

SECTION III

Personnel Policy and Employee Handbook

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Introduction

Handbook for Red Crown Employees

This handbook sets forth the general policies which govern your employment at Red Crown. These policies and guidelines are, of course, subject to change from time to time to deal with changing needs and situations. However, in all circumstances, employment with Red Crown is considered "at will". This means that either you or Red Crown can terminate the employment relationship at any time, with or without cause. No one has the authority to change this "at will" relationship except in an individual employment agreement, in writing, signed by the employee and appropriate Red Crown management personnel.

Red Crown's success depends on each of us - how well we apply our professional knowledge, experience, and skills to do our jobs within the framework of Credit Union policies and practices. Each of us is responsible for building a high level of operating efficiency. Therefore, please share with your supervisor your ideas for improvements. They are always welcome.

A Look at Red Crown

Red Crown Federal Credit Union is a federally chartered credit union organized in 1938 by the employees of Amoco Corporation, formerly Standard Oil Company (Indiana). Red Crown's purpose, completely independent of Amoco, was to promote thrift among its members by giving them the opportunity to accumulate their savings and to create for them a source of credit. Until late 2001, only Amoco employees, members of the immediate families of Red Crown members, regular employees and several Select Employee Groups (SEGs) of this Credit Union were eligible for membership in Red Crown. In October 2001, Red Crown Federal Credit membership expanded by changing to a community charter credit union. The charter change allowed membership eligibility to any persons who live, work, worship, volunteer or attend school and businesses located in the Tulsa Creek, Mayes, Okmulgee, Osage, Pawnee, Rogers, and Wagoner Counties of Oklahoma. Once a member, you may remain a member for life.

Equal Employment Opportunity Employer (EEO)

The employment policy of Red Crown is to provide an equal employment opportunity for all qualified employees and applicants without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, marital status, military status, physical or mental disability/handicap in regard to any position for which any employee or applicant is qualified. Red Crown will comply with the EEO's regulations regarding the Genetic Information Nondiscrimination Act of 2008 (GINA). This policy is consistent with the requirements and objectives set forth by the Civil Rights Act of 1964 and all federal and state laws and regulations.

This policy encompasses all employment practices including, but not limited to:

- Hiring, placement
- Recruitment, advertising for employment
- Promotions, transfers, upgrading
- Treatment during employment
- Rates of pay or forms of compensation and benefits
- Selection of training
- Social and recreational programs
- Discipline, layoffs, recalls or terminations

This policy is consistent with the requirements and objectives set forth by the Civil Rights Act of 1964 and all federal and state laws and regulations.

The objective of Red Crown is to obtain individuals who are qualified or trainable for positions by virtue of job related standards of education, training, experience and personal qualifications. Employees and applicants are protected from coercion, intimidation, interference, or discrimination for filing a complaint or assisting in an investigation under the acts covering qualified disabled individuals, Vietnam Era and disabled veterans.

The general responsibility for ensuring compliance and continued implementation of Red Crown's policy on equal employment opportunity is the CEO/President of Red Crown. All questions or concerns with respect to this or any other policy of Red Crown should immediately be brought to the attention of the Human Resources Representative.

Americans With Disabilities Act (ADA) Policy

Red Crown, consistent with the Americans with Disabilities Act (ADA), will reasonably accommodate qualified individuals with disabilities. It is the policy of the Credit Union to comply with all federal and state laws concerning the employment of persons with disabilities.

It is the Credit Union's policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, terminations, compensation, training, or other terms, conditions, and privileges of employment.

Red Crown will reasonably accommodate qualified individuals with a temporary or long-term disability so that they can perform the essential functions of a job.

