

# 2010

## Affiliate Employee Handbook



**Shore Mortgage**

**770 South Adams Road, Ste. 300**

**Birmingham, MI 48009**

**800-678-6663**





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Personnel Policy No.: 001 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding: **Purpose of Employment Handbook**

Welcome to Shore Mortgage (the “Company”).

The foundation of the Company is its employees. Your dedication and commitment make it possible for the Company to provide a unique mix of financial services to the public in a manner that is beneficial to you, and to the Company.

These personnel policies seek to reflect the Company's commitment to its employees. The following pages outline the personnel policies and procedures. The Company has made a concerted effort to develop a competitive benefits package and flexible, equitable personnel policies to create a positive work environment.

This Handbook has been prepared especially for you. It is designed to give you a better understanding of your work, benefits, conditions of employment and opportunities as an employee of the Company.

This Handbook reaffirms, clarifies, and where applicable supersedes, the Company's policies.

This Handbook does not, and is not intended to, and shall not create any contractual rights in favor of either you the employee, or the Company. The Company retains the right to unilaterally change any of the provisions set forth in this Handbook at any time without any prior notice or consultation.

This Handbook supersedes all prior oral and written communication concerning your employment with the Company, with the exception of any written Employment Agreement between you and the Company. Notwithstanding any provision in this Handbook to the contrary, all employees of Company are at-will employees, and that either the Company or the Employee may terminate the employment relationship at any time with or without any cause whatsoever.

The Company provides certain benefits for its qualified employees as defined below. However, the benefits provided by the Company may be changed, altered, modified or discontinued at any time with or without notice, and in the sole discretion of the Company. Nothing in this Handbook constitutes a summary of a plan description and should there be a conflict between any description of benefits in this Handbook and the terms of a controlling benefit plan document, the terms of the plan document govern.



Personnel Policy No.: 002 (page 1 of 3)

Effective Date: October 1, 2007

Policy Regarding: **Employment Status**

The specific benefits that an employee is eligible to receive, if any, are determined by his or her active employment status. An individual's "employment status" is based upon the number of hours he or she is regularly scheduled to work. There are five (5) categories.

Employee Type	40 Hrs/wk	Less than 40 Hrs/wk	Paid Holidays	Paid Sick Days	Paid Vacation Days
Regular Full Time - Salary	Yes	n/a	From start	After 90 Days	After 1 year
Regular Full Time - Hourly	Yes	n/a	After 90 Days	After 90 Days	After 1 year
Regular Part Time	n/a	Yes	n/a	n/a	n/a
Temporary Employee	possible	possible	n/a	n/a	n/a
Commission Employee	n/a	n/a	n/a	n/a	n/a

**Regular Full-Time Employee**

Regular full-time employees are those employees who are scheduled to work forty (40) hours or more per week. A regular full-time employee is entitled to all Company benefits listed in this Handbook after completion of his/her qualification period.

**Hourly Employee:** Pay based on actual hours worked. Eligible for paid holidays and sick time after 90 days of employment. Eligible for vacation time after one year of employment. Hourly employees are required to complete electronic time sheets and/or swipe cards daily.

**Salary Employee:** Pay based on annual salary. Eligible for paid holidays from 1st day of employment. Eligible for sick time after 90 days of employment. Eligible for vacation time after one year of employment. Salary employees are required to complete electronic timesheets daily.

**Regular Part-Time Employee**

Regular part-time employees are those employees who are scheduled to work less than forty (40) hours per week. Part-time employees are not eligible for Company benefits listed in this Handbook. Part time employees are required to complete electronic timesheets and/or swipe cards daily.

**Temporary Employee**



Temporary employees are those employees who are employed for a specific number of hours and/or a limited period of time. A temporary employee may work full-time or part-time. Temporary employees are not eligible for Company benefits listed in this Handbook.

Personnel Policy No.:

002 (page 2 of 3)

**Commissioned Employees:**

Commissioned employees are those employees whose compensation is typically based on the volume of business produced by the employee.

It is generally recognized that a commissioned employee's time is his/her own and that he/she will exercise good judgment relative to his/her time away from the job. The draws and other benefits received by commissioned employees, as may be applicable, are offered specifically contingent upon the commissioned employee adhering to his/her employment obligations which include, but are not limited to, attending regularly scheduled sales meetings promptly, handling the floor shifts and other work assigned by management. Further for a commissioned employee involved in outside sales it is the responsibility of that employee to perform all of his/her work outside of the Company's offices.

Basic guideline is that commissioned employees should not be away more than two (2) weeks annually and that these away times must be planned so that an acceptable level of service is maintained. Whenever possible, time off should be requested, in writing, at least thirty (30) days prior to the planned absence. In all cases, time off must be with the prior knowledge and consent of the employee's Manager.

For Loan Officers it is the policy of the Company that during the Loan Officer's initial training period, if applicable, that the Loan Officer is required to comply with the Company's usual attendance policy with respect to clocking in and out and the Company's compensation program for Loan Officers in training. During this initial training period no overtime is permitted without the prior written approval of the Loan Officer's manager.



Personnel Policy No.:

002 (page 3 of 3)

**All Employees**

Regardless of your employment status with the Company it is a long standing and preexisting policy of the Company that the employment relationship is deemed to be terminable “at will”, by you or the Company, which means that the Company and/or you have the right to terminate your employment relationship, with or without cause and with or without notice, at any time. No representative, manager official, supervisor, agent or employee of the Company, other than the President of the company (or an individual with written authority from the President), has the authority to enter into an agreement for employment for any specific period of time, or make any agreement for “just cause” employment, and then only if such agreement shall be in writing and signed by the President of the Company (or an individual with written authority from the President).



Personnel Policy No.: 003 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding: **Ethical Standards & Gifts  
Bulletin Board  
Unauthorized Personnel**

### **Ethical Standards and Gifts**

In general, the Company prohibits staff members from accepting gifts from customers or suppliers. Occasionally, particularly during fall/winter holidays, it is the practice of some suppliers, Realtors and customers to show their appreciation for our services. It is not wrong to accept a small gift, e.g. a gift with a retail value of Twenty Five (\$25.00) Dollars. It is improper, however, not to disclose its receipt. To avoid any possibility of questionable practice, any gift you receive must be recorded and reported to your supervisor immediately. A written report will be submitted by the supervisor quarterly to the appropriate Officer.

If you work in any department, which buys goods or services for the Company, you should be particularly careful to avoid conflict of interests. For example, a conflict could occur if you use the same business contact for your own personal use. If you find yourself in a situation that may involve a conflict of interest, or even a possible appearance of a conflict of interest, notify your supervisor in writing at once. A failure to identify and report a conflict of interests may result in disciplinary actions being taken, up to, and including, termination of the employee.

### **Bulletin Board**

The Company maintains several bulletin boards. Information appearing on the bulletin boards is for official Company notices and information only for the purpose of notifying employees. Employees should not use any bulletin board unless authorized by your Supervisor.

### **Unauthorized Personnel**

No unauthorized personnel are allowed on the Company premises, or in Company vehicles. All guests must be accompanied by an authorized Company representative or have written authorization from the Human Resource Manager to be on Company premises or in Company vehicles.



Personnel Policy No.: 004 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding: **Equal Opportunity  
Employment**

It is the policy of the Company to provide equal employment opportunities to all qualified persons without regard to race, creed, color, sex, age, religion, marital status, handicap, physical characteristics, or national origin in accordance with applicable federal laws. In addition, the Company complies with applicable state and local laws governing nondiscrimination in employment in every location in which the Company has facilities and employees. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, benefits compensation, and training. The Company provides equal opportunity in hiring, promotion, wages, benefits and all other privileges and conditions of employment.

