Training

All full-time and part-time employees may be required to attend training programs or development seminars. Such training will be provided at Tharco, Inc.'s expense and on Company time. Topics of training may be recommended by the employee's manager or selected by the employee and approved by the manager.

Courses or programs considered for the fulfillment of this requirement:

- Must be relevant to the employee's present job or potential promotional opportunities.
- May include job-related training courses offered by vendors, suppliers, or hired consultants for the purpose of learning a new process or operating new equipment.
- May be performed in-house by a hired educator or an officer of Tharco, Inc. or their designee.

Tharco, Inc. will reimburse employees in full for any job-related training required by the Company (following approval by the employee's manager prior to registration, and upon satisfactory completion of the program). If the training is conducted out-of-town, expenses for travel, meals, and/or lodging will be paid by the Company, upon completion and submission of Expense Report form with original receipts. Fees paid by the Company in advance will be paid back to the Company via payroll deduction if the employee does not satisfactorily complete the program.

Training requirements will be determined at three levels: Company, department, and/or individual. Training will be performed either in-house or outside. In-house training includes on-the-job training as well as special training sessions in a more formal classroom environment. Outside training is any external training required where resources are not available within Tharco, Inc. This type of training is generally used for major software changes or for new software packages. Any materials acquired at an outside training session remain Company property.

For all training, there will be some measurement of effectiveness put in place with feedback provided to the trainees. It is the intent of Tharco, Inc. to provide training for all employees to help them to develop a broader knowledge base and become more valuable employees.

GOVERNMENT REQUIRED COVERAGE

Workers' Compensation

The State of Maryland requires employers carry workers' compensation coverage. This is designed to provide you with benefits for any injury you may suffer in connection with your employment. Under the provisions of the law, if you are injured while at work, you are eligible to apply for workers' compensation. Should you need to file a claim for a job related injury, speak to your manager immediately so proper claims forms can be completed and filed. You must report your injury within 24 hours or your workers' compensation claim may be denied, and the cost of the medical treatment would be under your medical insurance, if any.

Unemployment Compensation

Tharco, Inc. pays a percentage of its payroll to the Unemployment Compensation Fund, according to Company employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible you must have earned a certain amount over a specified period, and be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible. The Company pays the cost of this insurance.

Social Security

The United States Government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, Tharco, Inc. is required to deduct this amount from each paycheck you receive. In addition, the Company matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

OTHER POLICIES

Cell Phones

Any employee issued a Company cell phone must ensure it is kept in working order and free from damage. Any employee losing a Company cell phone will be responsible for replacement costs.

Company cell phones are not for personal use, and the cell phone number is not to be given to personal friends or family. Except in an emergency, it is to be used strictly for business to maintain communications with the office and our customers.

Each cell phone has enough minutes necessary to complete an employee's job each month. If an account exceeds the monthly allocated minutes due to personal abuse, the

employee will be required to pay his or her portion of the monthly bill and will be subject to disciplinary action.

Usage of cell phones while driving is prohibited. It is unsafe and illegal in many cities.

Communication

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information; you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes that occur daily, make certain you are aware of and utilize all Tharco, Inc. methods of communication, including this Employee Manual, discussions with your Manager, memoranda, meetings, computer networks, training sessions, etc.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so your family can learn more about your job and your benefits.

In addition, you may receive letters from Tharco, Inc. There is no regular schedule for distribution of this information. The function of each letter is to provide you and your family with interesting news and helpful information, which will keep you current on the events at the Company.

Computer Software (Unauthorized Copying)

Tharco, Inc. does not condone the illegal duplication of software. The copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. It is illegal to make or distribute copies of copyrighted material without authorization. The only exception is the user's right to make a backup copy for archival purposes.

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

Even the users of unlawful copies suffer from their own illegal actions. They receive no documentation, no customer support, and no information about product updates.

Tharco, Inc. licenses the use of computer software from a variety of outside companies. The Company does not own this software or its related documentation and, unless authorized by the software manufacturer, does not have the right to reproduce it. This software may only be used on an in-house basis.