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

- The employee should notify his or her immediate supervisor of the need for a reasonable accommodation.
- The Credit Union will request the employee to provide a medical certification(s) in form and content appropriate to facilitate the Credit Union's assessment of the employee's need for reasonable accommodation. Complete and timely cooperation between the Credit Union and the requesting employee will be expected.
- Before an employee is deemed qualified for an accommodation(s) under ADA, the employee must first be a qualified employee with a disability and the employee must be able to perform the essential functions of his or her position, with or without accommodation. Once a determination is made that the requesting employee is deemed qualified under ADA, the Credit Union will engage in communications with the employee to identify and assess the employees' accommodation request.
- If the accommodation request is determined to be reasonable, the Credit Union will move forward in a timely manner to implement any of the approved accommodations. If the request is determined to be unreasonable, the Credit Union will consider the employee for any other current, open positions for which the employee is qualified.
- If there are no current positions open for which the employee is qualified then the Credit Union will terminate employment.

All employees are required to comply with safety standards. Applicants who pose a direct threat to the health or safety of other individuals in the workplace, which threat cannot be eliminated by reasonable accommodation, will not be hired. Current employees who pose a direct threat to the health or safety of the other individuals in the workplace will be placed on appropriate leave until an organizational decision has been made in regard to the employee's immediate employment situation.

Please contact Human Resources for more information or clarification.

Harassment/Sexual Harassment

It is the policy of Red Crown that it will not tolerate verbal or physical conduct by an employee, customer or guest who harasses, disrupts or interferes with another's work performance, creates an intimidating or hostile environment or which adversely affects an individual's employment opportunities.

Harassment is considered to be verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of race, color, religion, gender, national origin, age, disability or status of Vietnam Era or disabled veteran, or that of relatives, friends or associates, and that (1) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (2) has the purpose or effect of unreasonably interfering with an individual's work performance; or (3) adversely affects an individual's employment opportunities.

Examples of harassing conduct include: epithets, slurs, negative stereotyping, or threatening, intimidating or hostile acts that relate to race, color, religion, gender, national origin, age or disability, as well as "jokes" or "pranks" that are hostile or demeaning; and written or graphic material that denigrates or show hostility or aversion toward an individual or group because of race, color, religion, gender, national origin, age or disability that is placed on walls, bulletin boards or elsewhere on Company premises or circulated in the workplace.

It is the policy of Red Crown to emphasize that sexual harassment is also prohibited. Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitutes sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individuals, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance of creating an intimidating or offensive work environment.

Any employee, supervisor or manager who is found, after appropriate investigation, to have engaged in harassment of another employee will be subject to appropriate disciplinary action, up to and including termination.

Red Crown takes complaints of discrimination and harassment very seriously. Thus, there is no need to follow any formal chain of command when making a report. An employee may bypass anyone in his/her direct chain of command and report the complaint to Human Resources, a member of management or any officer of Red Crown at any time. All complaints of harassment and discrimination will be investigated. All complaints will be kept confidential to the extent possible while still allowing Red Crown to investigate and take action, if necessary.

Red Crown prohibits any form of retaliation against any employee for filing a bona fide complaint under this policy or for assisting in a complaint investigation. However, if after investigating a complaint under this policy, Red Crown determines that the complaint is not bona fide and was not made in good faith or that an employee has provided false information regarding the complaint, disciplinary action up to and including discharge may be taken against the individual who filed the complaint or who gave the false information.

Employment

Employment Status

Employee Classifications

At Red Crown, almost all employees are classified as "regular, full time employees, which is defined as working at least forty (40) hours during a normal work week. Red Crown does employ "part time" employees. Part time employment is defined as working less than thirty (30) hours as defined by the Affordable Care Act in a work week.

If the work you do is not subject to the overtime provisions of the Fair Labor Standards Act, your job has an exempt classification, and you are not eligible for overtime pay. If your work is subject to the provisions of the Fair Labor Standards Act, your job has a non-exempt classification. This means that you are entitled to overtime pay for time worked under the conditions explained in the section on overtime pay provisions.

