

ADMINISTRATIVE STAFF

HANDBOOK



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Paragon Systems, Inc. and Securitas Critical Infrastructure Services are referred to in this book as "Paragon". The contents of this book are applicable to all administrative staff. Some sections pertaining to wage/hour issues may not be applicable for exempt employees.

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SEE SOMETHING; SAY SOMETHING

If You See Anything Unusual, Report It

Paragon employees can prevent negative events, and even crimes, through vigilance and good reporting. The best way to deal with terrorism, workplace violence and criminal acts is to prevent them from happening.

DO NOT ignore signs or “RED FLAGS” that could indicate possible danger. Use your common sense: report unusual, out of the ordinary and suspicious things and activities.

Depending on your job site, **you should know who to contact and alert** when something comes up. It may be your manager, someone from the branch office, management at the site, the company hotline (1-800-574- 8637 | www.paragonhotline.com | www.securitashotline.com), or for emergencies 911.

Here are a few examples of things to report:

- Someone talking excessively about guns, violence or Extremist / controversial political topics.
- Someone’s behavior or comments are aggressive, threatening or intimidating.
- Unusual items or situations: A vehicle parked in an odd location, a package / luggage left unattended, a window / door open that should be closed, a room light on that should be off, a broken door lock, or any out-of-the-ordinary conditions at the job site.
- Eliciting information: A person who does not have a legitimate purpose asks questions about a building’s operations, security procedures, personnel or shift changes, etc.
- Observation / surveillance: A person who does not have a legitimate purpose pays unusual or excessive attention to facilities or buildings. This includes excessive loitering or unusual, repeated or prolonged observation of a building (e.g., with binoculars or video camera), taking notes or measurements, counting paces, sketching floor plans, etc.

Some of these activities could be innocent – it’s important to consider the context of the situation. It’s up to management or law enforcement to determine whether the behavior warrants investigation.

This policy is not intended to violate anyone’s civil rights or liberties. **Do not report a person because of their race, ethnicity or religious affiliation.**

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WELCOME ABOARD

Dear Valued Employee,

Welcome to Paragon Systems! We are sincerely excited that you are joining our team. Paragon is a special company. We are committed to integrity and unparalleled customer service in all aspects of our business. You were hired because we believe that you will make a meaningful contribution to the achievement of our goals; to our success; and that you share our commitment and mission to safeguard American assets by being the preferred security services provider to the United States Government. As a part of our team, we hope that you will discover that the pursuit of professional excellence and an uncompromising demand for integrity and achievement of mission will result in a rewarding and long-term career. It is our expectation that you will share in the ownership of our reputation and pride of our organization's dedication to service excellence.

At Paragon, we believe that each member of our team is essential to the organization's success. We seek to create an atmosphere within the company that will allow all employees to feel a sense of accomplishment and contribution. At no time will we knowingly permit discrimination toward any employee because of age, sex, race, color, religion, military service, national origin, disability, or sexual orientation, or for any other unlawful reason. We pledge that our management will be fair in all employment decisions and that we will continually strive to improve our organization and the standards of living for each employee. We believe that both the company and its employees should be good citizens. We encourage you to contribute to the many communities where we work throughout the nation and participate in civic initiatives. We welcome your thoughts about our organization, and we are committed to continuous evaluation and improvement of our standards.

The success of Paragon will be determined by our success in operating as a unified team. Through your contribution and the recognition of your efforts, we are confident that we will exceed our clients' expectations and help to keep our country safer. I hope that you will share our enthusiasm about Paragon and its growth and progress. Again, on behalf of Paragon Systems and its senior management, we are pleased that you have decided to join our team and we look forward to working with you.

Sincerely,

Anthony L. Sabatino
Chief Executive Officer

ABOUT THIS MANUAL

This handbook has been prepared to acquaint you with Paragon Systems, Inc. and Securitas Critical Infrastructure Services (“Paragon”) and to give you a general understanding of our policies, procedures, and benefit programs. We want you to be an informed employee so that you can fully participate in all aspects of the employment relationship. This Administrative Staff Handbook replaces all previously dated and previously issued administrative handbooks, policies, and procedures.

Although we have tried to address the most common issues, please remember that this handbook cannot anticipate every situation or answer every question about your employment. Your immediate supervisor or Human Resources representative will be happy to answer any questions not specifically covered in this handbook.

In order to have the necessary flexibility in the administration of policies, practices, and procedures, Paragon may, from time to time, delete, add to, or otherwise modify policies, practices, or procedures. As policies, practices, and procedures are modified, updated material will be provided to you. Please be sure to keep the updated material with your handbook to keep the handbook current. The updated material will supersede the older information in the handbook.

As you learn more about Paragon, we welcome your ideas on ways to improve the company and ways in which you can contribute to our further growth.

OUR COMPANY

About Paragon Systems, Inc.

Since its inception in 1983, Paragon Systems has been dedicated to providing high quality services with one mission in mind: support and protect the United States. It is through Paragon’s commitment to this mission that the company has become one of today’s most dependable security services provider in the country.

The Paragon team has grown its security services to include uniformed and armed security officers responsible for access control, law enforcement, personnel protection, theft prevention, surveillance, vehicular and foot patrol, crowd control and the prevention of sabotage, counterterrorism and crime deterrence. Extensive training, industry expertise and passionate dedication to excellence mark the cornerstones of Paragon’s history.

Today, our officers support vital homeland security programs and protect some of the nation’s most sensitive infrastructure. Paragon’s clients include the Department of Homeland Security, NASA, the Department of the Treasury, the Federal Bureau of Investigation, the Drug Enforcement Administration, the Federal Emergency Management Administration, the Social Security Administration, and the National Park Service.

Paragon is based in the Washington D.C. area and a subsidiary to Securitas Critical Infrastructure Services, Inc. (SCIS). The relationship to the global security leader, Securitas AB, affords Paragon the

ability to leverage the buying power, bench strength and economies of scale of an \$11 Billion Dollar parent company. SCIS and Paragon are guided by a distinguished group of Americans who form our proxy Board of Directors.

In 2020, the Investigations and Energy sectors of the Paragon's legal parent Securitas Critical Infrastructure Services, Inc. consolidated under the venerable Paragon brand to provide broader service capabilities and best represent our commitment to safeguarding American assets at home, abroad and beyond.



Our Company - Today

Paragon Systems safeguards American assets everywhere, from physical assets like government facilities and critical infrastructure to digital assets like networks and data. For more than 25 years, we're the people government agencies choose to ensure safe and secure operations at mission speed and scale.

We are a company of 14,000+ trained and cleared professionals who the government uses to quickly deploy and scale its protective services, cybersecurity, investigations, inspections, mission support and risk management. Paragon Systems has been a proven, compliant and reliable partner for the federal government for decades, committed to solving the safety and security challenges of today and the emerging ones tomorrow. Paragon Systems is a government-approved vendor in all 50 states and territories and is qualified to provide its services through the Federal Supply Schedule to all agencies of the federal government.

Paragon works with a wide range of government customers in defense, intelligence, homeland security, law enforcement and federal civil sectors.

About Our Team

Paragon Systems is a diverse organization built upon teamwork and a collective commitment to quality, service, and integrity. Our employees bring to Paragon many different perspectives, experiences, and educational backgrounds. Much like our nation, we believe that our diversity has made our Company stronger and more competitive.

We take great pride in the many awards Paragon has won for excellence and dedication to service. We are a government approved vendor in all 50 states, Guam and the Virgin Islands. We are qualified to provide guard services and professional security services through the Federal Supply Schedule to all agencies of the federal government. Paragon is certified by the Virginia Department of Criminal Justice Services and dozens other state licensure boards. We hold facility clearances that permit us to perform classified work and provide cleared personnel.

Paragon's long history of accomplishment has been made possible by the commitment of Paragon's employees and their dedication to a common goal. Together, we believe the accomplishments are limitless.

Our Expertise

With over 14,000 professionals, Paragon and SCIS are the leading provider of specialized security, fire, investigations, inspections, cybersecurity, risk management, and mission support services to the U.S. Federal Government and other critical infrastructure clients. Following is a brief summary of our service lines:

Paragon Cyber

Our newest business sector, Paragon Cybersecurity provides cleared, certified personnel - cyber professionals that can ensure digital assets are safe and secure, as part of a comprehensive security program. We focus our nationwide resources in two key areas: (1) Skilled Staffing and support, (2) Assessments.

Paragon Energy

Paragon Energy provides specialized protective services for owners and operators of nuclear power, fuel storage, and energy facilities.

Paragon Inspections

Paragon Inspections supports a variety of inspection needs to the Federal and State agencies across the country.

Paragon Investigations

Paragon Investigations includes federal background investigations and inspections, corporate due diligence investigations, and professional staffing services.

Paragon Mission Support

Paragon Mission Support is responsible for sourcing, assessing, hiring, training, and managing staffing needs to effectively execute the mission of Federal agencies. This can include a wide range of services from transportation to research support, from security personnel to customer service desks, from procurement specialists to professional services, from training personnel to quality control monitors and inspectors.

Paragon Protective Services

Paragon offers professional uniformed security services for Federal facilities. Our uniformed personnel are carefully screened, selected, and trained to offer the highest level of service.

Paragon Risk Management

Providing a combination of analytics, innovative technology and unparalleled experience, Paragon Risk Management is focused on identifying, managing, and mitigating the business risks of our clients.

SCIS and Aerospace Defense

The Aerospace & Defense Sector Secures Highly Sensitive Controlled Facilities on A National, Regional And Local Basis. As the National Security Provider For Many Of The Top Department Of Defense, Aerospace And Intelligence Contractors, SCIS Is Qualified To Provide “Cleared Protective Services” To Classified Facilities.

Paragon Training and Instruction

Paragon provides its personnel one of the most comprehensive instruction and developmental training programs offered in the industry. Based upon the core principle that an officer will react the way the officer trains, our curriculum is designed to attract, develop, and retain the most highly qualified physical security careerists.

Corporate Contact Information

Paragon Systems, Inc.
13900 Lincoln Park Drive
Suite 300
Herndon, VA 20171

Hours: 9:00 am to 4:00 pm ET
Phone: 703-263-7176
Fax: 703-263-9527
Website: www.parasys.com



PRODUCTIVE WORK ENVIRONMENT

EEO & Affirmative Action Statement

Paragon is an equal employment opportunity employer. We recruit, hire, train and promote persons in all job titles without regard to race/ethnicity, color, national origin, ancestry, sex/gender, gender identity/ expression, sexual orientation, marital/parental status, pregnancy/childbirth or related conditions, religion, creed, citizenship status, age, disability, genetic information, veteran status or any other status protected by local, state or federal law. Personnel actions such as hiring, compensation, benefits, Company-sponsored training, education, transfer, discipline, demotion, assignment, termination, layoff, and social and recreational programs will be administered without regard to protected group status.

Paragon has in place an Affirmative Action Program that sets forth the specific affirmative action and equal employment opportunity responsibilities of managers, supervisors and all Paragon employees. You may obtain a copy of the Affirmative Action Program by contacting your branch office or a Human Resources representative.

All employees are required to follow the Paragon equal employment opportunity and affirmative action objectives, stated above, and report any incident that you think may be a violation of this policy.

Diversity Policy

Paragon is committed to maintaining a work environment that represents a culture of diversity and acceptance, as employees' differences are respected and valued. We embrace our employees' differences and characteristics that make each employee unique. We believe that these differences contribute to our overall achievements as a company. All employees of Paragon have a responsibility to treat others with courtesy and respect at all times.

Non-Discrimination on the Basis of Disabilities and Reasonable Accommodations

In accordance with the provisions of the Americans with Disabilities Act (ADA) and other applicable federal and state laws, no program or activity administered by Paragon shall exclude from participation, deny benefits to or subject to discrimination any individual solely by reason of his or her disability. Equal employment opportunity will be extended to qualified disabled persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, assignment, discipline, layoff, recall, and termination. If a disability issue arises, Paragon will engage in an interactive process with the employee and attempt to make reasonable accommodations that enable the employee to safely and successfully perform the essential functions of the job. Employees who may require a reasonable accommodation should contact their local manager or a Human Resources representative.

Policy Against Discrimination and Harassment

Paragon is committed to providing a professional and productive work environment, based on a culture and atmosphere of mutual respect, free from unlawful discrimination and harassment.

Paragon does not tolerate unwelcome verbal or physical conduct, advances of a sexual nature, or any harassment based on gender (including gender identity/expression), sex, sexual orientation, pregnancy, childbirth or related medical conditions, race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, citizenship status, marital status, military or veteran status, age, or other protected characteristic which is a violation of local, state and/or federal law. Any individual who commits such a violation may be subject to personal liability, as well as discipline by Paragon, and possible termination of employment.

Each supervisor or manager strives to keep the workplace free of harassment. No supervisor or manager may threaten or insinuate that refusal or willingness to submit to sexual advances will affect an employee's employment. Supervisors are required to follow the chain of command and immediately forward reports of harassment to human resources or company branch management.