The Company has adopted a policy of “zero-tolerance” with respect to unlawful employee harassment. In this connection, the Company expressly prohibits any form of unlawful employee harassment based on race, color, religion, sex, national origin, age, disability, citizenship, or status in any group protected by state or local law. Improper interference with the ability of the Company's employees to perform their expected job duties is not tolerated.

No employee of the Company will discriminate against an applicant for employment or a fellow employee because of race, color, creed, sex, age, status, physical characteristics or national origin. No employee of the Company will discriminate against any applicant or fellow employee because of handicap or the person's veteran status.



Personnel Policy No.: 005 (page 1 of 3)

Effective Date: October 1, 2007

Policy Regarding: **Sexual Harassment**

The Company does not allow nor condone any form of sexual harassment within the work environment. The Company will not condone any worker, male or female, harassing another worker by:

- Offensive comments, jokes, innuendos, and other sexually oriented statements.
- Touching, such as rubbing or massaging someone's neck or shoulders, stroking someone's hair, or brushing against another's body; violating someone's "personal space".
- Sexually suggestive touching.
- Grabbing, groping, kissing, fondling.
- offensive whistling.
- Lewd, off-color, sexually oriented comments or jokes.
- Foul or obscene language.
- Leering, staring, stalking.
- Suggestive or sexually explicit posters, calendars, photographs, graffiti, cartoons.
- Unwanted or offensive letters or poems.
- Sitting or gesturing sexually.
- Sexual, racial or otherwise offensive E-mail or voice-mail messages.
- Sexually oriented or explicit remarks, including written or oral references to sexual conduct, gossip regarding one's sex life, body, sexual activities, deficiencies, or prowess.
- Questions about one's sex life or experiences.
- Repeated requests for dates.
- Sexual favors in return for employment rewards, or threats if sexual favors are not provided.
- Sexual assault or rape.





Personnel Policy No.:

005 (page 2 of 3)

- Unwelcome sexual advances; requests for sexual favors; and all other verbal or physical conduct of a sexual or otherwise offensive nature, especially where:
  - Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
  - Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or
  - Such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.
- Any other conduct or behavior deemed inappropriate by the Company.

Employees who feel victimized by sexual harassment should immediately report the harassment to his/her supervisor. If the worker's immediate supervisor is the source of the alleged harassment, the employee should report the problem to the supervisor's superior.

Supervisors who receive a sexual harassment complaint shall carefully investigate the matter, questioning all employees who may have knowledge of either the incident in question or similar problems. The complaint and the investigative steps and findings shall be documented as thoroughly as possible.

Employees who are dissatisfied with the investigating supervisor's resolution of a sexual harassment complaint may appeal to the Human Resources Department. No employee will be subject to any form of retaliation or discipline for pursuing a sexual harassment complaint.

### **Complaint Procedure**

It is the policy of the Company to provide employees with an easily accessible procedure for expressing concerns and/or dissatisfactions, and foster sound Company employee relations through communication and reconciliation of work-related problems. Prompt resolution of problems or misunderstandings that may arise in the work situation is important both to the employee and the Company.

To accomplish this purpose, an employee complaint procedure is in effect. This procedure encourages employees to resolve problems with their supervisor or the next highest level of management, if their complaint involves their supervisor. An appeal process further provides the employee with the option of carrying his/her complaints to the next highest level of management without fear of reprisal. As a matter of practice, the Company asks that employees who seek resolution of a problem offer possible solutions for the problem.

If the Company determines that an employee is guilty of harassing another individual, appropriate disciplinary action will be taken against the offending employee, up to and including termination of employment.



The Company prohibits any form of retaliation against any employee for reporting a violation of this policy, filing a complaint under this policy, or for assisting in a complaint investigation.



Personnel Policy No.:

005 (page 3 of 3)

However, if, after investigating any complaint of harassment or unlawful discrimination, the Company determines that the complaint is frivolous and was not made in good faith or that an employee has provided false information regarding the complaint, disciplinary action may be taken against the individual who filed the complaint or who gave the false information, up to and including an unpaid suspension or termination.



Personnel Policy No.: 006 (page 1 of 1)

Effective Date: July 1, 2008

Policy Regarding: **Worked Hours**  
**Lunch/Rest Periods**

The work week is based on 40 hours. Hourly employees who work between thirty-seven (37½) hours and forty (40) hours will be paid at your hourly rate (“Straight Time”). Employees are required to complete electronic time sheets and/or swipe cards daily. Scheduled working hours are established for each employee by your supervisor and may be revised periodically. Set working hours are necessary to conform to the needs of the entire company.

When all work cannot be performed within the scheduled hours, employees may be called upon to stay additional time to complete the work at hand. All overtime must be authorized in writing by your supervisor. If your supervisor requests that you work overtime, you are to reasonably comply with said request. Failure to comply with a request by your Supervisor to work overtime may result in disciplinary action, including and up to termination. The Company does not pay for unauthorized overtime work.

### **Lunch/Rest Periods**

Hourly employees scheduled to work an 8½ hour day, are allowed to take up to one (1) hour for lunch. The Company does not pay for an Hourly Employee’s time at lunch; the Hourly Employee will be paid for his/her actual time worked.

Hourly Employees who take less than 60 minutes for lunch will be paid for actual time worked, but for not more than 8 hours per day (40 hours per week based on a 5 day work week). Overtime work is governed by the provisions of Policy 007.

Do not abuse your lunch period by overstaying your allotted time without prior approval from your supervisor.

For those Hourly Employees scheduled to work less than a full 8½ hour day, you will be entitled to a maximum of a fifteen (15) minute break.

An employee kitchen/lounge is available for lunch breaks. Each employee is expected to clean the lunch area after using it. From time to time notices will be posted regarding cleaning refrigerators and disposing of unclaimed items. It is your responsibility to comply with those notices.



Personnel Policy No.: 007 (page 1 of 1)

Effective Date: May 1, 2002

Policy Regarding: **Overtime**

Hourly employees who work in excess of forty (40) hours per week, shall be paid one and one-half (1½) times the employee's base hourly pay rate for the time worked in excess of forty (40) hours provided overtime has been approved in writing by an authorized supervisor.

Overtime does not include sick time, vacation time, holiday pay and funeral pay.

Overtime pay at the rate of one and one half (1½) times the employee's base hourly pay is also given to "non-exempt" employees (as defined under the Fair Labor Standards Act as amended from time to time) who work in excess of forty (40) hours per week. For a non-exempt employee to receive overtime pay, the overtime must be authorized in writing by the employee's supervisor.

Exempt employees generally include, but are not limited to, management officials, supervisors, administrators, executives, and sales-staff, closers and underwriters.

Due to the nature of the Company's business, overtime may be required. Refusal to work overtime may result in disciplinary action, up to, and including discharge.



Personnel Policy No.: 008 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding: **Absenteeism & Tardiness  
Illness at work**

The efficient operation of the Company's business can only proceed when each employee accepts his/her responsibility for appearing for work and working during the hours scheduled. Punctuality and regular attendance are essential to the proper functioning of all departments.

Good attendance includes more than coming to work. It includes arriving on time each day, remaining until the end of the day, adhering to the time limits of lunch periods and eliminating unnecessary absence from work.