With regard to use on local area networks or on multiple machines, Tharco, Inc. employees shall use the software only in accordance with the license agreement.

Employees learning of any misuse of software or related documentation within the Company shall notify a Manager or management.

According to Federal copyright law, illegal reproduction of software can be subject to civil and criminal penalties, including fines and imprisonment. Employees who make, acquire, or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include dismissal.

Computer Viruses

It is extremely important to scan any disks from outside Tharco, Inc. before they are used on any Company computers. Please make sure that virus scan software is used to check these disks before loading or using them. Please make sure that virus protection software is engaged prior to logging onto the Internet.

Department Meetings

From time to time, your manager may schedule short group meetings. It is a requirement and to your advantage to be at these meetings. They give you and your fellow workers a chance to receive information on Company events, to review problems and possible solutions, and to make suggestions about your department or your job. Employees will be paid for any meetings called by Tharco, Inc. during working hours. Attendance at meetings scheduled during non-working hours is voluntary and is not considered paid or scheduled time unless stated in the meeting notification.

Dress Code / Personal Appearance

All employees are expected to wear appropriate clothing (to include company shirts) and observe personal hygiene habits appropriate to their position and the nature of the work performed. These standards are especially important for those employees in direct contact with customer and other members of the business community. It is important an employee's appearance projects a positive and appropriate image for the Company.

All employees are required to maintain the highest standards of personal hygiene including regular bathing, clean hands and fingernails. All employees must wash their hands after going to the restroom and before going back to work.

The following are some examples of clothing that is **not** appropriate: shorts or cutoffs, tights or "leggings" without an over-skirt, halters/tank tops without an over-blouse or jacket, see-through tops, sweat suits, micro-mini skirts, etc. Clothing is to be free from holes (sewn shut) and should fit properly (loose-fitting clothing is a safety hazard).

Any employee who reports for work attired in a manner unacceptable to Company standards may be subject to disciplinary actions or required to return home to correct the situation. The period of absence will be treated as unpaid leave.

Tharco, Inc. may require certain employees to conform to a more conservative dress code. Generally, these would include employees with a high degree of visibility and/or contact with customers.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and appropriately groomed during working hours or when representing Tharco, Inc. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our Company image.

Emergencies

In case of fire, severe weather, earthquake, medical, or safety emergencies during normal working hours, employees should call 9-1-1 , then immediately notify their manager.

Injury or Illness In the event you witness a medical emergency, do the following:

1. Summon necessary medical assistance immediately.
2. Call 9-1-1 immediately and give as much detail as possible.
3. Provide the approximate age, symptoms, and location of the injured/ill individual so emergency vehicles can be properly equipped and staffed.
4. Locate someone qualified to administer first aid, if needed.
5. Wait for help to arrive.
6. Report injuries to management, even though medical attention may not be required.

Smoke or Fire: Personal safety and discretion should be considered before attempting to extinguish any fire. Fire extinguishers are located throughout the building and employees should acquaint themselves with their locations and operations.

Remember ... when an emergency arises, be calm; walk, do not run! Always direct and meet the emergency vehicle at the facility. Familiarize yourself with fire and first aid equipment and evacuation procedures.

It is important you make sure your employment records reflect your current contact in the event of a medical emergency. Changes should be made in writing with the Controller.

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

Employee Purchases

Tharco, Inc. offers an employee discount program. Any product purchased for an employees' personal consumption will be sold to him/her at our cost. It is understood the Company will not short our customers in order to fill an employee purchase.

Abuse of any employee discount program will be considered cause for disciplinary action up to and including termination of this program and/or the employee.

Employee References

Information concerning former or current Tharco, Inc. employees is considered confidential. All mail and telephone inquiries are directed to the Controller. Employees other than the Controller are strictly prohibited from providing any information concerning former or current employees.

Information released by the Controller includes dates of employment and positions held. Unless required by court order or subpoena, the employee must provide a signed release to the Controller to release information in addition to dates of employment and positions. As an employee, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities, and then only with written authorization from the employee. If it is not part of your job responsibility and you receive a request for a reference, forward it to the Controller.