All harassing, discriminatory, or offensive conduct in the workplace is prohibited, whether committed by a Paragon employee, member of the public, client employee, or agent. Examples of prohibited conduct include, but are not limited to:

- Unwanted physical contact or conduct, sexual flirtations, touching, kissing, brushing up against someone's person, advances, propositions or assault
- Verbal harassment of a sexual nature based on any protected characteristic, lewd comments,

sexual jokes, or offensive/suggestive sexual references

- Demeaning, insulting, intimidating, or sexually suggestive comments, objects, messages, pictures, or photographs
- Inappropriate comments about an individual's personal appearance
- Creating or forwarding demeaning, insulting, intimidating, or sexually suggestive written, recorded, or electronically transmitted messages, including screensavers, texts, emails, websites, blogs, etc.
- Inappropriate remarks about co-workers on social network sites, such as Facebook, or other similar types of social media

If you believe any company employee's or non-employee's actions or words constitute unwelcome harassment of any kind, you have a responsibility to report the situation to a human resources representative, your immediate supervisor, your branch management, or the Company Hotline (**1-800-574-8637 or www.paragonhotline.com | www.securitashotline.com**), as soon as possible. The company prohibits retaliation against any employee for making a complaint of discrimination, harassment, or retaliation in good faith. Any employee who believes that he or she has been subject to discrimination, harassment, or retaliation should promptly report the situation to a human resources representative, their supervisor, branch management, or the Company Hotline. The company will undertake a fair, complete, and timely investigation by qualified and impartial personnel. The investigation will be documented and tracked to ensure reasonable progress and timely closure and will be kept confidential to the extent reasonably possible, consistent with the need to conduct an adequate investigation, and in accordance with applicable law. Corrective, remedial action, up to and including termination of employment, will be taken if misconduct is found.

Employees may also report complaints of discrimination, harassment or retaliation to the Equal Employment Opportunity Commission (www.eeoc.gov) or state fair employment agency (e.g., the California Department of Fair Employment and Housing, www.dfeh.ca.gov.)

Gender Identity and Transition

Paragon seeks to ensure that employees who change their gender identity are treated in an equal and inclusive manner. Transgender employees shall not be subject to unwanted questions regarding their status, medical history, or sexual orientation. Also, any rude or inappropriate behavior towards transgender individuals, including the repeated or deliberate use of improper pronouns, is prohibited. All employees are required to comply with the appearance policy for their gender identity/gender expression and it is expected that employees will use the restroom or similar facilities appropriate to and reflective of their full-time gender identity. We ask that all employees maintain an environment of understanding and respect at all times.

Policy Against Retaliation

Paragon prohibits retaliation against any person who, in good faith, reports a complaint of discrimination, harassment, or other suspected unlawful activity, testifies, assists, or participates in any investigation or proceeding conducted by Paragon or a government enforcement agency. Employees who engage in retaliatory behavior will be subject to disciplinary action, up to and including termination.

Pay Transparency Policy Statement

Paragon will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions are prohibited from disclosing the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with Paragon's legal duty to furnish information.

Company Hotline

All employees have access to the Company Hotline, confidential reporting system. The Company Hotline is a way for you to advise Paragon in a simple and confidential manner of any situation that may adversely impact Paragon, its clients or its employees. The following are examples of situations which should prompt a timely report to the Company Hotline:

- Use of drugs or alcohol on the job;
- Any form of harassment, discrimination, retaliation or threats of violence;
- Insider threat;
- Violation of safety or security policies;
- Violation of any Company policy, practice or procedure;
- Theft or fraud;
- Misappropriation of Company or client property/funds;
- Ethical violations;
- Wage and hour violations;
- Workers' Compensation fraud;
- Benefit concerns or pay issues.

You may contact a Company Hotline Communications Specialist by dialing 1-800-574-8637 or go on-line to www.paragonhotline.com or www.securitashotline.com. Confidentially file your report, seven days per week, 24 hours a day.

All calls and web reports will be promptly assigned to the designated company contact for an investigation and response. You may call or file a web report anonymously.

Preventing Violence in the Workplace

As part of the goal of maintaining a safe work environment, Paragon has a zero-tolerance policy regarding violence in the workplace. Acts or threats of violence, including intimidation, harassment and/or coercion will result in immediate employment termination. The prohibition against threats and acts

of violence applies to all persons involved in company operations including, but not limited to, Paragon personnel, contract workers, temporary employees, and anyone else on company or client property.

Examples of workplace violence may include:

- Threats or aggressive behavior, including the use of threatening gestures or glances
- The intentional destruction or threat of destruction of property
- Harassing or threatening social media posts, phone calls or notes
- Surveillance not required by job responsibilities
- Stalking; physically or electronically
- Bullying - repeated inappropriate behavior, either direct or indirect, verbal, physical or otherwise, conducted by one or more persons against another or others, in the workplace and/or in the course of employment. Bullying can also be excluding or disregarding an employee, either socially or physically, in work-related activities.

Drug-Free Workplace

Paragon is firmly committed to assuring the health, safety, and wellbeing of its employees, clients and the public. Paragon has established a strong commitment to maintain a drug and alcohol-free work force. Our goal is to ensure that all employees are able at all times to safely and efficiently perform their duties.

The illegal manufacture, distribution, possession, use, or being under the influence of narcotics, drugs, or alcohol is strictly prohibited at any time while you are on duty, on company and/or client premises, or in company or client vehicles. Any illegal substances found in the workplace will be confiscated and turned over to the appropriate law enforcement agency immediately. Violation of this policy will result in immediate disciplinary action, up to and including termination of employment

The company's program includes the following, in accordance with applicable state law:

- Post-Offer Drug Test
- Reasonable-Cause Drug Test
- Post-Injury / Accident Drug and/or Alcohol Test (only if there is reason to believe drug and/or alcohol use caused or contributed to the cause of the workplace injury/illness and/or as permitted by applicable law)
- Random Drug Testing (only where required by client contract and/or permitted by state law)
- Periodic Drug Testing (where required by client contract and/or permitted by state law)
- Under certain circumstances, applicants and employees may undergo alternative drug testing methods.

Applicants or employees who test positive for alcohol or for drugs that are illegal under federal law will not be hired, or if already employed, will be terminated, as permitted under applicable law. A positive drug test for marijuana will disqualify an individual from employment or continued employment, regardless of whether marijuana has been legalized for recreational or medicinal purposes under state law, unless the applicable state law provides otherwise.

Paragon provides all of its new hires with a copy of the “Paragon Drug-Free Workplace” booklet. If you do not have a copy, you may obtain one by contacting your local human resources department.

Attendance Standards

Due to the critical nature of your job, you are required to report to work when scheduled and on time.

Your supervisor will notify you of your workday and break periods. You are expected to be properly dressed and ready to begin work at your scheduled start time. You are considered late if you are not at your work area, in proper attire, at the normal starting time of your shift each day.

Please notify your supervisor as far in advance as possible whenever you are unable to report for work, know that you will be late, or must leave work early. If your supervisor is unavailable, notification should be made to the next level of authority within your department. If your absence is due to illness, Paragon may request that you furnish a doctor’s certification, where warranted in the circumstances, and as permitted by state law. Excessive absences of any kind can warrant discipline up to and including termination based on the circumstances.

Employment of Relatives and Workplace Relationships

Employees’ relatives will not be eligible for employment with Paragon where supervision, safety, security, morale, or other potential conflicts of interest may exist. Relatives include an employee’s spouse/domestic partner, parent, child, sibling, aunt, uncle, in-law, foster parents, step relationship, cohabiting employees, dating couples, fiancés, or life partners.

Romantic or sexual relationships that create an actual, perceived, or potential conflict of interest, potential charges of sexual harassment, discord or distractions that interfere with workplace productivity, are prohibited.

All questions and issues relating to employment of relatives and/or consensual relationships must be addressed with your management and Human Resources management. An employee in a close personal or familial relationship with a co-worker or client employee must inform Paragon immediately.

Safety Policy

Paragon is committed to creating and maintaining a safe and healthy work environment. Each employee should become familiar with all safety regulations and report any unsafe or unhealthy situations. It is important that you recognize and follow all safety-related policies and procedures set forth by the company or cited in client Post Orders.

Paragon’s Safety Policy is based on the following guidelines:

Company Commitment to a Safe and Healthy Workplace

Maintaining safe working environments is one of Paragon’s most important goals. The Company will not knowingly permit unsafe working conditions, or permit employees to engage in unsafe acts. The Company will comply with all applicable workplace safety and health requirements and promote

occupational safety and health standards that equal or exceed the best practices in the industry. The company will provide safety training and guidance to employees and will work to ensure that all employees comply with safety procedures and regulations, in accordance with OSHA guidelines. Reports of any unsafe and/or unhealthy issues will be promptly investigated to determine cause and prevent the recurrence of similar issues. The company encourages all employees to provide suggestions and recommendations for achieving a safer, healthier workplace.

Employees Should Report all Safety Concerns

Paragon requires that employees work safely and assist in the prevention of accidents in the workplace. Signs, posters and client Post Orders are made available to ensure that you consistently work in a safe manner. If you have questions regarding safety, supervisors, managers, and human resources are available to assist you in understanding all safety procedures and regulations.

Employees should report all safety and/or health issues, including occupational illnesses and injuries in a reasonable period of time, proportionate to the seriousness of the injury or illness. Prompt and appropriate reporting will allow the company to immediately address the issue and assist the employee in seeking prompt medical attention if necessary. The timely reporting of injuries or illnesses will also enable the company to notify employees of the safety and/or health concerns in the workplace and help to prevent additional employee exposure.

Retaliation for reporting work related injuries or illnesses is prohibited.

Reporting Unsafe or Unhealthy Working Conditions

The company provides multiple avenues for reporting unsafe or unhealthy working conditions. If you or another employee identifies a potentially unsafe or unhealthy condition or situation, you should immediately contact your supervisor and document the issue(s) on an Incident Report or memo. This should be done so supervision can take the noted concern to the client to get the condition or situation corrected and the hazard eliminated. Employees may also report such issues directly to their manager, file a report with the company's 24/7, anonymous-enabled Company Hotline **(1-800-574-8637 | www.paragonhotline.com | www.securitashotline.com)**, or otherwise report any concerns as directed by client Post Orders. The following of this process is highly encouraged as it gives the company a chance to give immediate attention to the issue and complete the remediation of the hazard quickly. If a safety concern is not addressed in a timely manner, then employees are perfectly within their rights to file a complaint with OSHA.

Paragon prohibits retaliation against any person who, in good faith, reports a complaint, testifies, assists, or participates in any investigation or proceeding conducted by Paragon or government enforcement agency. Employees who engage in retaliatory behavior will be subject to disciplinary action, up to and including termination.

Non-Solicitation Policy

Unauthorized solicitation and distribution may cause disruption in the workplace. Such activities are generally not permitted in work areas during work hours. Solicitation includes any verbal or written request from employees or non-employees which encourages, advocates, demands or requests a contribution of money, time, effort, personal involvement, or membership.

Examples of employee activities prohibited during work time and in work areas include but are not limited to: membership drives for religious, fraternal, civil, political, or other organizations; distribution of literature pertaining to religious, fraternal, civil, or political subjects; or distribution of other non-work-related materials.

Exempted from this policy are solicitations for employee gifts (resignations, retirements, weddings, births, etc.) and company-sponsored events/drives (e.g., Toys for Tots, Meals for the Homeless, etc.). Also exempted are management-approved intracompany notices distributed to employees announcing discounts on merchandise, special purchase programs or amusement park discount days.



Business Ethics

The success of any business is largely dependent upon the honesty and integrity of its employees. Compliance with ethical business standards is expected. Failure to observe such standards exposes Paragon and, possibly, its employees, to severe legal sanctions and may damage the reputation of the company and its employees. It is the responsibility of each Paragon manager to ensure that all employees understand and adhere to every company policy.

Honest competition based on integrity, price, product quality, service quality, and customer service serve the public interest. Ethical conduct is good business. The trust and respect of fellow employees, customers, suppliers, competitors, neighbors, friends and the general public depends upon adherence to the highest ethical standards. It is Paragon's policy that our business be conducted according to such standards.

If you are asked to depart from an established policy or practice, whether by a supervisor, another Paragon employee, or by a client, you have a right and personal responsibility to clarify any ethical questions you may have. This includes addressing the matter with the appropriate supervisor, management, human resources, or the 24-hour Company Hotline reporting system (**1-800-574-8637 or www.paragonhotline.com | www.securitashotline.com**), to obtain clarification and understand the issue in question.

Paragon strictly complies with all applicable state and federal laws, including the Foreign Corrupt Practices Act. Further information regarding the Foreign Corrupt Practices Act can be found on the Paragon portal, under the Legal Department section.

Compliance Guidelines

Paragon has made a commitment to prevent and detect criminal and/or unethical conduct within our own organization, to further our continuing effort to assure compliance with all applicable laws and to promote and maintain our reputation of integrity and honesty. We ask all employees to be vigilant in supporting this goal by promptly reporting any offenses to your manager, local human resources representative, the Paragon Hotline, employee relations, or the legal department. Questions regarding the legality of any transaction or conduct should be directed to the Paragon legal department.

Employees are not to engage in, become involved in, or commence any type of legal proceeding without the prior approval of the legal department.

Accounting Records and Controls

Certain legal requirements in effect within the United States require that the company maintain accurate records and accounts that fairly reflect the company's transactions. The company is required to maintain a system of internal accounting controls to ensure that:

- Transactions are executed and access to company assets is permitted only in accordance with the appropriate management authorization, consistent with policy.
- Transactions are recorded so that the company may maintain accountability for its assets and prepare financial statements in accordance with generally accepted accounting principles.