Getting to work regularly and on time is part of your job. There are no automatic "sick days". If an employee will be absent or tardy due to unforeseen circumstances, he/she shall notify his/her immediate supervisor and the Human Resources Dept. (at 800-678-6663 x5801) as soon as possible so arrangements can be made during the employee's absence. Employees who are unable to report to work should notify their supervisor and Human Resources no later than one-half (½) hour before his/her scheduled starting time on the date of the absence. If the employee's supervisor is not available, any member of the management team should be contacted with a follow-up call to the employee's supervisor. Reporting such absences must be made by telephone; it is unacceptable, and a violation of Company policy, to report absences by e-mail, text messages, facsimile messages, or any other form of non-verbal communication.

It remains the employee's responsibility to keep the supervisor informed on a daily basis of any need to be absent from work and when he/she will return to work from an absence.. If an employee is absent without notifying his/her supervisor, the employee shall be deemed to have voluntarily quit his/her employment with the Company.

### **Illness at Work**

If you become ill during the workday, report your condition to your supervisor. If you do not feel well enough to continue on the, job, you should notify your supervisor and obtain approval to take the rest of the day off. The supervisor will make a written record. Sick time, if available, will be charged for the time that you are away from work.



Personnel Policy No.: 008A (page 1 of 1)  
Effective Date: October 1, 2007  
Policy Regarding: **Attendance Point Policy**

### **Attendance Point Policy**

Effective July 1, 2007, the Company has implemented a point policy for all full and part-time employees (excluding Management and Loan Officers). The purpose of this Point Policy is to reward our dedicated employees and to promote awareness of attendance so we may continue to be successful in our daily production. The Human Resource Department will be responsible for tracking the Point Policy.

Each employee will begin with zero points. Employees will be limited to 8 points annually. If an employee accumulates 8 points within a 12-month period, it may be grounds for discipline, up to and including dismissal.

Employees accrue points as follows:

- .5 point – for not calling the appropriate people (calling the Manager and not the HR Department or calling the HR Department and not the Manager), with respect to attendance related issues;
- .5 point – for arriving late or leaving early, without a Supervisor accepted excuse;
- .5 point – for failing to punch in or out on the time clock;
- .5 point – for having another employee/person punch in or out on the time clock for you;
- 1 point - no call/no show
- 2 or more points - excessive absenteeism in a 30 day time period

Pre-planned time off/vacation time will not accrue points if, and ONLY if, the proper notice and paperwork have been completed and submitted to the appropriate parties BEFORE the pre-planned time off/vacation time.

Employees who achieve one entire month without accruing any points will be rewarded with their point total being reduced by 2. The lowest point total is zero; point totals will not go into the negative.

Employees who achieve three months without accruing any points will be rewarded with extra incentives that may include restaurant or store gift certificates, comp hours or a comp day.

**THE COMPANY'S POINT SYSTEM DOES NOT MODIFY THE COMPANY'S "AT-WILL" EMPLOYMENT POLICY AND THE COMPANY RETAINS THE RIGHT TO TERMINATE**



**ANY EMPLOYEE'S EMPLOYMENT WITH OR WITHOUT NOTICE AND WITH OR WITHOUT CAUSE.**



Personnel Policy No.: 009 (Page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding: **Pay Day**

Each employee shall be paid wages and/or draws, if applicable, on a biweekly pay schedule. Employees receiving commissions shall be paid such commissions on the fifteenth (15th) day of the month next following the month in which the commission is earned (i.e., the loan is closed) unless otherwise determined by the branch manager. Commissioned Employees whose employment is terminated, whether voluntarily or involuntarily, are paid commission on loans that are actually closed within thirty (30) days after termination date, provided that the Commissioned Employee assists and cooperates to complete all of his/her loans in process, with respect to obligations for application fees, advertising charges, and other outstanding charges.

Non-mandatory wage deductions will be itemized on the employee's paycheck for the pay period after the employee authorizes the deduction in writing. Any and all monies owed by an employee to the Company at the time of termination of employment, whether voluntary or involuntary, will be deducted from his/her last paycheck pursuant to the employee's authorization contained herein. Any draws paid by the Company, but unearned shall be immediately returned to the Company upon termination, whether said termination is involuntary or voluntary. Upon termination of employment your final paycheck will be mailed, it will not be available for pick up.

### **Draws**

Draws are advance payments of commissions for commissioned employees. Draws may be paid by the Company in the sole and absolute discretion of Management. Commissioned employees agree to repay draws from earned commissions.

By way of example, only, a Management chooses to give a commissioned employee a \$1,500.00 draw. The employee then earns a \$2,000.00 commission. From the commission earned, the employee repays the amount of the draw received from the Company, and is paid the difference,  $\$2,000.00 - \$1,500.00 = \$500.00$

If at the end of an employee's relationship with the Company, for any reason whatsoever, the employee has not reimbursed the Company for all draws received; the employee must do so at that time, or be subject to a collection action by the Company.



Personnel Policy No.: 010 (page 1 of 1)  
Effective Date: October 1, 2007  
Policy Regarding **Non-Smoking Policy**  
**Personal Communications**  
**Personal Mail/Packages**

**Non-Smoking Policy**

The Company desires to create a comfortable, smoke-free environment for all employees and non-smokers. Therefore, the Company has a no-smoking policy within its offices and vehicles, at all times. Any smoking outside of Company's offices shall occur no closer than twenty (20) feet from any entrance to the building containing any Company office.

**Personal Communications**

It is the Company's policy that both outgoing and incoming personal telephone calls during scheduled working hours be limited and not interfere with the performance of the employee's work. When a necessary personal telephone call is placed or accepted it should be completed in five (5) minutes or less. If a longer conversation is required, it should be scheduled at break or during non-work hours. Under no circumstances shall long distance personal telephone calls be charged to the company, nor shall collect calls be permitted using Company telephones. This policy is applicable to personal telephone calls whether made, or received, on Company phones and/or the employee's personal cellular phone.

It is the Company's policy that both outgoing and incoming personal text messaging during scheduled working hours be limited and not interfere with the performance of the employee's work. When a necessary personal text message is placed or accepted it should be completed in five (5) minutes or less. If a longer texting conversation is required, it should be scheduled at break or during non-work hours.

**Personal Mail/Packages**

Personal mail/packages should not be addressed to the work place. Any mail addressed to the Company, whether personal or not, is considered Company mail and may be opened in the ordinary course of business. Use of Company postage is not allowed for personal mail.



Personnel Policy No.: 011 (page 1 of 1)

Effective Date: May 1, 2002

Policy Regarding **Expense Reports  
Documentation**

An employee shall be reimbursed for pre-approved expenses in furtherance of the Company's business, provided, however, the employee provides sufficient substantiation as to such expenses, including but not limited to, the amount of such expenses, a description for such expenses, and, if applicable, the name of the customer for whom such expenditures were made. Said reimbursements shall be made on the tenth (10<sup>th</sup>) day of each month provided that the substantiation for said expenses is provided to the Company no later than the second (2<sup>nd</sup>) day of the month following the month the expenses are incurred. Failure to submit the required substantiation by said date will result in a denial of the reimbursement for those expenses submitted untimely. Reimbursable expenses not submitted on a timely basis will be denied.

#### Documentation

The Company shall require, from time to time, the employee to maintain, submit and substantiate accurate records in regard to the duties of his/her position on such forms and incorporating such procedures as the Company shall determine. Failure of the employee to adhere to or maintain such records may result in the Company failing to properly administer and maintain its records and may be grounds for Employee discipline.