Complaint Resolution

Our goal is to maintain a comfortable working environment for everybody. We do this by:

- Treating each of you as an individual and encouraging your maximum development.
- Recognizing each of you is essential to the success and growth of Tharco, Inc.
- Maintaining direct communications with all of our employees and ensuring each and every one of you can speak directly and openly with our management team.

We believe this type of communication, without interference from any outside party, is best for all concerned. Therefore, when you wish to express your problems, opinions, or suggestions, you will always find an open door and an attentive ear.

Resolving Problems

Whenever you have a problem or complaint, we expect you to speak up and communicate directly with us. With the exception of complaints regarding harassment, discrimination or retaliation, a problem or complaint should be addressed according to the following steps:

1. First, talk to your immediate Manager. Your Manager is most familiar with you and your job and is, therefore, in the best position to assist you. Your

Manager works closely with you, and is interested in seeing you are treated fairly and properly.

2. If your Manager cannot help you resolve the matter, you may speak to the Controller, who will address your problem or complaint with prompt consideration.
3. If the Controller feels the situation warrants further review, he/she will ask the President for assistance.

Remember: It is always best to resolve problems right away. Little problems tend to turn into big problems; facts become confused; resentment and anger builds up. It is always best to get things off your chest before they get out of hand.

One of Tharco, Inc.'s primary goals is to fulfill its responsibilities with you, our employee, both as an individual, and as a contributing member of the Company. This is accomplished by managing the Company in such a way that you will always be treated with respect and dignity. We believe every person deserves to be treated in this manner, in any situation. We also believe this principle helps make the Company successful. In this environment, we can work together to solve any problem.

Housekeeping

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times - it is a required safety precaution. Easily accessible trash receptacles are located throughout the facilities. Place all trash in the appropriate receptacles and containers.

A good employee should:

1. Always be aware of good health and safety standards, including fire and loss prevention.
2. Clean and straighten all work areas at the end of each workday.
3. Dispose of all trash and debris in trash receptacles.
4. Keep the restrooms clean and stocked with necessary supplies at all times.
5. Report anything needing repair or replacement to your manager immediately.
6. Wash utensils and cutlery after you use them.
7. Clean up any crumbs and/or spills that you may cause.
8. Remove any personal lunch containers from the refrigerator regularly.
9. Empty kitchen trash and replace bag if full.
10. Notify your manager if cleaning supplies are running low.

Keys and Alarm

Employees may be assigned keys for access to the building at the discretion of management. Please use caution and treat your key(s) as you would the key to your home. If any such key is lost or stolen, IMMEDIATELY notify management.

Building and office keys, alarm system codes, and job site keys are given to employees whose job description and level of responsibility requires them to have, or makes it

advantageous for them to have these items. No access to Company premises during off hours is permitted without prior notification and approval of management.

No employee in possession of entry cards, keys, or alarm codes is permitted to give these items to any other person, including other employees, or make copies of the keys. All issued entry cards, keys, and alarm codes remain the property of Tharco, Inc.

Workplace Disruptions

It is expected that all employees will be respectful of those who are concentrating on their work. Loud noises and unnecessary distractions are to be avoided.

Parking and Company Grounds

Tharco, Inc. does not assume any liability for any loss or damages your vehicle may sustain while using the Company or other parking facilities. Employees may park in any of the spaces in the parking lot except those marked as "reserved" or those where prohibited by law.

Any parking tickets issued to employees are their responsibility. Additional fines for late payment will not be reimbursable. No parking fines issued for street parking of Company vehicles at employee's residence will be reimbursed.

Parking provisions at our Company are adequate providing all employees make *efficient* use of space available. All parking spaces are utilized on a first-come, first-served basis.

All employees are to respect the property of Tharco, Inc. and others by observing the following:

- Do not deposit litter anywhere on Company property except in waste receptacles;
- Upon entering and exiting the parking lot, do not spin your tires causing stones to fly;
- Do not park so close to any vehicle so as to prevent another driver from entering the vehicle;
- Do not park so close to or behind any vehicle so as to block them in;
- Keep your vehicle locked at all times.