You must fulfill your responsibilities to ensure that the company's records and accounts are accurate and that they are supported by the appropriate documents. All vouchers, bills, invoices and other business records must be prepared with care and complete candor. False or misleading documents, accounting entries, bank accounts, funds or other assets which are not properly recorded in the company's books will not be permitted. No payment shall be made with the intent or understanding that such payment, or any part thereof, is to be used for purposes other than those described in the documents supporting the payment.

Paragon expects that if you are in a position which requires the use of company funds, or if you incur personal expenses which are reimbursed by the company, you will use good judgment on the company's behalf. You should spend company monies for business purposes and never for personal benefit. Expenses must always be driven by business necessity and be consistent with company policy.

If you become aware of the misuse of company funds, you must report such misuse to Paragon Hotline, Paragon's ethics officer, a human resources representative or manager, or a member of senior management.

Government Security Information

Paragon is committed to safeguarding the security of government classified information to which it has access. The facilities in which we operate have established security procedures with which all Paragon employees will comply.

In the Marketplace

Accurate Invoicing and Payments: Invoices submitted for payment must accurately reflect the true prices of products sold or services rendered as well as the terms of sale. Payments due must be made to Paragon customers, representatives, consultants and suppliers in accordance with contract

stipulations unless otherwise approved by your director or manager. Practices and procedures that might facilitate wrongdoing, bribery and kickbacks, as well as any illegal or improper payments or receipts, are strictly forbidden.

Statements in Sales, Advertising and Publicity: Company advertisements, and sales statements must be truthful and accurate.

Competition: It is unlawful in the United States and elsewhere to collaborate with competitors or their representatives for the purpose of establishing or maintaining prices at a particular level. It is Paragon's policy not to discuss client service rates with competitors at any time. Employees must never reveal information that might affect client service rates to any individual outside Paragon's employment. Within Paragon, such information must be limited to those with a "need to know." Paragon employees have an obligation to preserve the confidentiality of certain information which may include, but is not limited to, marketing strategies, client lists, pricing, and contract terms.

Reciprocal Dealing: It is Paragon's policy to sell its services by virtue of superior client service. Coercion, expressed or implied, is unacceptable and inconsistent with Paragon's corporate values.

Appearance of Employees

You are expected to dress in a manner that is consistent with your responsibilities, with special attention paid to company image, customer interaction, and safety.

You are expected, at all times, to present a professional, business-like image. Acceptable personal appearance is an ongoing requirement of employment with Paragon.

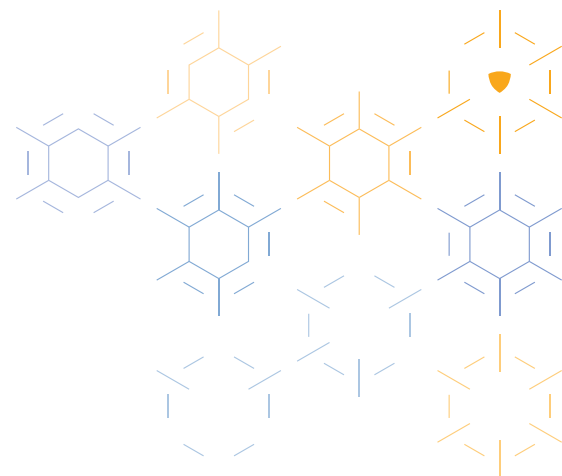
Generally, Paragon recognizes business casual dress. In certain locations specific days have been designated as casual dress day(s). It is your responsibility to verify the dress code for your work location. On business casual days, you are expected to present a neat business-like appearance and are not permitted to wear blue jeans, ripped, suggestive or disheveled clothing, ill-fitting clothes, or similarly inappropriate clothing not consistent with the business image we are trying to portray.

Appropriate business casual dress includes:

- Slacks, Docker-style khakis
- Skirts, mid-length split skirts, dresses
- Sweaters, blouses, shirts with collars
- Collared shirts with the Paragon logo
- Dress shoes, loafers or boots for men; flats, or heels for women
- Ties, sport coats and suits are usually optional

The following items are inappropriate at all times:

- Gym and beach wear
- Shorts, jean bib overalls, sweatpants, spandex
- T-shirts with promotional advertising, with the exception of Paragon logos



- Tank tops, tube tops or halter tops
- Spaghetti strap or backless dresses
- Rubber clogs, flip-flops or thongs, slippers, sport or beach sandals, motorcycle or combat boots
- Hats and caps
- Attire, including blue jeans, which is worn out, stained or torn
- Clothing that is revealing, sexually provocative or inappropriately sized

You are expected to wear appropriate business attire, which may include a sports coat, tie or suit, whenever so notified by Paragon management, or whenever necessary to present the appropriate image for client and/or vendor visits.

On casual Fridays or other designated casual days, you may wear:

- Cargo pants, jeans (clean and neat)
- Casual dresses, denim skirts, sport outfits
- White- or solid-colored T-shirts, Paragon logo shirts, polo shirts, pullovers
- Athletic shoes in clean and good condition, with appropriate hosiery

Hair should be clean, combed and neatly trimmed or arranged. Extreme hairstyles and colors should be avoided. Shaggy, unkempt hair is not permissible regardless of length. Beards, goatees, sideburns and/or mustaches are to be neatly trimmed.

Body piercings and tattoos are generally not considered to be consistent with the professional business image that Paragon wishes to represent. If your position involves regular public or client contact, visible body piercings and tattoos are not permitted.

If you wear a security officer uniform as part of your job responsibility, all uniform regulations are to be followed, as outlined in the Security Officer Handbook.

If your religious beliefs or medical condition require deviations from this policy, we will enter into an interactive dialogue with you in an attempt to reach a reasonable accommodation.

Management has the authority to modify the appearance standards set forth in these guidelines, according to business and client requirements.

If found in violation of this policy, you will be subject to disciplinary action up to and including termination, depending on the circumstances.

Communications

All company information disseminated must be accurate.

Communications with the Media

If during the course of your employment with Paragon, you are personally contacted by a representative of the media for an interview or comment regarding a policy or event, please refer the representative

to the senior executive or program / district manager at your location. The manager or executive will in turn refer the individual to the communications & marketing department for the accurate and appropriate response to the inquiry.

You are not authorized to issue any statement on behalf of the company, written or oral, to any news media representative or grant any public interview pertaining to the company's operations or financial matters.

Use of Telephones, Computers and Electronic Equipment

Paragon and client telephones are to be used for business purposes only. Do not make personal calls from company and client telephones except in the case of an emergency.

Telephones, cell phones, 2-way radios, voice mail, computers, electronic mail (e-mail) systems, and Internet access are maintained by Paragon and/or the client in order to facilitate business. Therefore, all messages sent, received, composed and/or stored on these systems are the property of Paragon or the client. If your message does not relate to company business, is not an emergency and/or is not one you would want shared with your supervisor, or local Paragon management, please do not send it on company and/or client equipment. Transmitting or downloading of violent, pornographic, or other inappropriate materials is strictly prohibited.

Unless specifically authorized by management, all personal electronic devices including recorders, pagers, digital cameras, tablets, and personal laptop computers should be locked in employee automobiles or another designated area during the time an employee is on post or at work.

Employees may carry personal cell phones for emergencies, unless prohibited according to client requirements. Personal cell phone use may occur during authorized breaks.

Workers who damage company or client equipment through intentional misconduct may be required to pay for damages, where permitted by state law. All employees assigned a company cell phone must comply with all state laws regarding “hands free” usage, and/or the usage of cell phones.

Use of Personal Cell Phones / Devices Policy

Employees, non-exempt and exempt, are not required or expected to use their personal cell phones, computers, or other personal electronic devices for business purposes, and should not do so. You may be asked to provide a means of contacting you in the event of opportunities to work extra shifts. However, you are not required to provide a cellular device, or any device, for this purpose if you prefer not to be contacted and offered such opportunities. Similarly, if you provide a cell phone number as your contact number, that number may be used to reach you to offer you opportunities for extra work, but you are not required to respond. You will not be disciplined for not responding to calls/texts regarding extra work opportunities. Using your cell phone or other personal device for this purpose is not a compensable business expense. If any non-exempt / hourly employee believes he or she is being required to use a personal cell phone or similar device for business purposes (e.g. responding via phone, text, or email to questions about work-related duties), the employee should contact human resources.



The company reimburses employees for any authorized expense associated with the necessary business use of their personal cell phones and similar devices where required by applicable law. As a reminder, non-exempt employees are not permitted to work off-the-clock. All time spent performing work-related duties, including performing work remotely, must be reflected on an employee's timesheet. Employees who are expected to perform work and be reachable remotely generally are issued company-provided phones/devices for this purpose. If, however, you do not have a company-issued device and are nonetheless required to use a personal cell phone or other personal electronic device to perform work-related duties, you should contact human resources. It is company policy to reimburse employees for authorized expenses incurred as a result of the necessary business use of their personal cell phones and similar devices where required by applicable law.

Use of Computer Software

Paragon holds ownership rights to computer software programs and licenses and the right to use such programs obtained from outside companies. Paragon and its employees are not permitted to reproduce an unauthorized copy of copyrighted computer software application or its documentation unless otherwise stipulated by the copyright holder. Additionally, you may not reproduce any software owned by Paragon without management's approval.

All employees are required to use software products in accordance with the license agreement for all local area networks (LANs) and multiple-computer networks. If you are aware of the unauthorized use of Paragon computer software applications or related documentation within Paragon you must immediately notify management. Paragon employees who reproduce, acquire, or use unauthorized copies of computer software products may be subject to disciplinary action up to and including termination.

Acceptable Usage and Electronic Communications Policy

All Paragon employees are required to adhere to the following guidelines regarding electronic communications. This policy also applies to consultants and contractors who have agreed to and acknowledged this policy, and covers all company electronic data and communication equipment, including but not limited to:

- Electronic Email
- VPN Connections
- Instant Messaging
- Network
- Telephones
- Dial-Up Connections
- Facsimile Machines
- Flash Drives/Memory Sticks
- Internet Publishing
- External Hard Drives
- Wireless Connections
- Cameras
- Cell Phones
- Personal Digital Assistants (PDAs)
- Pagers
- Tape Recorders
- Copiers
- Text Messages
- Voicemail Systems
- Computers



Appropriate Usage

- Legitimate company business use
- Consistent with all company policies
- Appropriate business etiquette
- Emergencies

Prohibited Usage

Employees are prohibited from using company or client electronic equipment or devices to knowingly create, view, display, transmit, retrieve, or store any data, material, or information that is:

- Personal use (except emergencies with supervisor or management approval)
- Spam, chain letters or mass emails
- Illegal communication
- Obscene or pornographic
- Political activities
- Derogatory or defamatory
- Rude, obscene or inappropriate communication
- Misrepresenting or concealing one's identity
- Discriminatory, harassing, or threatening communication
- Threats of harm
- Any communication inconsistent with company policies or Company business interests
- Communication directly or indirectly intended to diminish the business interests of Paragon
- Communications directly or indirectly intended to induce any employee to leave the employment of Paragon
- Communications to unauthorized persons regarding Paragon or client trade secrets and/or proprietary, confidential business information
- Electronic hacking

Monitoring: Employees may work at sites where monitoring and/or recording occurs. You may be subject to the monitoring of your use of company and client electronic devices to include telephones, computers, and facsimile machines. Some company and client facilities are equipped with security cameras; employees assigned to these facilities may be videotaped.

Recording: You may not record communications at work. Tape recording disciplinary sessions and/or investigations are only permitted according to applicable law. Recording conversations with another employee without the employee's knowledge and consent is against the law in many states and is generally prohibited. If questions arise regarding this provision, contact your vice president, human resources.

Removal of Equipment from Company or Client Premises: Company or client communications or equipment may not be removed from company or client premises without written authorization from your supervisor or site manager.

Breaching Employee Confidentiality: Employees must respect the privacy and confidentiality of other employees' electronic communication and data. Employees are prohibited from engaging in, or attempting to engage in the following:

- Monitoring or intercepting files or electronic communications of other employees, client employees, or third parties;
- "Hacking" or obtaining access to systems or accounts to which they are not authorized;
- Searching and viewing data not related to one's own job responsibilities;
- Using log-ins or passwords of others;
- Breaching, testing, or monitoring computer, network, or telephone systems without management authority;
- Browsing or looking at another user's communications and data, unless this is part of their job function, or they directly manage that employee.

Cameras: Employees must not take pictures while on duty unless directed or approved by your supervisor or manager, for legitimate business purposes (such as a safety issue), and as permitted under applicable law. This applies to cellphone cameras and/or any other photographic or video devices.

Social Networking

Paragon reserves the right to view or access comments or discussions that are publicly posted online about the company, its employees, clients, and the industry.

Employees are prohibited from conducting personal blogging or social networking activities while working, as well as prohibited from using any employer or client-owned equipment, including computers, cellphones or other electronic equipment for such activities.

Internet postings by Paragon employees should comply with all applicable workplace policies stated elsewhere in this handbook and should always be sensitive to Paragon's objective of protecting the security and privacy of its clients. Examples of prohibited employee conduct on social media include:

- Postings that are threatening or menacing to anyone.
- Postings, including unauthorized photographs or recordings, that infringe on the copyrights, trademarks, logos, or other intellectual property of Paragon or its clients.
- Postings, including unauthorized photographs or recordings, that reveal confidential or proprietary information of Paragon or its clients, including but not limited to trade secrets, security related procedures, equipment or systems, or that depict or disclose any non-public client facility or nonpublic area of a client facility.
- Postings that violate Paragon's policy prohibiting harassment and other forms of discrimination, including but not limited to hate speech, racial epithets, and obscene or sexually offensive material.
- Postings that maliciously disparage the quality of products or services of Paragon or its clients.