Personnel Policy No.:

012 (page 1 of 1)

Effective Date:

October 1, 2007

Policy Regarding

**Company Equipment**

An employee who uses Company equipment shall be responsible for the proper operation of such equipment. Damage or loss to the equipment due to the negligence of the employee shall require the employee to correct such damage to the equipment by, but not limited to, wage deductions for repair, or replacement of the equipment.

All Company equipment must remain on Company premises. The Company shall not be responsible for the maintenance or safekeeping of an Employee's equipment brought onto the Company premises. All equipment shall be used only for the purposes for which they are intended.



Personnel Policy No.: 013 (page 1 of 1)  
Effective Date: October 1, 2007  
Policy Regarding **Confidentiality**

In our function as a financial regulated entity, we come into possession of a great deal of personal and/or proprietary information about our customers. Some employees, due to their position with the Company, have access to personal information on other employees. It is essential that all personal and/or proprietary information not be improperly divulged to other employees, customers, your family, and friends or to the general public. You can help assure that the personal and/or proprietary information will not accidentally be divulged by taking simple precautions:

- 1) Keep your desk clear of business related paperwork each evening;
- 2) Keep all customer-related and other potentially sensitive documents in desks or file cabinets;
- 3) Maintain files and/or borrower data on the Company's premises and no such information shall be removed from the Company premises, without prior approval by your supervisor.

Customers depend on us to keep their personal and/or proprietary information private, used for the intended purpose and not improperly disclosed. Any breach of this area could place the Company and the employee in an awkward public relations situation and quite possibly in a legal situation.

**FAILURE TO COMPLY WITH THE STRICT STANDARDS OF CONFIDENTIALITY MAY RESULT IN EMPLOYEE DISCIPLINE, UP TO AND INCLUDING TERMINATION.**

In accord with its policies of protecting confidential information, the Company has made available locked containers for the accumulation of document to be shredded. Any employee found to be tampering with, improperly using and/or abusing any of the locked containers will be subject to immediate disciplinary action, upto and including immediate termination.

If materials have been inadvertently deposited into one of the locked containers the Employee must contact his/her immediate Supervisor regarding retrieval of such material. An employee's "self-help" retrieval will subject the Employee to immediate disciplinary action, upto and including immediate termination.



Personnel Policy No.: 014 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding **Voting  
Political Activities /  
Solicitations  
Jury Duty**

### **Voting**

The Company encourages all employees to vote in the national, state and local elections, however, no provisions for time off with pay shall be available to employees for such purposes. Employees wishing to vote must arrange time off with their supervisor or do so on their own time.

### **Political Activities and Solicitations**

Participation in civic, political or charitable activities is considered to be a personal matter, and is not to be carried on during work hours. No political activities or solicitations will be permitted on Company premises, including, but not limited to, soliciting or promoting subscriptions, pledges, memberships or other types of contributions or support for any drive, campaign, cause or organization, distributing of leaflets, pamphlets, circulars or other printed material on the Company premises, or via Company e-mail and/or fax services and equipment.

### **Jury Duty**

The Company will grant employee time off for mandatory jury duty or for court appearances as a witness when the employee is required to appear as a result of the court order or subpoena. A copy of the court order or subpoena must be supplied to the employee's supervisor when requesting time off. The employee shall be entitled to the jury duty compensation or the witness fee paid to the employee but shall not be compensated by the Company for such time off. The Company shall not compensate time off for court appearances as a party to any civil or criminal litigation. The employee must arrange for time off without pay, or use accrued vacation or sick days, for such appearances.



Personnel Policy No.:

015 (page 1 of 1)

Effective Date:

May 1, 2002

Policy Regarding

**Outside Employment**

Taking a second job outside the Company is subject to approval by your supervisor in writing. An outside job cannot in any way reflect unfavorably on the Company and, naturally, cannot involve a conflict of interest or even give that appearance. It should not affect your performance on the job at the Company or your availability for working overtime for the Company, as needed during all hours. If you plan to take a second job, you must obtain prior approval in writing from your direct Supervisor. Failure to notify your supervisor in writing of an outside job is cause for dismissal.



Personnel Policy No.: 016 (page 1 of 2)

Effective Date: October 1, 2007

Policy Regarding **Employee Conduct**

Your personal conduct around your associates and the Company should always be courteous and businesslike. Excessive chatting, joking and idle conversation have no place in the business organization and are distracting to others. Observing the usual courtesies and maintaining a proper demeanor are valuable assets to the Company and to your future.

The Company will not tolerate (Zero-Tolerance Policy) the following conduct (this list is not intended to be all inclusive) on the Company premises or during work hours.

- A. Unexpected, unexcused absences or tardiness.
- B. Using obscene or abusive language, whether verbally or in writing, toward fellow employees, customers or supervisors.
- C. Reporting for work in such a condition as to be unable to work.
- D. Violation of Company rules and regulations.
- E. Stealing or unauthorized removal of property that belongs to the Company, visitors or fellow employees.
- F. Fighting, slapping, pushing, threatening violence, or unauthorized possession of weapons.
- G. Forging, altering or deliberately falsifying any documents, authorizations or records that are used by the Company.
- H. Sleeping at work.
- I. Refusal to accept reasonable job requests or insubordination in carrying out reasonable work requests from a supervisor.
- J. Deliberately interfering with or deliberately delaying the work of another employee.
- K. Use of drugs or alcohol on the job, whether or not such conduct occurs on the Company premises
- L. Giving, selling or engaging in drugs or alcohol while on Company premises or Company business.



M. Harassment of another employee.



Personnel Policy No.:

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- N. Any conduct intended to, or reasonably likely to, mislead, misrepresent, and/or defraud any Company customer, employee, supervisor, vendor, investor, correspondent, and/or any state and/or federal regulatory agency or body.

**THE FOREGOING LIST DOES NOT MODIFY THE COMPANY'S "AT-WILL" EMPLOYMENT POLICY AND THE COMPANY RETAINS THE RIGHT TO TERMINATE ANY EMPLOYEE'S EMPLOYMENT WITH OR WITHOUT NOTICE AND WITH OR WITHOUT CAUSE.**



Personnel Policy No.: 017 (page 1 of 1)

Effective Date: May 1, 2002

Policy Regarding **Workers Compensation  
Return to Work After Injury  
or Illness**

### **Workers Compensation**

In accordance with the laws of the State of Michigan, the Company provides benefits under Worker's Compensation insurance for injuries occurring while engaged in the performance of work-related duties. Employees should report any work-related injury and/or illness immediately to their supervisor. Supervisors shall report any employee's work-related injury to the Human Resources Department immediately. All Worker's Compensation claims and accident reports must be filled out promptly after the occurrence or detection of a work-related injury and/or illness.

### **Return to Work After Injury or Illness**

As a joint protection to the employee and the Company, employees who have been absent from work because of illness or injury are required when requested by his/her supervisor to obtain a doctor's release specifically stating that the employee is capable of performing his/her normal duties or assignments. A serious injury or illness is defined as one that results in the employee being absent from work for more than three (3) consecutive days, or one which may limit the employee's performance of his/her regular duties or assignments. Employee must notify Management as provided herein of illness or injury. The Company shall ensure that employees who return to work after a serious injury or illness are physically capable of performing their duties or assignments without risk of reinjury or relapse.



Personnel Policy No.: 018 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding **Resignation**

The Company realizes that employees will occasionally have personal, compelling reasons to resign from their position with the Company. Any employee leaving or resigning from his or her position is expected to give notice as far in advance as possible to allow a new person to be trained to fill the position. The Notice should be given to the employee's direct Supervisor. As a courtesy to the Company and fellow employees, all employees are expected to give a minimum of two (2) weeks written notice.