The Company is not responsible for damage to or theft of any vehicle or its contents.

Personal Mail

Please do not use Tharco, Inc. as a personal mailing address either for incoming mail or as a return address (including e-mail). We assume all mail delivered to the Company to be Company mail. Please keep us from opening your personal mail by not having it delivered to our address.

Do not put personal mail in the stacks to be run through the Company postage meter. Although the amount may seem small, it is considered theft.

Tharco, Inc. stationery must not be used for personal correspondence. Any communication sent out on Company stationery must be official Company business.

Property & Equipment Care

It is your responsibility to understand the machines and equipment you use to perform your duties. Good care of any equipment that you use during your employment and the conservative use of supplies will benefit you and Tharco, Inc. If you find a machine is not working properly or is in need of repairs, please notify your Manager immediately. Under no circumstances should you attempt repairs yourself unless you have been trained to do so and are specifically authorized by your manager.

Security

Maintaining the security of Tharco, Inc. is every employee's responsibility. Develop good habits ensuring security as a matter of course. For example:

- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them should the need arise.
- When leaving the Company premises, make sure all entrances, vehicles, tools, equipment, etc. are properly locked and secured.
- Avoid blocking any exits with hazardous materials or conditions, etc.

Seniority

Layoffs and promotions will not be based on seniority. These decisions will be made solely on an individual's skills, abilities, evaluations, attitude, and job performance. Seniority will only be used as a basis for benefits if all other circumstances are equal.

Personal Visitors While on Duty

Tharco, Inc. discourages personal visitation by friends/relatives while employees are on duty. Abuse of visitations may result in disciplinary action.

Smoking

Smoking is permitted in designated areas only. According to the Surgeon General of the United States there is clear evidence that establishes the dangers of smoking for the smoker as well as the harmful effects of secondhand smoke. In view of this risk, all employees and visitors who smoke are expected to be considerate of those who do not and to abide by the following rules:

- Refrain from smoking in any of the company's office spaces.

Solicitations & Distributions

Solicitation for any cause during working time and in working areas is not permitted. You are not permitted to distribute non-Company literature in work areas at any time during working time. Working time is defined as the time assigned for the performance of your job and does not apply to meal times. Solicitation is defined as collecting money, taking orders, circulating petitions, distributing pamphlets or leaflets, and transacting other than

Company business. Persons not employed by Tharco, Inc. are prohibited from soliciting or distributing literature on Company property at any time.

Supplies

When office supplies, cleaning supplies, bathroom supplies, and/or kitchen supplies are low, please notify your manager of the need to reorder.

Telephone Usage

Tharco, Inc. does not encourage employees to make or receive outside personal phone calls during working hours. All incoming or outgoing emergency calls will be handled immediately. No personal long-distance calls are to be made using Company telephones (including Company cell phones). Employees must receive prior approval before making a personal long-distance call using the Company telephones. Personal long-distance calls should be made collect or charged to the employee's personal credit card.

Computers, E-mail, and Internet Usage

Computers, e-mail, Internet services, and other communication systems are to be used for business purposes only. Personal use of these technologies and services is prohibited. All communications conducted with Company resources, including e-mail and Internet services, are subject to monitoring and review at any time.

Use of Company computers, e-mail systems, and Internet access accounts for personal reasons or for any improper purpose is strictly prohibited. Prohibited uses include, but are not limited to:

- Sending or posting messages or material that could damage the Company's image or reputation, or that disparages, defames, or slanders another person, entity, or another organization's products or services .
- The transmission, retrieval, downloading, or storage of content, including messages or images that are offensive, derogatory, defamatory, off-color, sexual in content, threatening, harassing, or otherwise inappropriate in a business environment.
- The transmission, retrieval, downloading, or storage of content, including messages or images that relate to race, color, national origin, citizenship status, sex, religion, age, handicap, disability, sexual orientation, or any other status protected under local, state and federal laws. Users encountering such material must immediately report the incident to the Controller .
- Stealing, using, or disclosing someone else's password without authorization.
- File sharing of confidential copyrighted materials, including sending or receiving confidential or copyrighted materials, without prior authorization from the Controller.