Job Performance Review

Your job performance is reviewed and discussed during a formal performance evaluation interview with your supervisor generally during the first quarter of the year. This is a special time designated for you and your supervisor to discuss your work (quality, quantity, accuracy, timeliness, etc.); identify specific areas and methods for further development and improvement in your performance; and to establish the major objectives on which your performance will be evaluated during the next evaluation period. The process of individual job performance discussions with your supervisor should be ongoing. The highlights of this process are setting performance goals and expected results, timely counseling and coaching, performance evaluation, and the resulting formal performance evaluation interview.

Your supervisor will notify you in advance of the formal evaluation interview date, so you can prepare for the discussion. This is an important conversation which aids in your career progress and development. Your contribution in this discussion is extremely important. Evaluation interviews are a two-way exchange in which the supervisor and employee work together. A better dialogue results when you both plan for it.

In addition to these regularly scheduled feedback sessions, feel free to discuss your performance with your supervisor at any time. If you are not meeting the requirements of your job due to marginal performance, excessive absence, inattention to duty, failure to follow instructions, etc., your supervisor will discuss the situation(s) with you as privately as possible and give you an opportunity to improve your work performance. Your supervisor will continue to counsel you regarding your progress and the desired results.

Employee Personnel Records

Each employee has a personnel file, and it is important that your personal data on file with the Credit Union be current and accurate. Personnel files are physically filed at the main office. It is your responsibility to notify your supervisor of any changes in your status, i.e., home address, military status, withholding exemptions, educational achievements, benefit plan status changes, etc. A copy of any material placed in an employee's file which may affect a job performance evaluation will be presented to the employee prior to placing in the personnel file. Such receipt or review of such material shall be acknowledged by the signature of the employee. The employee file and its contents are the property of the Credit Union. Requests for copies of documents and/or review of the file is not available to employees after separation from the organization.

Work Schedules

The basic work schedule is eight hours a day for a five-day, 40-hour week, with a one-hour daily lunch period. Work schedules are established and changed to meet operating requirements. Check with your supervisor if you have questions about your work schedule.

Work breaks are not scheduled; however, when the work load permits, they are allowed. These periods are not to be used to leave the premises during work hours. Situations occasionally arise that require employees to leave the building. Permission from your supervisor is required for the absence.

Flex Time -

Flex time may be granted during a work week if an employee would be working over 40 hours due to Saturday schedule, reporting early or staying late. If flex time is granted, it must be used in the same work week. For this purpose, the work week begins on Saturday and ends on Friday.

Flex time must be pre-approved by staff supervisor. Holidays, staffing schedules and workload will be considered prior to approving flex time. In the case of non-exempt employees, if flex time is not used during the same work week, the employee will be compensated for total hours worked. If hours worked exceed 40 hours, overtime will apply.

Building Your Service Record

You should carefully protect your continuous service because many of your benefits increase in proportion to your years of service. The values of the retirement plan, vacations, and sick leave benefits depend upon your length of service. If you are classified as a "regular, full-time" employee, you accumulate credited service based upon the length of time you have been continuously employed by Red Crown. Part-time employees do not accrue credited service. Service is broken by resignation, discharge, retirement, layoff of more than one year, and failure to report for work upon the expiration of a leave of absence.

Personnel Changes

During your employment with Red Crown, you will likely be involved in personnel changes. All personnel changes are made on the basis of ability, as determined by your present job performance, past record, and qualification to handle the particular job for which you are being considered.

Promotion from within the Credit Union

Red Crown seeks to enhance each employee's career progress. Generally, job vacancies will be posted and distributed. Red Crown will generally recruit candidates internally and externally simultaneously. Job postings will include the job title, department, job summary, essential duties and minimum qualifications. Red Crown reserves its discretionary right not to post positions at a higher management level or for any particular vacancy.

All employees, including part time employees, must be in his/her current position for a minimum of six (6) months, before posting for other positions. Employees may post only one position at a time. Employees who are on a corrective action are not eligible to apply for posted positions. An employee's current supervisor may be contacted to verify performance, skills and attendance.