Any employee who engages in such conduct or otherwise violates this policy may be subject to personal liability, as well as discipline and possible termination by the company.

If you choose to identify yourself as a Paragon employee, you must state that your views expressed in your blog or social networking site are of your own and not those of the company.

Note: Nothing in this Acceptable Usage and Electronic Communications Policy is intended or should be construed to interfere with employee communications regarding wages, hours or other terms and conditions of employment, or to interfere with our employees' ability to engage in collective or concerted activity for their mutual aid or protection as authorized by Section 7 of the National Labor Relations Act. By way of example, refusing to perform an act directed by management based on an employee's good faith belief that the act would be unlawful or unsafe is not "insubordination" within the meaning of this policy. Similarly, voicing good faith concerns about the terms or conditions of employment is not necessarily "derogatory" conduct prohibited by this policy and/or conduct against the best interests of the Company, as that term is used in this policy.

Employee Arrests & Convictions

You are required to notify Paragon management within three (3) days of any arrest (regardless of whether you were incarcerated), incarceration, or conviction of a crime. Failure to do so may result in immediate termination of employment. Depending upon the details of the situation, you may be placed on an unpaid suspension or leave of absence for the duration of the legal proceedings. This policy shall be applied as permitted under applicable law.

Confidential Information

Because of the nature of our business, Paragon may possess sensitive and confidential information about our clients, their customers and the company itself. All employees have a duty to protect against the disclosure of such information unless disclosure is authorized by management and within the law.

With respect to our clients, who entrust us with confidential information, Paragon is committed to safeguarding all such information, including all information obtained in the course of our ongoing relationships with our clients and their customers.

Additionally, Paragon employees may be privy to sensitive and confidential information about their fellow employees or Paragon as a whole. Unauthorized disclosure of such information is strictly prohibited and may violate applicable laws (ex: HIPAA).

Paragon's and the client's trade secrets, proprietary information and other internal information represent valuable assets. Confidential information is any and all information disclosed to or known by you due to employment with Paragon that is generally not known to individuals outside the company about its business. A trade secret is treated as property, usually in the form of information, knowledge or "know-how." Protection of this information is important and should always be secured. Your obligations with respect to the proprietary information of Paragon and the client are as follows, to the full extent consistent with applicable law:

1. This information may not be disclosed to people outside of Paragon and the client;

2. This information is not to be used for one's own benefit or for the benefit of people other than Paragon and the client; and
3. This information may only be disclosed to other Paragon and client employees on a "need-to-know" basis.

Special safeguards should be observed for company information classified as "Paragon Private" or "Paragon Proprietary." These classifications impose "need-to-know" restrictions. Trade secrets and proprietary information includes, but is not limited to, business and strategic plans, divisional and regional revenues, hours of service, costs, profits, unpublished financial/pricing information, customer lists, vendor lists, detailed information regarding customer requirements, preferences, business habits and plans, computer log-on codes, and passwords. You should contact your supervisor if you have a question regarding trade secrets or proprietary information.

Employees who leave Paragon have an obligation to not disclose Company trade secrets and proprietary information, unless the information becomes publicly available, or Paragon no longer considers it a trade secret. Correspondence, printed matter, documents of any kind, procedures and special Paragon methodologies, whether classified or not, are all the property of Paragon. Any employee who violates these policies will be subject to discipline, up to and including termination of employment.

Conflicts of Interest - Outside Employment or Other Activities

While working, employees are required to devote their full effort, energy and loyalty to Paragon. Paragon allows outside employment and activities as long as outside employment does not create an actual, perceived or potential conflict of interest, disruptions or distractions that interfere with workplace productivity, or may be in competition with Paragon, pursuant to applicable law. Further, any outside employment not in conflict cannot be conducted in the workplace and should not be used as an excuse to not work overtime. You must advise and consult with management regarding this policy before becoming involved in outside employment, activities or relationships that could violate this policy.

You should never use your position in the company for a purpose that is, or appears to be, motivated by the desire for private gain for you or for another. A conflict of interest may arise in many situations. The following are some of the most common.

1. No employee, directly or indirectly, unless the employee has first made full disclosure to and received written approval from Paragon's Legal Department, will:
 - a. Have a financial interest in or familial relationship with any vendor, contractor, supplier, customer or competitor of the company, or in any other party doing or seeking to do business with the company;
 - b. Have a financial interest in any transaction between the company and any such party. (Ownership of less than one percent of any class of publicly traded securities of a company will not be considered a conflict of interest.)
2. Unless the employee has first made full disclosure to, and received written approval from the Paragon legal department, no employee will make or will attempt to influence any decision relating to any business transaction if such transaction is between the company and:
 - a. A relative or domestic partner of such an employee, or
 - b. Any firm of which such relative is a principal, director, officer or employee.

Note: You are responsible to identify if you have any conflicts of interest. You are also responsible to avoid all conflicts of interest. Certain practices such as nepotism and self-dealings (personal gain) are prohibited. You have an obligation to disclose any actual or potential conflicts of interests to your manager before becoming involved in outside employment, activities or relationships that could violate this policy. The resolution of any disclosed conflicts of interest shall be recorded.

Gifts and Entertainment Policy

Paragon recognizes that it is customary in business for suppliers, vendors, clients and business associates to occasionally exchange gifts. However, Paragon employees are not permitted to offer, give, seek or accept gifts, favors, entertainment or payments that could inappropriately influence, or appear to influence, the company's business relationships. Employees are not permitted to offer, give, seek or accept gifts, favors, entertainment or payments without a legitimate business purpose. Employees are required to use common sense, good judgment and moderation when entertaining on behalf of Paragon.

Employees may accept for themselves and members of their families, common courtesies usually associated with legitimate business purposes. These include, but are not limited to:

1. Lunches and/or dinners with suppliers, vendors, clients or business associates, sometimes including spouses/significant others.
2. Gifts of small value from suppliers, vendors, clients or business associates, such as calendars, pens, pads, etc.
3. Tickets to events (sporting, arts, etc.), given or accepted, by suppliers, vendors, clients or business associates and approved by appropriate company management.
4. Day outings such as golf, fishing, hunting, etc., with attendance of supplier, vendor, client or business associate, and approved by appropriate company management.
5. Overnight outings with attendance of supplier, vendor, client or business associate, and approved by appropriate company management.
6. The receipt of alcoholic beverages in the appropriate setting, such as a bottle of wine as a holiday gift.
7. Gifts of perishable items, usually given during the holidays, such as food gift baskets, sweets, candies, cookies, nuts, etc.

The following gifts, favors, entertainment or payments are not permitted:

1. Cash or cash equivalent, such as stocks or other forms of marketable securities of any amount
2. Any illegal item.
3. Any gift given in the form of services or other non-cash benefits (e.g., the promise of employment).

Gifts, favors, or payments given to others at the company's expense must meet the following criteria:

1. Consistent with accepted business practices.
2. Limited value and in an appropriate form to not appear as a bribe, payoff, or kick back.
3. Not in violation of any applicable laws and/or accepted business standards.
4. Not embarrassing to the company if made public.

Any individual found violating this policy will result in disciplinary action, including, but not limited to, termination of employment. The individual employee may also be held responsible for any fines or penalties.

All Paragon employees are required to report suspicions of improper behavior to their supervisor or HR representative. If a reporting person does not wish, or is unable, to report suspicious behavior to his or her supervisor or HR representative, all such issues should be reported via the Company Hotline at **(1-800-574-8637 or www.paragonhotline.com | www.securitashotline.com)**.

Employees will not be retaliated against for reporting their concern.

Safeguarding of Personal Information

Personal employee information is considered confidential by Paragon, and as such will be safeguarded and shared only as required. The company will only collect personal information that is needed for its business operations and to abide by government reporting and disclosure requirements. Personal employee information records will be kept in secure areas with access restricted to those who have a need for such access. Paragon is committed to abiding by the provisions of all applicable state and federal laws related to the safeguarding of employee information.

Smoking

Paragon has determined that the creation of a smoke-free work environment is in the best interests of its employees. Smoking (including e-cigarettes) and chewing tobacco are prohibited in all locations on company property, including inside company vehicles, client vehicles, leased vehicles, and personal vehicles if being used while on duty, except in those areas specifically designated as smoking areas.

Possession of Firearms and Weapons

You may not possess firearms, special security devices, or weapons at work without written approval of your sector or branch management and/or where permitted under applicable local / state / federal law. This includes carrying a personal weapon or prohibited special security device on post, on client property, or in your personal vehicle parked at a job site or on company property (unless expressly permitted by applicable law).

Examples of **prohibited** special security devices include, but are not limited to: handguns, tasers, lasers, knives, batons, brass knuckles, explosives, bullets, gun powder, tear gas, and billy clubs. Additionally, employees are not authorized to carry pepper spray, mace or handcuffs on duty unless authorized by branch management. **If you suspect that any employee is in possession of a prohibited special security device on the job, immediately contact your supervisor, company management or the Paragon Hotline.**

EMPLOYMENT

Employment “At-Will” Statement

Your employment with Paragon is “at-will” and, accordingly, may be terminated by you or Paragon at any time, with or without cause, and with or without prior notice.

Employment Classification and Status

Introductory Period. Your first 90 days of employment are considered an introductory period. During this time, you will participate in an orientation to Paragon and receive any training required for you to perform your job duties. This “getting-acquainted,” or introductory period, gives your supervisor the opportunity to determine how well you perform your job. It also provides you the opportunity to decide if you are satisfied with the position. Paragon reserves the right to extend the duration of the introductory period when determined appropriate at the company’s discretion. Upon completion of the introductory period, an informal performance evaluation may be conducted. Successful completion of the introductory period does not change the at-will employment relationship. Employees are employed on an at-will basis both during and after the introductory period.

Your continued employment at Paragon will be determined by your performance and the needs of the business. Here are some helpful definitions:

Full-Time Employee. A full-time employee regularly works a minimum of 30 or more hours per week on a continuing basis.

Part-Time Employee. A part-time employee regularly works less than 30 hours per week.

Non-Exempt Employee. Employees who are paid on an hourly basis, such as security officers, are entitled to overtime pay according to applicable laws.

Exempt Employee. Exempt employees (such as managers) are exempt from overtime provisions and not entitled to overtime pay.

Rehired Employee. Former employees who left the company in good standing may be eligible for re-employment. Employees who are rehired following a break in service in excess of 30 days, other than an approved leave of absence, are considered new employees from the date of re-employment and will be required to complete the new hire process. For purposes of certain laws and benefits, the employee’s prior service will be counted where required by applicable law.

Temporary Administrative Employee. On occasion, Paragon has a need for temporary administrative employees. Temporary administrative employees may be hired for specific periods of time and placed on Paragon payroll. Temporary employees can be full time or part time and are not eligible for Holiday, Floating Holiday, Vacation, Sick pay, or benefits, except as required by applicable law.



Mandatory Arbitration Program

Paragon has a mandatory arbitration program for resolving employment-related disputes. All non-union employees are subject to the company's Arbitration Program. Arbitration is not intended to and does not replace existing internal company dispute resolution mechanisms, such as informal complaints to supervisors or managers, Human Resources representatives or other company representatives, or the use of the company's Hotline. In the event a dispute between an employee and the company cannot be resolved through informal means, the dispute will be resolved through binding arbitration, instead of the court system, except to the extent prohibited by applicable law.

Workers' compensation and unemployment compensation benefits are not covered by the arbitration program. The arbitration program does not limit employees from filing workers' compensation claims or claims with the EEOC or other government agencies.

Application of the arbitration program may vary depending on applicable law. The terms and conditions of the Arbitration Program are contained in the company's Dispute Resolution Agreement, which is provided to all employees. Please contact human resources if you need a copy of the Agreement.

Transfer / Promotion

Paragon encourages and promotes the professional growth of each employee. When promotional opportunities occur, we will consider current employees along with qualified candidates from outside of the company.

Job openings will normally be posted on employee bulletin boards or announced in publications. From time to time, however, management will, as it considers appropriate, fill job openings or make transfers without posting notices. To be eligible for a transfer or promotion, you must meet the requirements of the new position and be an employee in good standing. If you are on a performance improvement plan (PIP), or have been counseled regarding job performance, behavior, timeliness or attendance within the last 6 months, you will not be eligible for a promotion or transfer. A transferred or promoted employee may be placed on a 90-day introductory period in his/her new capacity.

If you are interested in a transfer or advancement, we strongly suggest that you first discuss the matter with your manager or supervisor.

Additionally, you are urged to advise your manager and human resources representative of any skills or special training you possess. This information may be useful in evaluating your qualifications for future transfers or promotional opportunities.

Hours of Work

For most administrative employees, the official work week begins on Friday and ends on Thursday. Your schedule of hours, including meal and rest periods, will be determined by your manager. Depending on the length of the shift, all non-exempt administrative employees are required to take at least a 30-minute non-paid lunch break. Meal and rest breaks are provided in accordance with applicable law.

Overtime

All employees of Paragon are expected to work overtime in the event of an emergency. Non-exempt employees will be paid time and one-half for all hours worked in excess of 40 hours per week, except where in conflict with state law, in which case Paragon will follow state law. For example, some states have daily overtime requirements. Paid leaves, such as holiday, PTO, bereavement time, and jury duty does not apply toward work time. Any overtime must have prior supervisory approval.