Personnel Policy No.: 019 (page 1 of 2)

Effective Date: October 1, 2007

Policy Regarding: **Image**

All employees are expected to practice good hygiene and arrive at work clean and well groomed. All clothing should be clean, neat, and free from tears. Hair must be clean and neat; if it is colored, it must be a color that is a natural hair color. Examples of unacceptable hair color are blue, green, purple etc. Men should be freshly shaven, or may be permitted, subject to your Supervisors approval, providing the employee is well trimmed, to wear a mustache, goatee, beard or other acceptable facial hair.

To prevent loss or injury, jewelry should be kept to a minimum. Earrings are acceptable however; other rings or "piercings" through the nose, eye brow, tongue or other body parts may not be worn while at work.

Your personal appearance is very important to both you and to the Company. Neat and conservative attire makes a favorable impression. Therefore, if you have any doubt about how your apparel may be perceived by others, ask your Supervisor or Human Resources. If your Supervisor or Human Resources does not feel that your dress is appropriate, you will be advised.

The purpose of these appearance standards is to promote a comfortable work environment that is free of unnecessary distraction. Employees' dress and grooming should not draw attention or interfere with the performance of work duties. Employees who report to work inappropriately groomed or attired may be asked to leave and change into acceptable clothing. In these situations, the time away from work is without pay. The second time that an employee reports to work inappropriately groomed or attired he/she will be sent home for the remainder of the day without pay. The third time will result in termination of employment.

All sales personnel are expected to dress in "Professional Business-like Clothing". The internal office staff not in sales may dress in "Business Casual" unless otherwise requested. A professional demeanor is always required. The Company does not have regular scheduled "casual days" or "dress down days" however, staff may dress in "Business Casual" with the exception of Loan Officers. When guests are expected in the office you may be asked to dress in Professional Clothing for the day.

**Professional Businesslike Clothing** is defined as: shirts with collars and a tie for men. Woman will be expected to be dressed in business suits, skirts with dressy blouses, dresses etc.

**Business Casual** is defined as: Docker type slacks with a nice shirt, golf shirts with a collar, appropriate crew or v-neck collared shirts, dress slacks, sleeveless tops as long as the entire shoulder is covered, skorts/capris which are coordinated with a matching blazer, hose with skirts and dresses **unless** slacks or ankle length skirts are worn. Capri pants and gauchos which are coordinated with a matching blazer. Additionally, skirts and dresses cannot be shorter than 6 inches from the floor (in the kneeling position). Skirts, dresses, pants and shirts should not be form fitting.



Personnel Policy No.:

019 (page 2 of 2)

**Examples of clothing not allowed:** shirts of any kind not tucked in, T-shirts with printing other than Shore Mortgage logo, low-cut shirts, jogging slacks, sweats, flannel, corduroy, overalls, baseball caps, slacks made of knitted fabric, velvet or heavy gauge T-shirt material slacks (with or without long tops), stretch pants, mini skirts, shorts or Bermuda length shorts, stirrup pants, cutoffs, jeans, peddle pushers, capris or gauchos without a coordinating blazer, leggings, velvet jeans, tank tops (without a suit jacket) or any top that exposes a bare midriff or back is not acceptable, tennis shoes, beach shoes/flip flops/thong sandals, play shoes usually worn with non business attire, anklets instead of hose and cargo pants.

If you are unsure of any items listed in this dress code, please contact the Human Resources Department.

A professional image is conveyed in many ways, not only in the way employees dress. Employees must refrain from swearing and using other inappropriate remarks or gestures, both in their immediate office area as well as common areas throughout the building.



Personnel Policy No.: 019A (page 1 of 2)  
Effective Date: October 1, 2007  
Policy Regarding: **Employee Benefits Program**

### **Benefit Plan**

The Company has established a variety of employee benefits programs designed to assist you and your eligible dependents in meeting the financial burdens that can result from illness, disability, and death, and to help you plan for retirement, deal with job-related or personal problems, and enhance your job-related skills.

This section of the handbook highlights some features of our benefits programs. Our group health and life insurance, and retirement-related programs are described more fully in summary plan description (SPD) booklets, with which you are provided once you are eligible to participate in these programs. Complete descriptions of our group health insurance programs are also in the Company's master insurance contracts with insurance carriers, which are maintained in the employee benefits section of the human resources department; complete descriptions of our retirement-related programs are in the appropriate master plan documents, which are likewise maintained in the employee benefits section. If information in this handbook contradicts information in these SPDs, master contracts, or master plan documents, the SPDs/master contracts/documents shall govern in all cases.

The Company reserves the right to amend or terminate any of its benefit programs or to require or increase employee premium contributions toward any benefits with or without advance notice at its discretion. This reserved right may be exercised in the absence of financial necessity. Whenever an amendment is made to any of the Company's benefits programs the respective plan administrator will notify plan participants of all approved amendments or plan terminations, in accordance with the requirements of applicable federal law.

For more complete information regarding any of our benefits programs, please contact our human resources department.

Except as otherwise provided herein, the entire cost of the benefits plan described herein shall be borne by the Company and no contribution shall be required of the covered employees (the "Employee") unless otherwise, required under the insurance contract providing such benefits. Such cost shall include not only direct benefits paid to Employees, but also any premiums charged for insurance used to fund benefits provided hereunder.

The Company shall be the named fiduciary and shall be responsible for the management and control of the operation and administration of the benefits plan including any and all decisions pertaining to the review of denials of benefit claims.



Personnel Policy No.:

019A (page 2 of 2)

### **Claims Procedure**

Claims for benefits shall be made in writing to the Company.

If such claim for benefits is wholly or partially denied, the Company, within a reasonable period of time, but no later than ninety (90) days after receipt of the claim, shall notify the claimant of the denial of this claim. Such notice of denial (i) shall be in writing, (ii) shall be written in a manner calculated to be understood by the claimant, and (iii) shall contain: (a) a specific reason or reasons for denial of the claim; (b) a specific reference, if applicable, to the pertinent insurance coverage provisions upon which denial is based; (c) a description of any additional material or information necessary for the claimant to perfect the claim, along with an explanation why such material or information is necessary; and (d) an explanation of the Company's claims review procedure.

Within one hundred twenty (120) days of the receipt by the claimant of the written notice of denial of the claim, or such later time as shall be deemed reasonable taking into account the nature of the benefit subject to the claim has not been granted within a reasonable period of time, the claimant may file a written request with the Company that it conduct a full and fair review of the denial of the claimant's claim for benefits, including conducting a hearing, if deemed necessary by the reviewing party. In connection with the claimant's appeal of the denial of the benefit, the claimant may review pertinent documents and may submit issues and comments in writing.

The Company shall deliver to the claimant a written decision on the claim promptly, but not later than sixty (60) days, after the receipt of the claimant's request for review, except that if there are special circumstances (such as the need to hold a hearing, if necessary) which requires an extension of time for processing, the sixty (60) day period shall be extended to one hundred twenty (120) days. Such decision shall: (a) be written in a manner calculated to be understood by the claimant; (b) include specific reasons for the decision; and (c) contain coverage provisions upon which the decision is based.



Personnel Policy No.: 020 (page 1 of 1)

Effective Date: July 1, 2008

Policy Regarding **Benefits - Vacations**

**Qualification Requirements**

In order for an employee to be eligible for the benefits provided for by the Company as hereinafter provided, an employee must be a regular full-time or commissioned employee, as previously defined, and must also, unless a longer or shorter period of time is specifically set forth with respect to that particular benefit, have been a continuous full time or commissioned employee of the Company for a period of ninety (90) days.