Parallel Moves or Transfers

When an employee transfers from one functional area to another with similar or equal responsibilities, no salary increase shall be provided. When the current salary exceeds the new salary range maximum, the salary may be reduced to at least the maximum of the new lower range at the time of the downward reassignment or the salary may be frozen at a level in excess of the maximum of the new salary range when prior approval is obtained. No individual salary increases will be granted until the employee's salary is again within the range. The employee will be informed of this restriction.

Placing Employees Returning from Leave

Red Crown will follow all FMLA and USERRA regulations in regards to those employees returning from medical or military leave.

Outside Employment and Other External Activities

All regular full-time employees must obtain approval from his/her immediate supervisors and Human Resources before accepting any outside employment. Approval will be based on possible conflict of interest, any interference with the employee's ability to perform job duties for Red Crown and interference with regular working hours. Activity related to outside employment may not take place during the employee's regular hours nor involve the use of the company's resources.

Any employee who wishes to serve in an advisory capacity for another organization or serve on the board of any organization must first obtain approval from Human Resources and the CEO/President. Approval will be granted based on the amount of time and type of activity involved, any interference with the employee's regular work schedule, and the benefit to the employee and Red Crown.

Resignation/Termination

Termination by Employer

Employees may be terminated for cause or at will.

Resignation by Staff - Staff is encouraged to provide a minimum of two weeks notice of resignation in writing.

Resignation of Management - Management is encouraged to provide a minimum of four weeks notice of resignation in writing.

Employees and management who provide advanced notice of resignation would be considered for rehire.

An exit interview will be scheduled and conducted by the supervisory committee or its designee.

Nepotism

No relatives of a current Red Crown employee, Board Member, or Committee Member will be hired. A relative includes a spouse, child, parent, brother, sister, aunt, uncle, niece, nephew, grandchild or grandparent. This policy also applies when the relationship was established by marriage, common law, adoption or foster placement.

If a nepotism relationship is created as a result of a marriage between two employees, one employee must terminate his/her employment within thirty days

Salary and Benefits

Compensation

Red Crown pays salaries that are internally consistent with the relative value of each job and that compare favorably with salaries paid by other financial institutions for comparable work. Each job is assigned a grade that is consistent with the requirements and responsibilities of that job. Each grade has a minimum and maximum salary rate range. Your supervisor can tell you where your job fits in the salary rate range structure and the minimum and maximum rates in that range. As an ongoing practice, job structures, salary ranges, and benefits are reviewed and adjusted as conditions warrant.

Wage and Salary Administration

A salary range will be established for each job classification. The salary of each employee will be within the established range. Salary range minimum and maximums for each job class will be established and updated annually. New employees will be hired at a rate commensurate to experience.

Part time employees will be paid no less than the minimum established for the classification.

Time Worked - Non-exempt Employees

Occasionally, employees volunteer to work in the community, representing Red Crown. While these hours are tracked for paid purposes, these hours are not included in the compensation for overtime (I.e. those hours are not considered "work time" for the purpose of overtime).

If time spent in an activity is considered as "time worked," it is included in the total hours worked during the day or week for purposes of computing overtime. For example, when you are authorized travel time, the time spent is considered as "time worked."

Overtime - Salaried Non-exempt Employees

At times, you may be required to work beyond your regular work schedule. Salaried non-exempt employees qualify for overtime pay if required to work over 40 hours in one week.

Non-exempt employees who are required to work additional hours beyond his/her normal schedule will be given as much advance notice as possible. Employees may not work additional hours without the prior approval of his/her supervisor.

Paychecks

Payday and Your Pay Statement

Regularly scheduled payday is every other Friday. If a holiday falls on Friday, the last work day before the holiday then becomes a payday. Employees are encouraged to open an account with Red Crown FCU for direct deposit of payroll monies. If employees choose to have direct deposit with other organizations, it will be necessary for the employee to provide applicable documentation for the direct deposit. Employees will receive an electronic pay statement on payday. In our biweekly pay system, time is reported for each two-week pay period beginning at midnight Friday and ending 14 days later at midnight Friday. Your pay statement includes regular scheduled time for the current pay period, as well as, overtime, vacation, etc. Electronic time sheets are approved by supervisors on Monday, following the end of the pay period and are forwarded to the payroll administrator for processing by Tuesday morning.