Pay Periods

Employees will receive pay in either weekly or bi-weekly pay cycles. Human Resources and / or your Manager will describe your specific pay cycle. If you are unsure which cycle you are in, please contact your local office.

Reimbursement of Expenses

If you are required to incur personal expenses in the direct discharge of your job duties, such expenses will be reimbursed by Paragon.

Travel Time

You will not be compensated for your commuting time to and from your home to your work assignment. However, if you are required to travel beyond your normal commute, the extra travel time will be compensated as hours worked. For example, if you report to your regular job assignment and are then instructed to travel to another location to perform work, the extra travel time will be compensated as hours worked.

Lactation Accommodation

Paragon will comply with all applicable federal and state laws in accommodating nursing mothers. Paragon will provide reasonable breaks from work to allow nursing employees to express breast milk.

Reasonable efforts will be made to provide an appropriate area in close proximity to the employee's work area, other than a bathroom, which will be shielded from view and free from intrusion. The breaks will be unpaid, except to the extent they run concurrently with other paid break time. If you have a need for such accommodation, please contact your human resources representative and/or branch management directly.

Timekeeping

All employees are paid in accordance with applicable federal and state and local wage and hour laws. It is important that you are familiar with the timekeeping procedures at your job site to ensure proper payment of all time worked. Rest periods and meal periods may be scheduled by your supervisor or manager to ensure that your position and duties will be covered.

If you are a non-exempt employee, you are required to complete a daily timesheet. You must record the actual time you begin work and record the actual time you end work. All timesheets must be completed in ink. If you voluntarily arrive early for work but do not actually begin to work, you must only record the actual time work begins versus your arrival time.

Two 15-minute paid rest breaks, one during each four-hour shift (or major fraction thereof worked), are provided each full working day for non-exempt employees. Non-exempt employees must take an unpaid meal break, wherein they are relieved of all duty, of either 30 or 60 minutes before the end of the fifth hour worked. The start and stop times of unpaid, off-duty meal periods must be recorded on the employee's timesheet.

Non-exempt employees are not permitted to work "off-the-clock" for any purpose. All time spent performing work on behalf of the company must be reflected on an employee's timesheet.

Supervisors should record all absences, tardiness and early departures for non-exempt employees.

If you are classified as an exempt employee, you are not required to record your time on a daily basis. However, any absence (e.g., sick, vacation, jury duty, etc.) must be recorded on a timesheet by the designated personnel representative in your department.

Note: Each employee is solely responsible for the accuracy of his / her timesheet and must advise management of any discrepancies even after the timesheet is submitted. Filling out another employee's time record or falsifying any time record is prohibited. Employees are required to contact the Paragon supervisor or manager if they encounter any problems or concerns regarding being paid for all time worked.



Compensation

Paragon has established a competitive Compensation Program for all employees. Based upon contribution level to the organization and the education, experience and skill required for each position, each job is assigned a grade and corresponding salary range. Salary ranges are established and updated based upon competitive job market data obtained from a series of salary surveys.

You will be compensated in accordance with your grade, tenure, classification and skill set. This process ensures that our salaries remain competitive in our particular market area. Your performance will be reviewed annually (usually in March of each year). Your wages may be adjusted based on your work performance, business conditions, and changes in your job duties. Adjustments will be prorated for the first year of employment in the case where your employment commenced during the fiscal year.

Incentive Program

Incentive bonus programs vary by your position, grade range and office location. For specific details, contact your supervisor or human resources representative.

Leave of Absence

It is the practice of Paragon to grant a leave of absence in compliance with all state, federal, and local laws. Unless specifically provided for otherwise (or required by applicable law), all leaves of absence are available only on an unpaid basis. If you have a need to request a leave of absence, check with human resources for eligibility requirements and more information. Failure to return to work following the scheduled expiration of a leave of absence may be considered job abandonment and processed as a voluntary resignation.

FMLA Leave of Absence

Paragon complies with the provisions of the federal Family and Medical Leave Act (FMLA) and all applicable state and local family and medical leave laws. FMLA provides eligible employees with up to 12 weeks of unpaid, job protected leave during a 12-month period for qualifying reasons, and up to 26 weeks to care for a qualifying injured or ill military servicemember.

Eligibility

FMLA defines eligible employees as individuals who meet all of the following requirements:

- Have worked for Paragon for at least 12 months (52 weeks)
- Have worked at least 1,250 hours during the 12 months preceding the start of leave
- Work at or report to a worksite where the company employs 50 or more employees within 75 miles of the worksite (except where state law has a lower threshold).

Once Paragon becomes aware that your need for a leave is for a reason that may qualify under the FMLA, you will be notified as to whether you are eligible for FMLA leave and, if eligible, you will be provided a notice of rights and responsibilities under the FMLA. You will be notified if the leave will be designated as FMLA leave, and if so, how much leave time is available. If you are not eligible, you will be provided a reason for ineligibility.

Qualifying Reasons and Duration of Leave

Eligible employees may take up to 12 weeks of unpaid leave measured forward from the date the employee's first FMLA period begins, during a 12-month period, for the following reasons:

- The birth of an employee's child
- To care for a newborn or a child placed for adoption or foster care
- To care for a parent, spouse, (or domestic partner where provided for under applicable state law) or child who has a serious medical condition
- To recover from or obtain treatment for the employee's own serious medical condition

A serious medical condition is generally defined as a condition that requires any period of incapacity or treatment connected with inpatient care; any period of incapacity involving continuing treatment by

a healthcare provider which requires an absence of more than three days; any period of incapacity, or treatment thereof, due to a chronic serious medical condition; or any incapacity due to pregnancy or prenatal care.

- A “qualifying exigency” arising out of a covered family member’s active duty or call to active duty in the Armed Forces

Eligible employees may take up to 26 weeks of unpaid leave to care for a spouse, son, daughter, parent, or next of kin who is a member of the Armed Forces, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness incurred in the line of duty. Leave to care for an injured or ill servicemember, when combined with other FMLA qualifying leave, may not exceed 26 weeks in a single 12-month period.

Employee Rights under FMLA

Employees who take leave under FMLA generally have the right to return to the same position held when leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. However, employees on leave have no greater rights to reinstatement or to other benefits and conditions of employment than if the employee had been actively reporting to work during the leave. During the leave period, the company will continue health benefit coverage, when applicable, based on client contract, as if the employee had continued to work; seniority will also continue during the leave period.

Under certain circumstances, employees may take family and medical leave intermittently or on a reduced leave schedule.

Employee Responsibilities

Employees are responsible for providing proper documentation to support leave covered under FMLA, prior to such leave being approved as FMLA. Depending on the type of qualifying leave, this may include medical certification from a licensed practitioner, such as a completed certification form from a health care provider, or proof of a qualifying family member’s call to duty or active military service. Periodic recertification and/or fitness- for-duty reports may also be required.

If you believe that you may qualify for unpaid, job protected leave under the provisions of FMLA, you should notify your manager or human resources representative in writing, at least 30 days prior to your anticipated departure from work. If such notice is not possible, you are required to give as much notice as is reasonably possible under the circumstances.

Upon your notification to Paragon regarding your need for leave, you will be provided with a health care provider certification form to be completed and returned. If you fail to provide appropriate certification of your need for leave, fail to return from your leave when scheduled, fail to report in regularly during your leave (where requested to do so), or fail to request an extension if needed, you may forfeit your rights under FMLA. Additional details on your rights and obligations under FMLA and the complete company policy are available at the branch offices and operation centers.

You may be required to use any accrued paid leave you may have, depending on state law, the reason for your leave under the FMLA, and whether you are receiving compensation from another source.

You may file a complaint with the U.S. Department of Labor, Wage and Hour Division, or may bring

a private lawsuit if you believe there has been a violation of FMLA. The FMLA does not affect any federal or state law prohibiting discrimination or supersedes any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

Pregnancy Leave

Paragon complies with the Pregnancy Discrimination Act, FMLA, ADA and all relevant federal, state, and local laws with respect to leaves of absence for pregnant employees/employees disabled by pregnancy or pregnancy related conditions.

Medical Leave

Paragon will grant unpaid leave of absence for employees who are not FMLA eligible, but who need a temporary leave of absence as a reasonable accommodation under ADA, unless the leave would pose an undue hardship for the company. A doctor's certification will be required validating the need for time off for treatment of a medical condition.

State Family Rights Act Leave

A few states have enacted their own Family Rights Act leave laws with separate qualifications and provisions. Paragon complies with all applicable state as well as federal laws in all instances where they apply. For specific information regarding leave eligibility qualifications and benefits, contact your local human resources representative or manager.

Personal Leave of Absence

Paragon may grant a leave of absence for justifiable reasons for periods not to exceed 4 weeks for employees who have had at least 12 months of continuous service. Management has full discretion and makes the final authorization in granting any leave of absence. However, if for any reason the leave has been misrepresented or business needs require your return to work, the leave may be canceled.

Because of scheduling requirements, Paragon cannot guarantee that requested time off will be granted.

Military Leave

Paragon will comply with all applicable federal and state laws regarding military leave of absence and returning veterans' re-employment rights.

Jury and Witness Duty

A leave of absence resulting from jury duty or testifying as a subpoenaed witness will be granted in accordance with federal, state or local laws. You will be granted a leave of absence for this purpose, provided a notice is presented to your supervisor. For jury duty, an exempt employee may receive his or her base salary for up to ten (10) regularly scheduled days, and up to five (5) days for witness duty, unless otherwise required by applicable state law. Exempt employees are required to surrender any jury pay to Paragon.

Non-exempt employees may be granted time off on an unpaid basis, unless applicable law requires payment, in which case we will follow applicable law.

Any employee (exempt or non-exempt) who is testifying as a witness in a Paragon-related case will receive his or her appropriate wage for the period of time required by the company.

When practical, you should continue to report to work on days when you do not report for jury duty. It is your responsibility to return to work immediately following the expiration of jury or witness duty. All current employee benefits will continue while you are on jury and witness duty leave.

Bereavement Leave

Three consecutively scheduled workdays will be granted, with pay, following the death of an immediate family member to arrange for and/or attend the funeral. Additional time beyond three days may be taken using accrued vacation time with the approval of your supervisor. You may be requested to provide necessary documentation. Your supervisor may request written verification of your need for bereavement leave. For the purpose of this policy, “immediate family members” are defined as:

- Mother/Father — to include in-law, step and foster parents
- Brother/Sister — to include in-law and step relations
- Grandparent
- Grandchild
- Spouse
- Child — to include step and foster child(ren)
- Legal Guardian
- Legally recognized domestic partner

Management retains the right to use discretionary judgement regarding the expansion of this list on a case-by-case basis.

Other Time Off

Paragon understands that you may occasionally need time off from work to address personal matters. Unless otherwise required by law, requests for time off work will be evaluated according to business necessity, scheduling needs, and management discretion. Paragon will comply with any legal obligations imposed by state or local law by providing you time off, where necessary, to vote, to perform emergency duty as a volunteer firefighter, to appear at your child’s school/licensed day care pursuant to the request of the school or for certain school activities, to attend an adult literacy education program, to take time off for reasons associated with being the victim of domestic violence, stalking or sexual assault, to take time off to donate bone marrow or an organ, or in accordance with any other applicable state and/or federal laws. Time off that is provided under this policy will ordinarily be unpaid except where the applicable law requires that it be compensated.

Employment Verification

All requests for verification of current or prior employment may be submitted to The Work Number®. Whenever you need to have your employment or salary data verified, such as for mortgage applications, reference checks, loan applications, or apartment leases — anything you need that requires proof of employment, you are to contact The Work Number® by calling 1-800-996-7566 or through the Internet at www.theworknumber.com. All requests received by branch offices or management for verification of current or previous employment will be referred to The Work Number®.

BENEFITS

This overview of the benefit plans and options currently offered by the company to eligible employees is intended to provide highlights and basic information only. For more specific information and details of coverage, please refer to the various summary plan descriptions of the individual plans.

Group Insurance

Paragon offers every employee a wide of variety of health and welfare plans to meet each employee's needs, protect their health, secure their financial future, safeguard their wellbeing and honor their work life balance. To ensure the enrollment process is fast and simple, employees have the ability to enroll online or by phone through the company's third-party benefits administrator:

- All full-time employees are eligible to elect coverage effective the first of the month following fifteen (15) days
- Enrollment information will be sent to the home address on file
- The employee will have 30 days from their benefit effective date to make an election. If no action is taken, they will not be enrolled in coverage until the next annual enrollment unless they experience a qualified life event as described by IRS Section 125

Once an account has been set up with the benefits administrator the employee can review plan details, go over costs for the specific plans offered and take advantage of the many tools available to them.

Although benefit plans may vary by location or job title, the following is a brief summary of the coverage options available:

Hospital / Medical: Eligible employees have the option of 3 plans to choose between – 1 CDHP (Consumer Driven Health Plan) with a company funded Health Savings Account (HSA) and 2 PPO (Preferred Provider Organization) plans.

Prescription Drugs: The Medical plans enable employees to purchase covered generic and/or brand drugs by mail or at participating pharmacies with reasonable copays.

Flexible Spending Accounts: Eligible employees may elect to set aside pre-tax dollars, up to a certain limit, to pay for eligible health care and/or dependent care expenses.

Dental: Eligible employees have the choice between a Dental PPO and, where available, a DMO plan. With the DMO, a provider must be selected from the dental network. Both plans offer 100% coverage for two cleanings and examinations a year.