In the event an employee no longer maintains full-time employee status for a period of seven (7) consecutive days, for any reason whatsoever, the employee shall no longer be entitled to the Company benefits set forth in this Manual, provided however, in the event the Company has prepaid an insurance premium for a Company benefit, which premium includes continuing coverage for said employee for the balance of the coverage' period, the former full-time employee shall continue to receive such benefit for such coverage period.

**Vacations**

Your paid vacation benefits are calculated as follows:

After one (1) year continuous employment	-	one (1) week
After three (3) years continuous employment	-	two (2) weeks

- Your written vacation period request should be given to your supervisor at least sixty (60) days prior to the initial day of the requested vacation.
- **Vacations are earned based on the anniversary date of your employment.** As an example, if you started working on May 15<sup>th</sup>, 1996, then you are entitled to one (1) week paid vacation as of May 15<sup>th</sup>, 1997, and two (2) weeks paid vacation as of May 15<sup>th</sup>, 1999.
- **Your vacation must be taken before your next anniversary date, as vacation time does not carry over into the following year.** As an example, if you earn one (1) week of paid vacation as of May 15<sup>th</sup>, 1996, you must use that vacation time before May 15<sup>th</sup>, 1997, as unused vacation time that has not been timely used is lost -- you will not be paid in lieu of vacation time not taken nor will you be able to take such vacation time in another year.
- Upon termination of employment, for any reason, all unused vacation time is forfeited – the Company does not “cash out” unused vacation days.



Your supervisor shall, in his/her sole discretion, determine when vacation times are granted, based upon the business need of the Company. To maintain the best possible customer service, the following vacation scheduling requirements will be followed in approving vacation requests:

- Employees of the Processing Department/Closing/Secondary/Underwriting: Vacations will not be considered during the last two weeks of the month.
- Post Closing – No vacations during the first two (2) weeks of the month.



Personnel Policy No.: 021 (page 1 of 2)

Effective Date: August 1, 2007

Policy Regarding **Benefits - Health Insurance  
Life Insurance**

The Company provides medical, dental, and optical insurance to all full-time and commissioned employees. The Company shares the premium cost with the employee and a percentage of premium based on completed years of service by the employee calculated at the end of each calendar year as follows:

90 Days Or More	60% the Company, 40% Employee
One Year Or More	65% the Company, 35% Employee
Two Years Or More	70% the Company, 30% Employee
Three Years Or More	80% the Company, 20% Employee
Four Years Or More	90% the Company, 10% Employee
Five Years Or More	95% the Company, 5% Employee

The employee-percentage of the premium is collected through payroll deductions each pay period. In the event the employee elects not to accept such health insurance coverage, then the employee shall not be able to participate in such health care coverage until the next open enrollment date in which such coverage is available, unless a significant event (as defined by the insurance coverage) occurs, such as, a death, addition to the family (birth or adoption), loss of employment by insurance-carrying spouse, etc.. Family health insurance coverage is available to each employee with the employee responsible for payment of 100% of the premium for such additional coverage. The benefits provided are set forth in the summary plan description located in the Company's administrative offices.

Retail Loan Officers, both inside sales and outside, qualify for this health insurance benefit on the first day of the calendar month that follows the Loan Officer's six (6) month employment (or re-employment) anniversary date. By way of example, only, for a Loan Officer first employed on February 10, she becomes eligible to participate in this benefit on September 1.

The Company, in its sole discretion, reserves the right to change, supplement or eliminate insurance plans, coverage and/or providers based upon costs and other business needs.

**Life Insurance**

The Company provides group term life insurance coverage for full-time employees who have been a continuously employed for at least ninety (90) days. The life insurance benefits provided are set forth in the summary plan description located in the Company's administrative offices. The Company reserves the



right to change, supplement, and eliminate insurance plans, coverage and/or providers based upon costs and other business needs.



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Retail Loan Officers, both inside sales and outside, qualify for this life insurance benefit on the first day of the calendar month that follows the Loan Officer's six (6) month employment (or re-employment) anniversary date. By way of example, only, for a Loan Officer first employed on February 10, she becomes eligible to participate in this benefit on September 1.



Personnel Policy No.: 022 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding **Benefits — Paid Holidays**

The Company allows full-time employees who have been employed by the Company for at least ninety (90) consecutive days the following six (6) paid Company holidays.

1. New Year's Day
2. Memorial Day
3. Fourth of July
4. Labor Day
5. Thanksgiving Day
6. Christmas Day

If a paid holiday falls on a weekend, additional days off may be granted at the sole and absolute discretion of management. Full-time employees will be paid at their base rate for each holiday unless otherwise set forth in writing and signed by Senior Management provided they work the last scheduled workday prior to the holiday and the next scheduled work day after the holiday: Any employee with an excused absence on either or both of these days, such as vacation, will qualify for holiday pay.

When a Company-observed holiday occurs during an employee's vacation period, the employee will not be charged a vacation day for the day of the Company-observed holiday.



Personnel Policy No.: 023 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding **Benefits - Sick Leave  
Disability  
Leave of  
Absence**

**Sick Leave**

Full-time employees shall receive six (6) sick days per year calculated by accruing one-half (½) sick day per month but in no event shall a full time employee be granted such paid sick day until after ninety (90) days of continuous employment. Sick time may be granted that has not been earned in the sole and absolute discretion of management and, if granted, time will be taken against future accrued sick days.

An employee is to contact his/her supervisor when sick leave is needed because of illness. It remains the employee's responsibility to keep the supervisor informed as to his or her condition and when he/she will return to work. The Company requires a medical statement from the employee's doctor when an employee is absent from work more than three (3) consecutive working days. Sick leave the day before or after a holiday requires a doctor's note.

Sick days do not carryover from year to year. If Salaried and/or hourly employees (with the exception of Management Employees) do not use allocated sick time during a given year, Salaried and/or hourly employees (with the exception of Management Employees) will be paid fifty (50%) percent of your compensation for sick days not taken, however, you will not be able to take such sick days in another calendar year. Employees will be paid for unused sick days during the first quarter of the following calendar year. Upon termination of employment, for any reason, all earned, but unused, sick days and sick pay shall be forfeited.

**Disability**

The Company has no disability leave program.

**Leave of Absence**

The Company does not provide for leaves of absence or unpaid vacation.



Personnel Policy No.: 024 (page 1 of 3)

Effective Date: May 1, 2002

Policy Regarding **Benefits - Family Medical Leave Policy**

Employees who have worked for Company (the "Company") for at least twelve (12) months and at least 1,250 hours during the prior twelve (12) months may take up to twelve (12) weeks of unpaid leave (FMLA leave) for the following reasons:

- (1) Birth and/or care of a child of the employee;
- (2) Placement of a child into the employee's family by adoption or foster care arrangement;
- (3) Care of the employee's spouse, child or parent who has a serious health condition; or
- (4) Inability of the employee to perform the employee's duties because of a serious health condition.

Any FMLA leave taken by an employee during the preceding twelve (12) month period will be used to determine the amount of available leave pursuant to the Family and Medical Leave Act. For example, if an employee used four weeks of leave beginning February 1, 1996, four weeks of leave beginning June 1, 1996, and four weeks of leave beginning December 1, 1996, the employee would not be entitled to any additional leave until February 1, 1997. On February 1, 1997, the employee would be entitled to four weeks of leave, and on June 1, the employee would be entitled to an additional four weeks, etc. The right to family leave for the birth and/or placement of a child into an employee's family may only be taken within the twelve (12) months after the date of the birth or placement of the child. If both spouses are employed by the Company, the combined leave shall not exceed twelve (12) weeks for the birth or placement of a child. Intermittent unpaid leave or working a reduced number of hours is not permitted unless both the employee and the Company agree.