Pay Statements

So that you will always have your cumulative pay record available, your pay statements are stored on-line by our payroll processor. These are your pay record until you receive your annual W-2 from the Credit Union. In addition to your earnings, your pay statement also is your quick reference to other important information, i.e., federal and state tax withholdings, FICA (Social Security tax), your authorized deductions, such as medical insurance, if applicable and total vacation and sick time accrued.

Payroll Garnishments

Because of the nature of this business, Red Crown employees are expected to manage his/her personal finances in a prudent and responsible manner. Excessive garnishments create an administrative process which is cumbersome to the Credit Union and generally a hardship for employees. Employees are strongly discouraged from creating such instances where this might occur. Fees may be assessed per pay period for administration of garnishment.

Questions

If you have questions about your paycheck, talk with your supervisor.

Insurance and Other Benefits

Major Medical Insurance

Each regular full-time employee and part-time employee working at least 24 hours per week will be provided group health, dental and hospitalization insurance. The majority of the cost will be paid by Red Crown, however, employees are asked to pay a small monthly amount. Coverage will be reviewed periodically to determine cost effectiveness and continuation of present options. Dependent coverage is available with a portion of the premium paid by the employee. In a case where more than one plan is offered with premium differences, Red Crown will pay the premium of the lower cost plan.

Life Insurance

Each regular, full-time employee will be provided a group life and accidental death and dismemberment insurance policy totaling three times their annual salary to a maximum of \$300,000. The cost will be paid by the credit union.

Short Term Disability

On the 31st day following an accident or illness, the Credit Union provides short term disability benefits to eligible employees. The benefit provides approximately two-thirds of the employee's weekly benefit earnings up to a maximum of \$700 per week.

Long Term Disability

On the 91st day following an accident or illness, the Credit Union provides long term disability benefits to eligible employees. The benefit provides approximately two-thirds of the employee's monthly earnings up to a maximum of \$5,000 per month. This benefit is made available to eligible employees who are experiencing a long term medical condition.

COBRA - Continuation of Health Coverage

In compliance with current federal law, continuation of coverage on health insurance will be provided. The coverage provided is identical to the coverage under the employer's Group Health Plan. The person electing continuation of coverage will be responsible for the monthly premium. Additional information will be provided by Human Resources

Vacations

A new full time employee is eligible for two (2) weeks vacation following one year of service. One week may be taken following six months of service. Employees who terminate prior to the one year period will not receive vacation pay. Employees who terminate after one year are entitled to accrued vacation pay, with acceptable resignation notice.

Vacations for employees who have completed one year of service may be scheduled any time after January 1st of the calendar year in which the service anniversary falls. After the first year of employment, employees are required to take at least five days of vacation consecutively.

During the year which contains an employees' fifth (5th) work anniversary, the employee is entitled to three (3) weeks paid vacation. During the year in which a tenth (10th) anniversary falls, the employee is entitled to four (4) weeks of paid vacation.

Vacations should not interfere with the efficient operation of Credit Union business.

Part-time employees, who work a minimum of 24 hours per week and has been employed for 1 year are eligible to earn vacation. During years 1 to 5, 48 hours; years 5 to 10, 72 hours, and years 10+, 96 hours.

Vacation schedules may be changed to meet Credit Union needs. Vacation requests are subject to the following provisions/guidelines:

- Vacations will be scheduled with the advance approval of management.
- An employee must take all earned vacation each year unless requested by management to carry forward.
- Vacation may not be taken as part of or as a termination notice.
- At retirement, or termination, vacation allowance will be paid in the final paycheck.
- Vacation time may be used while an employee is on extended sick leave and has exhausted his/her sick time.
- Vacation will not be awarded while an employee is on any leave of absence other than military or long-term disability absence due to on-the-job injury.
- Any request for unpaid time off must be approved by the Senior Management Team.