Vision: Eligible employees can elect vision insurance for themselves and their families. The plan offers a large nationwide network of eye care providers and includes discounts and savings on services and supplies.

Life and AD&D Insurance: Paragon provides basic life and AD&D insurance for all eligible employees. The amount of coverage is set forth in the applicable plan documents. Please consult the current certificate of coverage for detailed information.

Supplemental Life and AD&D Insurance: Eligible employees have the opportunity to purchase additional life and AD&D insurance coverage for themselves and eligible family members through voluntary payroll deductions.

Business Travel Accident Insurance: Employees who travel on company business are provided with business travel accident insurance that is fully paid by Paragon.

Short Term Disability (STD)/Long Term Disability (LTD): Paragon offers both a Voluntary STD Plan, except where STD coverage is provided by state mandated plans, and an LTD plan.

Employee Premium Payment Responsibility

When you elect health and welfare plans offered by Paragon you agree to have your portion of the premiums deducted from your paycheck.

This amount is due even when you are out of work, regardless of reason. It is your responsibility to submit payments in a timely fashion. If you fail to pay your share of the benefit premiums for a period in excess of 30 days your benefits may be cancelled retroactive to your last payment or deduction.

You will receive notices in the mail with instructions on where to send payments and the amount owed. Should you not receive notices it is your responsibility to contact human resources to ensure your benefits will remain active while you are out of work.

If you continue to pay your premiums, and if your leave of absence continues beyond 13 weeks (or 91 days) all benefits, will be cancelled and you will be notified of your rights to continue coverage under COBRA, except in states with state specific leave laws mandating medical benefit continuation. In those states, medical benefits will be continued in accordance with state mandated leave laws.

Please contact your branch or local human resources representative for further information regarding your insurance benefits or your obligation to continue payments when you are not receiving payroll checks. You may also contact your HR / benefits department for more information on insurance.

401(k) Plan

In general, administrative and management employees who are over age 18 are eligible to participate in the Paragon Incentive Savings and Retirement Plan. This plan permits pretax salary deferrals and offers a variety of investment options through the plan services provider.

Shortly after you receive your first paycheck from the company, you will receive plan enrollment information from our 401(k)-service provider. You will be eligible to enroll immediately upon receipt of the enrollment packet. The plan also will accept rollover distributions from other qualified 401(k) plans.

At the time of the publication of this handbook, the company matches fifty cents (\$.50) on the dollar for the first three percent (3%) of salary that an employee contributes. The employer match fully vests at the end of three years of employment. This means that you may not withdraw or borrow against the employer match until after you have completed three years of service with the company. Your own



salary deferrals are always fully vested. This means that even if you leave the company prior to the vesting of the employer match, you may roll over your own contributions to another qualified plan, if permitted to do so by that plan.

If you do not receive your enrollment packet or would like additional information regarding the 401(k) plan, please contact your local office / HR Manager.



Tuition Reimbursement

Paragon's tuition reimbursement program encourages employees to enhance their skills in current positions and helps prepare them for career advancement within the Company. The program encourages continuing education in the fields of criminal justice, public administration, finance, and technical courses related to the security industry.

Registration and tuition expenses for junior college, college, university, extension classes and other approved accredited courses are eligible for an annual maximum reimbursement, as detailed on the Talent Development SharePoint site.

Employees who are eligible to participate in the program include full-time Company / sector / branch administrative staff employees who have completed six months of continuous employment and are not on a disciplinary or performance warning.

If you are interested in furthering your education and believe that the classes you are considering may qualify for reimbursement, you may obtain additional information and an application from the Talent Development SharePoint site. The form must be completed and approved by your manager in advance of your enrollment in the contemplated course or courses. Once approved, a copy of the form must be sent to the Paragon talent development department.

Once the course is completed, you must submit your registration and tuition receipts or cancelled check(s) copies with a copy of your approved request and a copy of your course grade to talent development. Upon receipt of these items, you will be issued a check according to the guidelines outlined on the Talent Development SharePoint site.

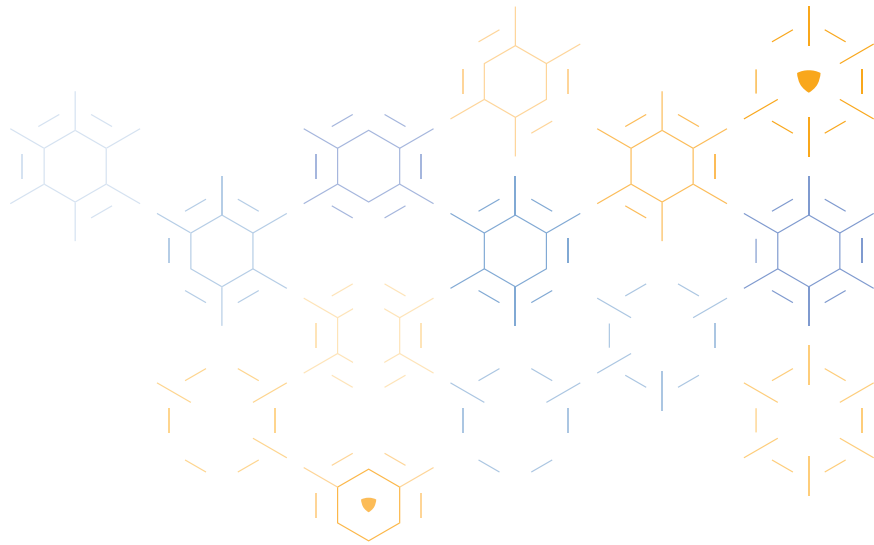
Employee Assistance Program (EAP)

Paragon wants you and your eligible family members to have the support you need, whether that's helping you deal with marital and family issues, relationship difficulties, death or loss, personal crises, health concerns, or even choosing a college for your child. Our Employee Assistance Program (EAP) administered by Anthem, does all of that. You do not have to be enrolled in the Anthem health plan to access the EAP.

This service allows you and your eligible family members a confidential means for obtaining counseling and referral services to help solve problems, both on and off the job. Paragon will not know that you have used the program.

EAP helps with:

- The joys of life:
 - » Adoption
 - » Education for kids
- The inevitable things in life:
 - » Daycare/elder care
 - » Financial counseling
- The unexpected things in life:
 - » Legal problems
 - » Identity theft
- Or if you just need someone to talk to.



Whatever your life matter is, you'll have up to five (5) in-person counseling sessions and a network of support options – all at no cost to you.

You can contact the professionals 24/7 at 1-800-865-1044 or visit anthem.com/eap (Access code: Paragon Systems).

Participation in the EAP does not jeopardize job security or career opportunities. Likewise, participation does not exempt you from performing your normal job requirements nor does it allow exceptions to standard work practices and policies.

Payroll Choices

Under the Payroll Choices Program, depending on HRIS system and where allowed by state law, Paragon offers two options to receive your pay; either by Direct Deposit, or a personalized and secure Visa® Payroll Card, provided by Wisely® Prepaid Services. With direct deposit, you can select the bank account(s) of your choice, while the pay card requires no bank accounts.

Advantages of Direct Deposits:

- Choose your own bank

- Deposit funds in up to three separate accounts
- No lost checks or delivery delays
- No check cashing fees

Advantages of Pay Cards:

- No bank account required
- Pre-Check option included
- Make purchases anywhere Visa is accepted and get cash at ATMs or banks
- No waiting for checks to clear

Please contact your local Sector / Branch office or Human Resources for an enrollment form to set up either direct deposit or request a pay card. Employees who prefer a traditional paper paycheck may also request that option, depending on state law.

Pay Stub Access

Paragon provides an easy and convenient way to access your pay information. Depending on the HRIS system you are in (Valiant or Oracle), details about this are below.

- Access to payroll detail 24 hours a day, 7 days a week, by web
- Access to paycheck history for up to 3 years
- Access to paycheck detail the day before payday
- Ability to view pay stubs through the web and to print, if applicable

For more details on this service, contact your local Sector / Branch office or Human Resources. Depending on state law, employees who wish to have paper paycheck stubs printed and provided to them by the company may do so by contacting human resources or their branch office.

Employees may also use a company computer and/or printer at their branch office for the purpose of viewing and printing their pay stubs and/or may request copies of the paycheck stubs. Any employee who has difficulty accessing their paycheck stubs should contact human resources.

If you are unsure which payroll system your information is housed, contact your manager or Human Resources Representative

Paragon – Valiant based system

For employees on the Valiant system, this service is available through Self Registration on the Valiant portal.

Securitas – Oracle based system

For employees on the Oracle system, access to your pay stubs online and where allowed by state law, go to www.securitasepay.com, is available through Oracle Employee Direct Access.

Workers' Compensation

Paragon carries workers' compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance provides medical, surgical and hospital treatment in addition to payment for loss of earnings that result from work-related injuries. The cost of this coverage is paid completely by the company.

If you are injured while working, you must report the incident within a reasonable period of time, proportionate to the seriousness of the injury or illness to your supervisor, regardless of how minor the injury or illness may be. If you have any questions regarding the workers' compensation insurance program, please contact the risk management department.

Holidays

Holiday schedules will be published by the company before the beginning of each calendar year. Generally, holidays will be observed as follows:

- New Year's Day
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

Eligible employees are given up to four floating holidays (up to 32 hours) per year. Eligible new hires receive pro-rated floating holidays through December of their year of hire, according to the following schedule:

Date of Hire	Floating Holiday Received
January through March	4
April through June	3
July through September	2
October through December	1

There is no waiting period prior to using the floating holidays.

Employees can never have more than 4 accrued floating holiday days per calendar year. Effective January 1 of every year, eligible employees are given new floating days, but the maximum number of accrued days each calendar year shall always be a maximum of 4. Some states, like California, Illinois, Colorado, Nebraska, Massachusetts, and Maine (and possibly others), prohibit “use-it-or-lose-it” vacation pay policies. In these states, when an employee terminates, the employee shall be paid for any unused vacation and floating days. For states which permit “use-it-or-lose-it” vacation pay policies, employees who terminate with unused floating days need not be paid for unused floating days; however, unused accrued vacation pay will be paid according to company policy. Temporary employees are not eligible to receive floating holidays.

Full-time administrative employees who are regularly scheduled to work 10 hours per day, 4 days per week, receive 32 floating holiday hours which enables them to use three 10-hour floating days. The additional two hours may be used in conjunction with vacation time or to compensate for early departure or late arrival. Additionally, full-time administrative employees who are regularly scheduled to work something other than the standard 40-hour work week will have floating holidays prorated according to their standard workweek. For example, if you work 35 hours per week, you are eligible for 7 hours per floating holiday.

Employees who want to take time off for religious observances on days other than designated holidays are encouraged to use floating holidays or vacation days for this purpose. Otherwise, time off for religious observances will be granted on a non-paid basis.

Part-time regular employees are eligible to receive holiday pay only for holidays on which they normally would be scheduled to work and only for their regularly scheduled number of hours.

Part-time regular employees receive floating holidays (hours) based on the percentage of time worked as compared to full time. (For example: a part-time employee, who regularly works 20 hours per week would be eligible for 16 hours of floating holiday time per calendar year, or 2 days.)

Temporary employees and employees on leaves of absence or layoff are not eligible to receive holiday pay.

You must be at work or taking an approved day of paid vacation or floating holiday on the workdays immediately preceding and immediately following the day on which the holiday is observed, in order to receive holiday pay. If you are absent on one or both of these days because of an illness or injury, Paragon may require verification of the reason for the absence before approving holiday pay.

A holiday that occurs on a Saturday or Sunday generally will be observed by the company on either the preceding Friday or following Monday.

Paragon may schedule work on an observed holiday, as it considers necessary. Normally, work on an observed holiday will be paid as if the day were a regularly scheduled day; you will be provided another day off during the six-month period following the holiday.

Branch management may, at its discretion, award premium pay to field supervision on the holiday, in lieu of granting another day off.

Vacation / PTO

Paragon has established a vacation pay policy to provide eligible employees periods of rest and relaxation. In some jurisdictions, the vacation policy may be replaced by a Paid Time Off (PTO) policy. All eligible employees are entitled to vacation on a pro-rata basis, determined by the number of actual hours worked. The amount of vacation you earn per pay period is determined by your length of service. Temporary employees are not eligible to receive vacation pay.

Employees who regularly work a 4-10-40 (4 days per week/10 hours per day) schedule will accrue vacation at the same hourly rate as regular full-time employees who work 5-8-40 schedules. Each vacation day taken by a 4-10-40 employee will deduct 10 hours from his / her vacation hours account.

Paragon requests that you schedule your vacations and receive approval from your supervisor in advance. In order to assure proper coverage of work assignments, your supervisor and/or manager may need to designate when some or all vacations are to be taken. Supervisors will attempt, when feasible, to resolve vacation scheduling conflicts based on length of service.

Please contact your human resources manager for detailed information regarding your vacation policy.

Employee Loans

Generally, loans are not granted to Paragon employees by the Company.

Sick Days

We recognize that there are times when you will be unable to work due to personal illness or injury. All eligible employees of Paragon receive six days (48 hours) per calendar of sick leave benefits. Newly hired employees will receive a pro-rated allocation of sick hours during their first calendar year of employment, based upon their hire date. In jurisdictions with mandatory sick leave requirements, the sick leave policy described in this section will be modified to meet the legal requirements or may be replaced by a Paid Time Off (PTO) policy, as necessary to ensure compliance. Employees are provided with the applicable paid sick leave policy information upon hire. However, please contact human resources or local Sector / Branch management for information on the specific paid sick leave policy applicable to you if you have questions.