For purposes of this policy, a serious health condition means an illness, injury, impairment or physical or mental condition that involves:

- any period of incapacity or treatment in connection with or consequent to inpatient care in a hospital, hospice or residential medical care facility; or
- any incapacity requiring absence from work or other regular daily activities for more than three (3) calendar days that also involves continuous treatment by or under the supervision of a health care provider; or
- continuous treatment by or under the supervision of a health care provider for a chronic long-term health condition that is incurable or so serious that if not treated would result in a period of incapacity of more than three (3) calendar days; or



- prenatal care.



Personnel Policy No.:

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In the case of unpaid leave for serious health conditions, the leave may be taken intermittently or on a reduced hours basis only if such leave is medically necessary. Where an employee requests intermittent leave or leave on a reduced hours basis due to a family member's or the employee's own serious health condition, the Company has the option, in its sole discretion, to require the employee to transfer to a temporary alternative job for which the employee is qualified and which better accommodates the intermittent leave or reduced hours leave than the employee's regular job. The temporary position will have the same pay and benefits as the employee's regular job.

Employees are required to use their available vacation time during the twelve (12) week family leave period, and available sick days will be used when family leave is taken because of serious health conditions. That portion of the family leave of absence, which is vacation time and/or sick days, will be with pay according to the Company's policies regarding vacation time and sick days. The employee will be notified immediately in writing that the vacation time and sick days will be counted towards the twelve (12) weeks of family leave.

When the necessity of leave is foreseeable due to the expected birth or placement of a child, the employee must provide the Company at least thirty (30) days' notice of the employee's intention to take leave. If the date of birth or placement of a child requires the employee's leave to begin in less than thirty (30) days from the date of notice to the Company, the employee must provide such notice as soon as practical. Where the necessity for leave is due to a family member's or an employee's own serious health condition and is foreseeable based on planned medical treatment, the employee must:

- give at least thirty (30) days' notice, or as soon as practical if treatment starts in less than thirty (30) days; and
- make a reasonable effort to schedule the treatment so as not to unduly disrupt the operation of the Company, subject to the approval of the health care provider.

Where the need for leave is unforeseeable, the employee must give notice as soon as practical. Any leave request based on a family member's or employees own serious health condition must be supported by certification from a health care provider. The employee must provide a copy of the certification to the Company in a timely manner. (Fifteen calendar days will be allowed to provide the certification.) Certification from the health care provider must contain:

- the date the serious health condition began;
- the possible duration of the condition;
- the appropriate medical facts regarding the condition;
- if the leave is based on the care of a spouse, child or parent, a statement that the employee is needed to provide the care and an estimate of the amount of time that need will continue;



- if the leave is based on the employee's own serious health condition, a statement that the employee is unable to perform the functions of his/her job; and



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- in the case of intermittent leave or leave on a reduced hours basis for planned medical treatment, the date the treatment is expected to be given and the duration of the treatment.

During family leaves of absence, the Company will continue to pay its portion of the health insurance premiums and the employee must continue to pay his/her share of the premium. Failure of the employee to pay his/her share of the health insurance premium may result in loss of coverage. If the employee does not return to work after the expiration of the leave, the employee will be required to reimburse the Company for payment of health insurance premiums during the family leave, unless the employee does not return because of the presence of a serious health condition which prevents the employee from performing his/her job or circumstances beyond the control of the employee.

During leave, the employee shall not accrue employment benefits, such as vacation pay, sick pay, pension, etc. Employment benefits accrued by the employee up to the day on which the family leave of absence begins will not be lost.

The Company requires an employee on FMLA leave to report periodically on his/her status, the intention of the employee to return to work, and periodic recertification of the employee's medical condition. An employee taking leave due to the employee's serious health condition is required to obtain certification that the employee is able to resume work prior to the return from any FMLA leave.

Employees who return to work from family leave of absence within or on the next business day following the expiration of the twelve (12) weeks are entitled to return to their job 'or an equivalent position without loss of benefits or pay.

#### Procedure

Applications for family leave of absence must be submitted in writing and signed by the employee's immediate manager. Applications should be submitted at least thirty (30) days before the leave is to commence or as soon as possible if thirty (30) days notice is not possible. Appropriate forms must be submitted to the Company to initiate a family leave and to return the employee to active status.

Each employee taking leave, which meets the requirements for FMLA leave, will be provided the "Response to Your Request for Leave" form.



Personnel Policy No.: 025 (page 1 of 1)  
Effective Date: October 1, 2007  
Policy Regarding **Benefits - Funeral Leave**

**Funeral Leave**

The Company shall grant full-time employees a funeral leave not to exceed three (3) consecutive days following the death of the following immediate family members:

- Spouse
- Mother/Father
- Child/Stepchild
- Brother/Sister
- Mother/Father-in Law
- Grandparent

The employee shall be paid for those days of the funeral leave not occurring on the weekend. The day of the funeral must be included in the three (3) day period for the employee to be paid his/her funeral leave.



Personnel Policy No.: 025A (page 1 of 1)  
Effective Date: May 1, 2002  
Policy Regarding **Benefits – ERISA Rights**

**ERISA Rights**

The Employees are entitled to certain rights and protections under the Employees Retirement Income Security Act of 1974 (“ERISA”). ERISA provides that all covered employees shall be entitled to:

- A. Examine, without charge, at the Company's administrative offices, all employee benefit plan documents, including insurance contract, collective bargaining agreements and copies of all documents filed by the Plan Administrator with the U.S. Department of Labor, such as annual reports and employee benefit plan descriptions.
- B. Obtain copies of all employee benefit plan documents and other employee benefit plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.
- C. Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each employee with a copy of this summary financial report.
- D. In addition to creating rights for employees, ERISA imposes obligations upon the people who are responsible for the operation of the benefit plan.

The people who operate your plan, called “fiduciaries” of the plan, have a duty to do so prudently and in the interest of you and other covered employees and beneficiaries. No one, including your employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a plan benefit or exercising your rights under ERISA. If your claim for a benefit is denied in whole or in part you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim. Under

ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan Administrator and do not receive them within thirty (30) days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to One Hundred (\$100.00) Dollars a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The Court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous. If you have any questions about this statement or



about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor Management Services Administration, Department of Labor.



Personnel Policy No.: 026 (page 1 of 1)

Effective Date: October 1, 2007

Policy Regarding: **Use of Cell Phones**

Of vital concern is employee safety while driving a motor vehicle while on Company business. Avoiding driver caused distraction will help prevent accidents from occurring. Therefore, employees on Company business shall not use a cell phone (for voice, data or text), or other portable devices, while operating a Company provided automobile, or driving their own vehicle, while on Company business in a manner that may, or is likely, to cause distraction to the driver. For those employees who need to use a cell phone (for voice, data or text) while driving it is the Company's policy that such use should be accomplished in a manner that does not distract the driver, such as bringing the vehicle to a stop before using the communication device, or "hands-free" use.

It is, further, the policy of the Company that with respect to the privacy interests of the Company's employees, that the use of cell phone cameras is strictly prohibited on Company premises for any and all purposes not approved in advance by the Employee's supervisor.

Personal phones calls and/or text communications, either made or received on a Company phone or personal cell phone, are covered under Company policy and procedures number 010. In emergency situations where a cell phone must be carried and answered quickly, employees are to check with their supervisor for rules of use pertaining to the circumstances.