Holidays

Red Crown Federal Credit Union generally observes the Federal Reserve holiday closing schedules. All regular full time employees may receive ten (10) paid holidays per year. Part-time employees may receive paid time off for holidays for hours regularly scheduled for that day.

Red Crown reserves the right to add/eliminate holidays based on the needs of the organization. Holidays for the upcoming year are defined and approved by the board each year. Approved holiday schedule will be published through the payroll system at the beginning of each year.

Employees must be in paid work status the day before and the day after the holiday to be paid for the holiday. Exception to this policy would be when an employee is on vacation and the day off before or after the holiday has been previously approved.

If you are a non-exempt employee and are required to work on the holiday, you will be paid for hours worked that day and you will be paid holiday pay.

Absences

As a normal condition of accepting employment, you are responsible for reporting to work on time every scheduled day. Your dependability is extremely important.

However, time off may be approved for acceptable reasons. Discuss your need and circumstances for time off with your supervisor. Your supervisor is responsible for investigating and authorizing your absence, and determining your eligibility for pay, if applicable, in addition to planning for your work continuation in your absence. It is important for you to understand that these types of absences require a "request" by you to your supervisor and do not constitute an automatic approval. Factors which may enter into a management decision would be your previous attendance record, length of service and the impact of your absence upon your co-workers, supervisory needs, and overall Credit Union operations.

If it is necessary for you to be absent from work, speak with your supervisor as far in advance as possible. If you are off work and something unplanned occurs to keep you from reporting to work as scheduled, you must inform your supervisor as soon as possible, preferably within the hour prior to the time you are scheduled to arrive at work. Do not rely on notification through co-workers, email, or text. Please communicate with your supervisor directly.

Accurate employee records of vacation time, sick leave, leave without pay, overtime work and compensation time will be kept by each employee's immediate supervisor.

Sick Time/Leave

All regular, full-time employees will receive paid sick time/leave.

- Paid sick leave will be accrued at two (2) days per calendar quarter and will be credited at the end of each quarter.
- Accrued sick leave may be used for employee and family illness, medical appointments and funerals.
- Employees can accrue a maximum of twenty-five (25) days of sick leave.
- Sick leave may require written medical evidence at the discretion of the supervisor.
- Following a thirty (30) day waiting period, after accident or illness, the insured employee will be protected by group short term. This will provide approximately two-thirds of the individual's monthly salary until the employee is able to resume work.
- At the time that all sick days are used, accrued vacation days may be substituted in lieu of beginning salary continuance insurance.
- Misuse of sick leave will be cause for disciplinary action up to and including dismissal.
- The employee is responsible for contacting his/her immediate supervisor when calling in for sick time. In case of an emergency and someone other than the employee makes the initial call, the employee must call the supervisor at the first opportunity.
- When an employee has been absent for more than three consecutive work days because of an illness/accident, or they have had an infectious disease or any surgical procedure, a statement

from the employee's personal physician may be required by the immediate supervisor prior to the employee's return to work. The statement should include the following:

- a. Work restrictions, if any; and
 - b. The date the physician considers it appropriate for the employee to return to work.
 - c. Red Crown, at its discretion, may request a physician's statement for any period of time when an employee is absent from work.
- Red Crown may request a physical and review of an illness by a physician of Red Crown's choice.
 - An employee may receive sick time pre/post or during vacation if the illness results in a hospitalization stay. Sick days pre or post vacation time will require a physician's review and release to work.
 - Sick leave will not be used for inclement weather absence.
 - Sick leave will not accrue while an employee is on any unpaid leave of absence.

Return to Work

If you are absent for three (3) or more work days due to illness, disability, or a leave of absence, you will be required to obtain a doctor's statement indicating you may return to work without any restrictions. Your release should be given to your immediate supervisor who will forward it to Human Resources.