If an injury or illness prevents you from working, please notify your supervisor or manager or another designated employee no later than the hour the workday begins. You should also advise your manager/supervisor of your expected return date. If you are absent for three or more consecutive days, or have repeated absences, a doctor's note may be requested by your supervisor / manager upon your return to work as permitted by applicable law.

Unused sick days may be carried over from year to year up to a maximum of 90 days, unless otherwise dictated by local and state laws. This will allow you to use accrued sick days in the event of an extended illness and as otherwise allowed, based on applicable local and state laws. You will not be paid for unused sick days.

Regular, part-time employees receive sick hours on a pro-rata basis, based upon average hours worked per week. Temporary employees are not eligible to receive sick days, unless otherwise required by applicable law.

Employee Referral Program

At Paragon, we are always looking for dedicated individuals to make Paragon even stronger. In some of our locations, we have developed employee referral bonus awards programs as an incentive to encourage employees to refer qualified candidates. These programs are developed and administered locally and vary by the specific needs of a location.

Check with your Sector / Branch or Shared Services human resources representative for information regarding an awards program at your location. In all cases, employees of the human resources departments and those involved in the hiring process are not eligible for referral awards.



DISCIPLINE & TERMINATION

Voluntary Separation

A termination is considered voluntary when you elect to resign your employment with Paragon. Whenever possible, you are requested to submit, in writing, the reason for leaving, and the anticipated date of termination.

If you are thinking of resigning, please talk it over with your supervisor and/or human resources representative before doing so. If you do decide to leave, we would appreciate, but do not require, two weeks' notice. Employees who provide adequate amount of notice will be considered to have resigned in good standing and generally will be eligible for rehire.

If you fail to report for work after three consecutive workdays without contacting your supervisor, or fail to return from a leave of absence on the designated date, you will be considered to have voluntarily terminated your employment with Paragon.

Involuntary Separation/Layoff

There are certain times when it may become necessary to lay off employees as a result of changing business conditions. Examples of these conditions include, but are not limited to:

- Reduction in work force.
- Reorganization resulting in the elimination or modification of a position.
- Change in job functions or technology which requires that the position be filled by an individual who possesses one or more skills, knowledge or abilities which, in management's opinion, the incumbent does not demonstrate to the extent required.

When Paragon concludes that a lay off or reduction in force is necessary or appropriate, the positions and/or employees to be eliminated will be selected in accordance with the company's needs, based upon a number of factors, which may include demonstrated performance and skills, ability and reliability, and seniority.

Group Health Benefits and COBRA

Your health benefits will terminate at the time of separation in accordance with your particular plan's coverage contract. You may continue basic health benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). You will be advised of this option by Paragon human resources / benefits department after they receive notification from your supervisor or manager of your separation.

Final Wages

In accordance with applicable state and federal laws, you will receive your final wages, including any unused accrued vacation pay subject to the Company's vacation policy and applicable state law.

Discipline & Termination Guidelines

The following guidelines generally apply to the discipline and involuntary termination of employees. However, inasmuch as employment is "at will," these guidelines do not create any contractual or other rights for any employee. The Company may, in its discretion, choose to use or not use progressive discipline prior to termination of employment.

Actions That Warrant Immediate Termination of Employment

Certain conduct which is detrimental to other employees and/or the company warrant involuntary termination on the first occurrence.

Such offenses include, but are not limited to, the following:

1. Insubordination, derogatory behavior, or refusal of job assignment.
2. Breach of confidence, including misappropriation or unauthorized divulgence of confidential information.
3. Falsification of any company record.
4. Theft, unauthorized taking or removal of company property or the property of another person, or dishonesty.

5. Serious misconduct of any kind.
6. Damage to company property.
7. Threatening or committing physical violence or intimidating behavior.
8. Completing a company time record for another person, or knowingly allowing someone else to fill out one's own timecard or time sheet, or falsification of time records.
9. Carrying a concealed weapon, explosives or other dangerous devices on company or client premises without proper written authorization by company management.
10. Conviction of or pleading guilty to any violation of any criminal statute or code, whether or not such a crime is committed against the company or any of its employees when, in the company's opinion, such conviction or guilty plea is reasonably related to the nature of the employee's work or relation with others and continued employment could jeopardize the company's interests.
11. Participation in events or activities that create a conflict of interest with Paragon, as permitted under applicable law.
12. Use of or being under the influence of alcohol, intoxicants, illegal drugs or controlled substances during work hours, or on company/client property or in company/client vehicles, testing positive for illegal drugs or controlled substances (including marijuana) following a company drug test; violation of Drug Free workplace policy, as permitted under applicable law.
13. Sale or purchase, attempted sale or purchase, possession or transfer of intoxicants, illegal drugs, or controlled substances during work hours, while on the job, or on company/client property or in company/client vehicles.
14. Willful or repeated violation of safety rules.
15. Willful or repeated violation of Paragon's Code of Business Ethics, its sexual harassment policy, or other forms of unlawful discrimination.
16. Participating in any relationship or activity that creates a conflict or potential conflict of interest, discord or distractions that interfere with the productivity of the workplace.
17. Failure or refusal to participate in a lawful company investigation.
18. Falsifying the reasons for a leave of absence.
19. Willful or repeated violation of any company policy or policies.
20. Inability to obtain and retain government security clearance, if required.
21. Behaviors or actions that would result in the loss of government security clearance.

Actions That May Result in Warning Prior to Termination of Employment

There are certain other actions which do not demonstrate Paragon's standards of behavior but may not result in termination upon their first occurrence. For such actions, you may receive a verbal counseling or written correction notice prior to discharge. However, Paragon may, in its discretion and depending on the circumstances and severity of the conduct, choose to forego a warning and proceed with termination of employment for:

1. Inefficient or substandard performance of an assigned duty or responsibility.
2. Excessive absenteeism and/or tardiness in reporting to work or returning from rest periods or meal periods.

3. Failure to report an absence in accordance with the attendance standards.
4. Failure to immediately report a workplace injury.
5. Carelessness or negligence in the performance of an assigned duty or in the care and use of company property.
6. Sleeping while on duty, or the appearance of sleeping while on duty.
7. Abusive, foul or inappropriate language.
8. Discourtesy to other Paragon employees, clients or their employees.
9. Posting of notices or other written material on company property without prior written approval of the company, circulation or distribution of written material of any type in work areas or on work time, or solicitation or any other form of disturbing employees during work time.
10. Unauthorized use of company and/or client property, such as telephones, cell phones or computer equipment.
11. Bringing pets to work (except as authorized in advance as a reasonable accommodation for a disability).

Nothing in these conduct policies is intended to interfere with employee rights to discuss the terms and conditions of their employment, to complain or report in good faith concerns of unsafe or unlawful conduct, or to engage in concerted activity for mutual aid and protection within the meaning of the National Labor Relations Act.

Company Issued Tools and Equipment

All equipment and/or tools required to perform job duties will be provided by Paragon and/or the client site where you are assigned. You are required to follow site specific rules and procedures for storage and use of such equipment.

On termination of employment, all equipment provided must be promptly returned. This includes any keys, credit/calling cards, cell phones, laptops, tools, equipment, or manuals you have received.

APPENDIX

Securitas AB Values and Ethics Code

General Principles

As a Company, we place a strong emphasis on ethics, integrity and compliance. We strive to always conduct our business in a sustainable way and in line with our core values, Integrity, Vigilance and Helpfulness. We are committed to maintaining the highest standards of integrity and compliance with applicable laws, rules, regulations and any codes of conduct in the jurisdictions where we operate.

Securitas AB's Values and Ethics Code (the "Code") is one of Securitas' key corporate policies and sets out the fundamental principles to which Securitas AB expects all of its employees and business partners to adhere at all times (during work time). The Code is closely linked to, and should be read in the context of, Securitas' values of Integrity, Vigilance and Helpfulness and other guiding documents, such as the Securitas Group Policies and Guidelines.



It is the responsibility of Securitas AB as a company and all Securitas AB employees and board members to understand and comply with the code. Securitas also expects all of its business partners at various levels to abide by the principles of the code. All employees and business partners are encouraged and expected to report any incidents of noncompliance, with the assurance that there will be no reprisals or other negative consequences for persons reporting in good faith. This code is a minimum standard but does not in any way preclude or replace collective bargaining.

While the code provides guidance on numerous matters pertaining to acceptable standards of integrity and appropriate business conduct, it would be impossible to codify every situation that may arise in the day-to-day business of Paragon's worldwide operations. Therefore, the code cannot replace each individual employee's or partner's responsibility to exercise his/her good judgment in abiding by the spirit and purpose of the code as well as the letter of it.

Securitas is a signatory of the United Nation's Global Compact and we support the principles of the United Nations Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work and OECD's Guidelines for Multinational Enterprises, and we are committed to upholding these principles in our policies, procedures and day-to-day practices.

“Our Values”

Securitas AB’s operations are based on three fundamental values: **Integrity, Vigilance & Helpfulness.**

Integrity

Securitas AB insists on an honest approach to business. The success of any business is largely dependent upon the honesty and integrity of its employees. The Company is uncompromising in its demands of integrity and truthfulness. Integrity also includes the right to openly express one’s opinion and report improprieties and other relevant information without risking reprisals.

Vigilance

A Securitas AB employee must always strive to be attentive and able to observe, listen and evaluate in order to do what is reasonable to protect the customers’ premises and property and the values and ethics that Securitas represents.

Helpfulness

Securitas strives to make people’s lives safer. A Securitas employee should always be ready to assist within the context of a particular assignment. We must be prepared to support our colleagues, customers and others who need assistance.

Securitas AB’s management model, the Toolbox, is used to convey the company’s corporate culture and create a shared platform and is primarily symbolized by a focus on Securitas AB’s three fundamental values.

Compliance with Local Laws and Regulations

All employees and business partners are expected to comply with the laws and regulations of the countries in which Securitas AB operates. The Code represents a minimum standard and is to be adhered to in Securitas AB’s operations, even if it stipulates a higher standard than local legislation. Paragon will comply with economic and trade sanctions issued by the United Nations, the European Union and the United States of America, where applicable.

Human Rights

Securitas AB supports and respects the fundamental human rights set out in the United Nations Universal Declaration of Human Rights and recognizes its responsibility to promote and observe those rights when conducting its global business.

Employees

Our employees are our most important resource. Securitas AB aims to be a solid, trustworthy and stable employer, and promotes relationships based on mutual respect and dignity. We strongly believe in the connection between the competence of our employees and the result we achieve. To attract skilled people, Securitas AB strives to be an attractive employer that offers good working conditions, fair wages and opportunities for personal development.

Compensation and Terms of Employment

Securitas AB recognizes the importance of fair wages and reasonable working hours. We work to raise wages and benefits to a level that meets or exceeds the national legislation or minimum industry standards.

Information on wages and benefits, as well as other terms of employment, should be communicated clearly to each employee.

Freedom of Association

Securitas AB respects the rights of all employees to choose whether or not to be represented by a trade union for the purpose of collective bargaining and to form and join trade unions of their choice in accordance with local laws and principles. This includes respecting freedom of peaceful assembly and association. No employee should risk being harassed or retaliated against for exercising these rights.

Health and Safety

Securitas AB recognizes the importance of providing a safe and healthy working environment and taking reasonable steps to prevent accidents and injuries, as well as supporting measures to promote health and well-being.

Equal Opportunity

Securitas AB is an equal opportunity employer and all employees are to be treated fairly and equally. Discrimination in hiring, compensation, training, promotion, termination or retirement based on race/ethnicity, color, national origin, ancestry, sex/gender, gender identity/expression, sexual orientation, marital/parental status, pregnancy/childbirth or related conditions, religion, creed, age, disability, genetic information, veteran status, political affiliation or any other status protected by local, state or federal law is never acceptable.

All employment decisions are to be made solely on the basis of a person's ability, experience, behavior, work performance and demonstrated potential in relation to the needs of the job.

Harassment

Securitas AB promotes a productive work environment and does not tolerate any form of harassment, bullying, or abuse. All employees should be treated and treat one another with dignity and respect.

Child Labor or Forced Labor

Securitas AB does not employ or accept any form of child labor or forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, sex trafficking, slavery or trafficking of people in any stage of its operations.

Alcohol and/or Drug Abuse

Securitas AB is committed to providing a drug-free workplace and expects all employees to refrain from any alcohol and/or drug abuse that may affect their work.

Social Networking

Securitas AB respects the individual's right to free speech and freedom to express one's opinion. However, to the extent permitted under applicable law, only employees expressly designated to do so are authorized to make public statements on behalf of Securitas AB. Employees and business partners who engage in activities in social media are encouraged to behave in ways that are consistent with Securitas AB's values and policies.

Business Ethics

Securitas AB insists on honesty, integrity and fairness and is strongly committed to upholding and promoting the highest ethical business standards in all aspects of our business. As an industry leader, Securitas AB has far-reaching responsibilities towards the countries and communities in which we operate. We practice good corporate citizenship and comply with laws and regulations in our countries of operation. Securitas AB also has a responsibility to continue the development of the entire industry. By cooperating with trade organizations, unions, public authorities and law enforcement, Securitas AB helps develop services and the market as a whole with the goal of raising standards and wages in the industry.