- Copying, pirating, or downloading software and/or electronic files without authorization.
- Failing to observe and comply with licensing agreements.
- Forwarding e-mail to any other person or entity without the express permission of the sender.
- Altering or copying a file that is work of another user without first obtaining permission from that person. The ability to read, alter or copy a file does not imply permission to read, alter or copy that file.
- Without prior permission, the computer and telecommunication resources and services of Tharco, Inc. may not be used for the transmission or storage of personal advertisements, solicitations, promotions, destructive programs (viruses and/or self-replication code), political material or any other unauthorized or personal use.
- Engaging in day trading, or otherwise purchasing or selling stocks, bonds or other securities or the transmission, retrieval downloading or storage of information, including messages or images that relate to the purchase or sale of stocks, bonds or other securities.
- Gambling, regardless of the type, playing electronic games and monitoring sports scores.
- Jeopardizing the security of the Company's computer systems.
- Using the Company's time and resources for personal gain.

In addition, personal computer codes, passwords, and locks are prohibited throughout the Company. Tharco, Inc. retains the right to conduct searches of Company property at any time. No employee should have any expectation of privacy. A search of Company property is not an allegation of criminal conduct. The Company also retains the right to search any locker or secured area on the premises. This search includes, but is not limited to, desks, lockers, computers, computer files, e-mail, Internet services, voice-mail, and toolboxes, which must be available to the Company at all times.

Theft

Tharco, Inc. will not tolerate property theft from the Company, fellow employees or customers. We consider property theft to be the unauthorized use of Company services or facilities or the taking of any Company, fellow employee, or customer property for personal use. Prototypes, drawings, computer applications, manuals and/or other writings developed by employees while on Company time for use by Tharco, Inc. are considered property of the Company.

Any theft of Company property, fellow employee's personal property, or customer's property must be reported to management immediately. Anyone committing theft or attempting theft will be subject to the penalty clause below.

Penalty Clause

The penalty for any incidence of unauthorized possession or removal of Company property may include immediate dismissal. If you are dismissed because of unauthorized possession or removal of Company property, you may be subject to prosecution.

Thermostat

The thermostat temperature for the heating and cooling systems in the office is regulated to provide a comfortable atmosphere for all employees, and should not be touched. Anyone having a problem with the temperature in the office should contact his or her Manager.

Use of Company Property

If you want to use Company equipment during or after work hours for personal benefit, you must have the approval of management. You must sign for the equipment on the equipment sign-out sheet before removing it from Company property. You understand and agree Tharco, Inc. is not liable for personal injury incurred during the use of Company property for personal projects. As an employee, you accept full responsibility for any and all liabilities for injuries or losses, which may occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition and you agree to pay for any damages that occur while using the equipment for personal projects.

Employees must return all Tharco, Inc. property immediately upon request or upon termination of employment. Where permitted by applicable laws, Tharco, Inc. may withhold from the employee's check or final paycheck the cost of any items that are not returned when required.

Vehicles

Tharco, Inc. owned/leased/rented vehicles are for business use only. Spouses, other family members, and employee friends are strictly prohibited from using Company vehicles for any reason.

All drivers must have a current valid Maryland driver's license and provide Tharco, Inc. with information on their driving record. Any change in license status or driving record must be reported to the Controller immediately.

Company vehicles are to be operated only by authorized drivers. All company vehicles are for company related use only. At no time is a driver authorized to use a company vehicle for personal matters or carry unauthorized passengers.

All drivers will remove accumulated trash and properly dispose of daily. Drivers of assigned vehicles are responsible for the appearance of the vehicle as well as general

maintenance to include but not limited to washing, and checking oil, belts, tires and fluid levels.

Should an employee become involved in an accident where they are at fault, while using a Company vehicle for **personal** use, they are responsible for the insurance deductible.

Should an employee be involved in an accident while using a Company vehicle for business use, he or she may be responsible for the insurance deductible and for providing a suitable vehicle for business use until the Company vehicle has been repaired and returned to service, if the accident was due to employee negligence.