Personnel Policy No.: 027 (page 1 of 3)

Effective Date: October 1, 2007

Policy Regarding: **Use of Company Computers, Network, E-Mail System and Internet Access**

The Company maintains a well-equipped business environment that includes a sophisticated computer network with access to the Internet. To reinforce the Company's position regarding the use of computers, Internet access and the Company e-mail system, written policies are intended to emphasize the Importance and seriousness of this matter and to make employees aware that the Company continually monitors all activities related to this equipment,

- FOR BUSINESS USE ONLY

Unless specifically directed or previously authorized by management, the only Internet site(s) a Company employee is allowed to access from the Company's computers and computer network are sites specifically used to carry on the employee's daily work. To enforce this policy the Company actively filters access to its computer network permitting only acceptable websites, e-mail addresses, etc. The Company's filters are updated, from time-to-time, to reflect changes in usages.

- NO OBJECTIONABLE MATERIAL

Under no circumstances shall any employee access objectionable sites. This would include but not limited to sites or pages carrying pornographic or off-color material, sites sending messages of hate and/or prejudices, or sites where lewd messages and/or jokes are found.

- NO PERSONAL USE

General "Browsing" or "Web Surfing" on the Internet is prohibited. This policy is in effect at all times and includes working hours and non-working hours. This would include times before and after the workday or during breaks in the workday — seven days a week,

- E-MAIL

The use of the Company E-Mail system and company assigned e-mail addresses are specifically intended for business use. The sole intent of e-mail is to assist our employees in carrying out the daily business activities and/or to allow the transfer of information from other Company employees or authorized persons and/or companies. Employee's personal e-mail addresses are not to be used for business correspondence under any circumstances. No personal e-mail correspondence either outgoing or incoming is allowed. The e-mail system should not be used to forward or receive messages not considered to be business related such as jokes, cartoons or matters not typically found in a business environment. Any e-



mail messages containing an attachment or file that requires downloading must be immediately referred to the IS department.



Personnel Policy No.:

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The purpose of this policy is to ensure the proper use of Shore Mortgage's email system. All messages distributed via the company's email system, even personal emails, are Shore Mortgage's property. You must have no expectation of privacy in anything that you create, store, send or receive on the company's email system. Your emails can be monitored without prior notification if Shore Mortgage deems this necessary. If there is evidence that you are not adhering to the guidelines set out in this policy, the company reserves the right to take disciplinary action, including termination and/or legal action. If you have any questions or comments about this Email Policy, please contact your supervisor.

**It is strictly prohibited to:**

- Send or forward emails containing libelous, defamatory, offensive, racist or obscene remarks. If you receive an email of this nature, you must promptly notify your supervisor.
- Forward a message or copy a message or attachment belonging to another user without acquiring permission from the originator first.
- Send unsolicited email messages or chain mail.
- Forge or attempt to forge email messages, or disguise or attempt to disguise your identity when sending mail.

**Duty of care**

Users must take the same care in drafting an email as they would for any other communication. Please be mindful of the email you send out, you will never make money for sending chain mails, you are just creating clutter.

• **DOWNLOADING FILES**

No files from the internet, attachments to an E-Mail message or files from an external disk or CD ROM drive shall be downloaded to any Company computer without first gaining the permission of the Information Services Department. This would include information from a disk containing pictures, cartoons, screensavers, programs or other information unrelated to the employee's job. Computer viruses can be extremely crippling to our network and are often transferred from downloaded files and e-mail messages.

• **UPLOADING FILES**

Removing or transferring (uploading) files or information from the computer's hard drive or network is prohibited.

• **SOFTWARE PROGRAMS**



Only the Information Service Department is authorized to load software programs on your computer or the network. Loading unauthorized software is not only against Company policy it is against the law.



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Additionally, some software programs may not work as intended on our system or may corrupt existing files within our system or cause the computer to perform in an unstable manner.

- **STORAGE AND DISPLAY OF INAPPROPRIATE MATERIAL**

The display or storage of pictures, jokes, cartoons or other material considered to be pornographic, lewd or generally thought to be of bad taste, must never be stored in a Company computer, displayed on a Company computer monitor or printed on an attached Company printer, or distributed to other employees, either intentionally or unintentionally.

- **CHANGES TO THE COMPUTER SETTINGS OR THE DELETIONS OF COMPANY FILES**

Only authorized Information Systems employees are allowed to make changes to any of the settings on Company computers. This would include screensaver settings, the relocation of folders and files the deletion of files or correspondence pertaining to Company business or the addition or removal of any of the peripheral equipment connected to or part of the computer system.

- **COMPUTER GAMES**

Some software vendors include computer games or other kinds of entertainment programs with their software. It is Company policy that any games and entertainment programs included on your computer are not intended for business or personal use and consequently should not be used at any time — either during your work day or during breaks, lunch time or before or after the work day.

- **TELEPHONES**

Each Company employee is given a phone and an extension number and voice-mailbox expressly for the purpose of carrying on Company activities. All messages left in voice-mail are the property of the Company. However, when assigned an extension and mailbox, employees may access the messages left in the mailbox while employed with the company. From time-to-time the Company may access and/or delete messages as it deems necessary. Only the Information Service Department is authorized to move or exchange phones.

In order to ensure that our customers are getting the best customer service possible, and that our Loan Officers are retaining their training material and keeping up to date on current information, phone calls to customers may be recorded for training purpose.

Our goal is to provide employees with the business tools necessary to complete their work at their personal best under the best of conditions. This commitment requires the Company to invest a significant amount of money in the equipment and to place a substantial amount of trust in our employees. To this end, any violations of Company policy regarding the use of our computer equipment or the improper use of the Internet will be considered a serious violation of Company policy for which the offender could be dealt with severely, including dismissal.



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Effective Date: October 1, 2007

Policy Regarding: **Employee Privacy Notice**  
**Passwords**

### **Employee Privacy Notice**

You are given access to the Company phone system, e-mail and computer network to assist in performing your specific duties and responsibilities. You should not have an expectation of privacy in anything you say, create, store, send or receive on these systems. The phone system and computer network belong to the Company and are intended for business use only. Without prior notice, the Company may listen and/or monitor any phone messages, or review any material created, stored, sent or received on the computer network or through the Internet or e-mail services.

### **Passwords**

You are not allowed to share you passwords or user names on any Company system (computer, voicemail, e-mail) you are authorized to access. If you suspect that another employee or person not authorized by management is using your password or user name, it is imperative that your supervisor is notified immediately. Failure to do so could leave our system vulnerable to compromise with the responsibility fully on the shoulder of the employee failing to act as directed in this policy.



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## ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK

My signature on this page acknowledges that I have received my copy of the Shore Financial Services, Inc. d.b.a Shore Mortgage Employee Handbook and that I will read and familiarize myself with and abide by its contents.

I understand that this handbook represents only current policies, regulations and benefits and that it does not create a contract of employment between me and Shore. Shore retains the right to change these policies, regulations and benefits at any time, without prior notice.

Any new policies or changes in policy will be announced by Shore's Management, posted, then retained in the Policy Binder located in the Human Resources Office. I understand that it is my responsibility to regularly check postings and the Policy Binder for any updated policies and to be aware of and abide by those policies.

I understand I have the right to terminate my employment at any time, with or without notice or cause, and that Shore has the same right.

\_\_\_\_\_  
(print your name)

\_\_\_\_\_  
Employee's Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Employee's Social Security Number

cc: Employment File