Fair Competition and Anti-Trust

Securitas AB believes in fair trade and honest competition, based on integrity, product quality, price and customer service. While we may join associations in order to advance the industry, we do not entertain discussions or enter into agreements with competitors concerning pricing, market shares or other similar illegal activities and are firmly committed to respecting all applicable laws and regulations promoting fair competition.

Bribery, Corruption and Money Laundering

Securitas AB strives to offer the best possible services targeted to our customers' specific needs and expects to be selected as a provider of services on the basis of merit, in a free and fair competitive environment. Securitas AB has zero tolerance for any type of corruption and does not offer, solicit or receive bribes, facilitation payments or other illegal payments to obtain or retain business.

Securitas AB aims to do business only with respectable business partners involved in lawful business activities and whose funds are derived from legitimate sources. Securitas AB does not facilitate money laundering and abides by the general anti-money laundering principles set out in relevant conventions against corruption and money laundering within the spirit of the code.

Securitas AB strictly complies with all applicable state and federal laws, including the Foreign Corrupt Practices Act. Further information regarding the Foreign Corrupt Practices Act can be found on the Securitas AB portal, under the Legal Department section.

Entertainment, Gifts, Gratuities and Donations

Purchasing and sales activities must be handled with the utmost integrity. Employees and business partners should not give or accept any gifts, gratuities or entertainment offers that could influence business transactions or the employee's, business partner's or customer's decision making. Gifts of minor value are sometimes part of local business culture and as long as allowed and legally permissible can then be accepted. Local Securitas AB entities are expected to implement more detailed guidelines and principles for what is acceptable on a local level, in compliance with applicable laws and the code.

Conflicts of Interest

Business decisions must always be based on objective reasons and criteria, and employees and business partners must avoid all conflicts of interest or perceived conflicts of interest between their personal activities and their part in the conduct of Securitas AB's business.

Political Contributions and Political Activities

Any public policy or political activity undertaken on behalf of Paragon must be lawful, ethical and in accordance with Securitas AB's values and policies. Employees are not allowed to use, or consent to the use of, any corporate funds, resources or facilities to support a government entity, political organization, party or candidate, except where legally required and where there is an established, lawful and generally accepted practice to do so. All contributions made from corporate funds must be lawful, transparent and preapproved by the divisional president or the regional president.

Insider Trading and Confidential Information

Securitas AB abides by all applicable insider trading laws and regulations and does not use or disclose insider information inappropriately in connection with stock trading. Employees and business partners must not use any non-public information about Securitas AB or any other company to influence his/her, or any third party's, decision to trade in securities.

Privacy and Data Protection

Securitas AB respects the individual's right to privacy and is committed to handling personal data responsibly and in compliance with applicable privacy and data protection laws.

Confidentiality (Trade Secrets)

All employees and business partners are expected to exercise particular care to prevent any unauthorized use or disclosure of Securitas AB's confidential or proprietary information. Non-public information belonging to our customers or business partners to whom we gain access through our business must also be protected, in accordance with all legal and contractual requirements.

Intellectual Property

The entire value of our long history of providing professional security services is vested in the Securitas AB trademark. Securitas AB, as well as all employees and business partners, must work to safeguard this trademark and respect the valid intellectual property rights of others. Further questions about intellectual property should be directed to the legal department.

Protecting Company Property and Resources

Securitas AB's property, resources and information systems must be protected and kept secure at all times from unauthorized use, damage, disclosure, diversion or removal, whether through accident, improper act or breach of trust.

Securitas AB maintains a comprehensive document retention policy. Further information regarding the document retention policy can be found under the company information section of the Paragon portal.

Government Work

Many of our customers are government agencies and public and international authorities and agencies. Securitas AB is strongly committed to abiding by all applicable laws and regulations relating to working with governments and public authorities, including certain special requirements associated with government contracts and transactions.

Disclosures, Records and Internal Control

Securitas AB recognizes the importance of having an open communication with those that are affected by our operations, whether they are employees, business partners, customers, investors or the public and their representatives. The Securitas AB share is listed on the NASDAQ OMX Stockholm stock exchange and all information is provided in compliance with relevant laws, stock exchange rules and corporate governance codes applicable to our business. Comprehensive and accurate corporate information is available for interested parties and Securitas AB will respond in a timely manner to inquiries. All reporting and accounting documentation clearly identifies the true nature of business transactions, assets and liabilities in conformity with relevant regulatory, accounting and legal requirements and is given to the best of our knowledge. Our aim is full accountability. Securitas AB's accounting and reporting standards are set out in the Group Policies and Guidelines and in the Securitas AB Reporting Manual. We apply the Securitas AB Communication Policy in all our communications. Securitas AB's internal control policies are consistent with the COSO Internal Control Integrated Framework. The Securitas AB Board of Directors is ultimately responsible for the work performed in our internal control functions.

Whistleblowing

All employees, directors and officers have a responsibility to report suspected or known misconduct or non-compliance with laws, regulations and company policy (including a breach of the Code). Securitas AB encourages all forms of reporting of non-compliance with its policies. Such reporting of violations can be done in many ways, the most common of which is reporting done to a local manager, HR representative, legal counsel, risk manager or compliance officer.

Environment and Sustainability

Securitas AB strives to conduct its business in an environmentally sustainable way and shall comply with or exceed environmental requirements set by applicable laws, regulations and international agreements. We are expected to continuously seek ways to reduce the consumption of resources, emissions and waste. Targets for emissions are set out in the Securitas AB Emissions Policy.

Community Involvement

Securitas AB acts as a good corporate citizen wherever it operates and supports local, regional and global communities in appropriate ways. We also participate in social projects in regions where we see a pressing need for the local community to be strengthened. Through our entities, we interact with the local communities where Securitas AB operates, implementing such initiatives as sponsoring schools, orphanages and organizations for the disabled. Securitas AB recognizes the importance of a proactive and continuous social dialogue with all our stakeholders.

Implementation and Compliance

It is the responsibility of each Securitas AB employee and Board Member to observe and promote the code. The divisional/regional president is responsible for ensuring the implementation of the code in his/her territory, however the ultimate responsibility for the proper implementation of the code by all employees and business partners lies with the country president within his/her respective territory. The code shall also be communicated and implemented, to the greatest extent possible, in all business partner and employee contractual relationships. For the purposes of the code, our customers are not regarded as business partners. Business partners may include suppliers, subcontractors and other partners. Implementation of and compliance with the code will be monitored on an ongoing basis as part of our Enterprise Risk Management process. The code shall be reviewed annually. The ultimate

responsibility for this rests with the Securitas AB Board of Directors. It is also the responsibility of each Securitas AB employee and business partner to raise concerns about compliance with the code. When an employee or business partner wishes to make a complaint or report a violation of the code, his/her manager or a representative of the local management should be informed. If the employee finds it difficult to bring up an issue locally, if a complaint is not resolved or where the allegation is of a serious or sensitive nature, it should be reported through one of the following channels:

COMPANY HOTLINE

Website: www.paragonhotline.com | www.securitashotline.com

Telephone: (800) 574-8637

EMPLOYEE RELATIONS

Securitas Security Services USA, Inc. 4330 Park Terrace Dr.
Westlake Village, CA 91361

SECURITAS INTEGRITY LINE:

Website: www.securitasintegrity.com

E-mail: integrity@securitas.com

Group CSR Officer: Cecilia Alenius

P.O. Box 12307

S-102 28 Stockholm Sweden

A more detailed description of the complaints procedure, its purpose and use, can be found posted on the Company Hotline website and in the policy for the Company Integrity Line. All complaints will be investigated. As far as reasonably possible, an employee's information will be treated confidentially and no employee will be retaliated against for reporting, in good faith, what are believed to be possible violations of the code. An employee making such a report will receive feedback as appropriate. Securitas AB monitors compliance with the code on a regular basis, using information reported through the various channels available. Acts that are inconsistent with the code must be corrected promptly and employees violating the code are subject to disciplinary action up to and including termination of employment. Where a violation of the code results in an offense punishable by law, Securitas AB may notify the authorities of such violation.

APPENDIX B

Supplement for California Employees Only

The following policies apply to administrative employees employed by Paragon in California:

Meal Periods

All non-exempt employees are provided with the opportunity to take, and are entitled to take, a meal period of at least 30 consecutive minutes before the end of the fifth hour worked. If an employee works a shift in excess of 10 hours, the employee is entitled to and will be provided with an opportunity to take a second 30-minute meal period before the end of the tenth hour worked. Employees will be relieved of all duty and employer control during meal periods and are free to leave the premises. During unpaid, off-duty meal periods, employees are not “on-call” and are not required to perform any duties. Employees must accurately record the start and stop times of their meal periods each shift.

If any employee is prevented from taking a meal period in accordance with this policy, he or she must notify his or supervisor, human resources, or the Paragon Hotline. It is Paragon policy to pay non-exempt employees one hour of additional pay for any day they are denied a meal period in accordance with this policy.

Rest Periods

Employees are authorized and permitted to take a paid rest period of at least 10 consecutive, uninterrupted minutes for every four hours, or major fraction thereof, worked. Rest periods generally should be taken in the middle of each four-hour work period. During rest periods, employees are relieved of all duty and are not required to be “on-call.”

A suitable place to rest will be provided at every work site.

If an employee is prevented from taking a rest period in accordance with this policy, he or she must notify his or her supervisor, Human Resources, or the Paragon Hotline. It is Paragon policy to pay non-exempt employees one hour of additional pay for any day they are denied rest periods in accordance with this policy.

No Off-the-Clock Work

All non-exempt employees are required to accurately record their hours of work each workday, including their start and end times, and the start and end times of any unpaid, off-duty meal periods. Employees must record their actual start and end times in real time to the minute and may not simply write down their scheduled start and end times. Paragon prohibits working “off-the-clock.” All work time must be accurately recorded so that it may be compensated. If any employee is requested or required to perform any work off-the-clock, the employee should notify human resources or the Paragon Hotline immediately.

Overtime

Non-exempt employees are paid overtime compensation in accordance with California law and the federal Fair Labor Standards Act. Non-exempt employees are paid one and one-half times their regular rate for work in excess of 8 hours per day or 40 hours per week, and two times their regular

rate for work in excess of 12 hours per day. If an employee works seven consecutive days in one workweek, on the seventh day, the employee will be paid at one and one-half times his or her regular rate for the first 8 hours, and at two times his or her regular rate for work in excess of 8 hours.

Non-exempt employees are not permitted to work overtime without advance authorization from their supervisor. Employees who work overtime without approval may be disciplined.

Day of Rest Rule

Employees are entitled to one day's rest in seven, and generally (barring emergencies) will not be required to work seven days in one workweek, unless their total hours for the workweek are 30 or less and their total hours in each workday thereof are 6 or less.

Reporting Time Pay and Callback Pay

If a non-exempt employee reports to work at his/her regularly scheduled time but is not put to work or is given less than half the usual or scheduled day's work, Paragon will pay the employee the greater of (1) half of his/her usual or scheduled day (up to four hours); or (2) two hours at his/her regular rate of pay. If an employee is asked to report to work on an unscheduled day for a meeting of unspecified duration, then the employee will be paid a minimum of 2 hours. If an employee is scheduled to work less than 2 hours (e.g., a 1.5 hour scheduled meeting), and is furnished with at least half of the scheduled work, then the employee will be paid for the time actually worked and the 2-hour reporting time pay minimum does not apply. In unusual circumstances where a non-exempt employee is required to report to work for a second time in any one workday (a callback to work) but is furnished with less than 2 hours of work, he or she will be paid for a minimum of 2 hours.

Reporting time pay and callback pay do not apply where the prevention of work or interruption of work is caused by an "Act of God" or similar circumstances beyond the control of Paragon.

Split Shift Pay

If a non-exempt employee is required to work a split shift, i.e., a shift interrupted by an unpaid non-working period other than a meal or rest break, he or she will be paid a split shift premium of one hour of additional pay at the minimum wage in effect, to the extent necessary to bring the employee's total compensation for the day to at least minimum wage for all hours worked plus one additional hour. Split shift pay is calculated in accordance with California law. Split shift pay is not owed in circumstances where an employee requests to work a split shift (e.g., due to a need to attend to personal business).

Seating and Similar Provisions

Where the nature of the work reasonably permits the use of a seat, employees will be provided with suitable seating. When the nature of work requires standing, an employee will be provided with reasonable access to suitable seating for use when not engaged in active work duties and will be permitted to use the seating when it will not interfere with the performance of work.

Suitable spaces will be provided for the safekeeping of employees' outerwear during work hours.

Clocks will be provided in major work areas or within reasonable proximity thereto, insofar as practicable.

Access to potable water and toilet facilities will be provided in accordance with Cal-OSHA requirements, and indoor work areas, toilet rooms and resting facilities, will be maintained at a temperature that provides reasonable comfort consistent with industry standards for the nature of the work performed.

Voting Time

If an employee does not have sufficient time outside of working hours to vote in a statewide election, the he or she may take an amount of time off at the beginning or end of his or her shift that will enable the employee to vote. Only up to two hours of working time may be taken off without loss of pay. The employee must provide at least two working days' advance notice of the need for time off to vote.

Final Pay on Separation of Employment

If an employee's employment is involuntarily terminated or the employee voluntarily resigns with at least 72 hours' advance notice, the employee's final wages will be paid on the employee's last day of employment. If an employee resigns with less than 72 hours' notice, final wages will be paid within 72 hours. Final pay will be made available at the employee's regular place of employment unless the employee has elected direct deposit (including for final wages) and the direct deposit can be timely processed.

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