All accidents and/or damage to Company vehicles must be reported immediately to your manager. Failure to report accidents and/or damage may result in disciplinary action up to and including discharge. All required accident reports must be completed (contact the Controller) and employees may be required to testify in court or other proceedings involving accidents.

Extreme caution and care must be utilized when towing trailers. All vehicle drivers are required to perform a visual inspection before towing to be sure trailer is properly hitched to vehicle. Speed limits must never exceed 55 miles per hour when a trailer is in tow. When parking or backing-up, it is the driver's responsibility to be sure all areas are clear of obstructions and pedestrians. All vehicles and trailers are to be locked while unattended and the keys removed.

When an employee is using a personal vehicle on Company business, or using a Company vehicle, the wearing of seat belts, at all times, by all occupants, is mandatory. When an employee is operating a personal vehicle on Company business, or using a Company vehicle, he/she shall not use or have used or consumed illegal drugs, or any prescription drugs, unless specifically instructed by the prescribing physician that the prescription drugs will not affect driving performance. While operating a personal vehicle on Company business or using a Company vehicle, an employee shall not use or have used alcoholic beverages during or prior to operation. (See Drug and Alcohol Policy)

All company information should be considered confidential in nature. This includes your wage rate and the wage rate of others. Failure to maintain this confidentiality could lead to disciplinary action up to and including termination.

All employees will be required to maintain a valid operator's license and provide a copy to the Controller before operating any Company vehicle. Our insurance carrier requires a license check be run with the Maryland Department of Motor Vehicles and the carrier maintains the right to refuse coverage to employees who do not meet their standards. Any employee refused coverage by the insurance carrier will not be permitted to operate any Company vehicle.

RECEIPT & ACKNOWLEDGMENT OF EMPLOYEE MANUAL

This Employee Manual is an important document intended to help you become acquainted with Tharco, Inc. This Manual will serve as a guide; it is not the final word in all cases. Individual circumstances may call for individual attention.

This Employee Manual provides information to you, as an employee of Tharco, Inc., about certain terms and conditions of your employment. It is not, and should not, be considered an employment contract. Your continued employment, and the conditions of your employment, are solely within the discretion of Tharco, Inc. and is at will. This manual summarizes the major policies and programs related to your employment. Additional information about many of these policies and programs is available from the Controller of Tharco, Inc. Please take advantage of these resources to assure that you are fully aware of your rights and responsibilities as an employee of Tharco, Inc.

While Tharco, Inc. will make every effort to keep the Employee Manual current, the information and policies described in this manual may be changed in any way at any time at the sole discretion of Tharco, Inc. without notice to you. The most recent version of the Employee Manual will supersede all previous versions. You are responsible for complying with current Tharco, Inc. policy at all times.

Please read the following statements and sign below to indicate your receipt and acknowledgment of Tharco, Inc. Employee Manual.

I have received and read a copy of Tharco, Inc. Employee Manual. I understand the policies, rules, and benefits described in it are subject to change at the sole discretion of the Company at any time without notice.

I further understand my employment is terminable at will, either by the Company, or myself regardless of the length of my employment or the granting of benefits of any kind, including but not limited to any benefits, which provide for vesting based upon length of employment.

I understand no contract of employment other than "at will" has been expressed or implied and no circumstances arising out of my employment will alter my "at will" employment relationship unless expressed in writing with the understanding specifically set forth and signed by myself and the President of Tharco Inc.

I am aware during the course of my employment confidential information may be made available to me, Le., marketing strategies, customer lists, pricing policies and other related information. I understand this Information is critical to the success of the Company and must not be given out or used outside of the Company premises or with non-Company employees. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or Company. I understand it is forbidden to copy this Employee Manual and it must be returned upon my termination of employment.

I understand that, should the content of the Employee Manual be changed in any way, the Company may require an additional signature from me to indicate I am aware of and understand any new policies.

I understand my signature below indicates I have read and understand the above statements and have received a copy of the Tharco, Inc. Employee Manual.

Employee's Printed Name

Position

Employee's Signature

Date

A signed original copy of this agreement must be given to the Controller. It will be filed in your personnel file.