Donation of Sick Time

Employees having over 100 hours accumulated sick time can donate a portion of their hours to a fellow employee in the event of a catastrophic injury or illness of the fellow employee or their immediate family member. Qualification of injury or illness as "catastrophic" will be determined by executive management. The employee receiving a donation of sick leave from other employees must have exhausted all of his/her sick and vacation time first. Aggregate sick hours donated to an employee may not exceed 80 hours.

Family Medical Leave Act (FMLA)

Eligibility for Family and Medical Leave

In accordance with the Family and Medical Leave Act of 1993 ("FMLA"), employees must meet both the following criteria to be eligible for family and medical leave:

Employees must have been employed by Red Crown for at least 12 months (does not have to be consecutive months).

AND

Employees must have worked for at least 1,250 hours during the 12-month period preceding the requested leave.

Eligible employees must also satisfy all other qualification requirements established by the FMLA, including the requirement that the employee be employed at a worksite where the Credit Union employs at least 50 employees within 75 miles of the worksite. Employees who are among the highest paid 10% of all employees are subject to special eligibility requirements and should promptly consult with the Human Resource Department for information about these requirements. Spouses, both of whom are employed by the Credit Union, are limited to a total of 12 weeks of leave for the birth or adoption of a child or the care of a parent with a serious medical condition.

Except for those employees designated as “key employees,” employees will be returned to the same or equivalent position upon their return from leave.

Family and medical leave will consist of appropriate accrued paid leave and unpaid leave. If an employee is entitled to both family and medical leave and paid leave under another benefit plan or policy (e.g. vacation), he/she must use all accrued paid leave first. The remainder of the FMLA leave will then be an unpaid leave. Human Resources will complete the section of the request form stating how each week of the leave is to be compensated.

Reasons for Family and Medical Leave

An eligible employee may be granted up to 12 weeks of family and medical leave consisting of appropriate accrued paid leave and unpaid leave during a “rolling 12-month period”. A rolling 12-month period will begin on the first day of authorized FMLA leave and will “roll” forward 12 months. An employee may be granted FMLA leave for the following reasons:

- The birth of the employee’s child and in order to care for the newborn child;
- The placement of a child with the employee for adoption or foster care;
- To care for the employee’s spouse, child or parent who has a serious health condition; or
- A serious health condition that makes the employee unable to perform the functions of the employee’s job.
- Any qualifying exigency arising out of the fact that the spouse, son, daughter or parent of the employee is on active duty in the Armed Forces, or has been notified of an impending call to active duty status in the Armed Forces.
- To care for a covered service member who is recovering from a serious illness or injury sustained in the line of duty on active duty in the Armed Forces, is entitled for up to twenty-six (26) weeks of leave in a single twelve month period during which an employee is entitled to a combined total of twenty-six (26) weeks of all types of FMLA leave.

NOTE: Leave for the birth or placement of a child for adoption or foster care must be taken within 12 months from the date of the birth or placement

Procedures for Requesting Family and Medical Leave

To request any leave of absence, notice for leave must be submitted to the employee’s supervisor, using a Credit Union Family and Medical Leave Request form (available in the Human Resources Department), at least 30 days prior to the leave. In the case of an emergency, employees must provide notice as much in advance of the leave as possible. To be official, the Human Resources Representative, unless specified otherwise by state or federal law, must approve all leave.

Medical Certification for Family and Medical Leave

A request for leave based on the serious health condition of the employee or the employee’s spouse, child or parent must also be accompanied by a Certification of Health Care Provider Form, available from the Human Resources Department, which is completed by the applicable health care provider and returned to the Human Resources Department.

If leave is requested for the employee’s serious health condition, the Certification must state that the employee cannot perform the functions of his/her job. For leave to care for a spouse, child or parent with a serious health condition, the Certification must so state and include an estimate of the amount of time the employee will need to provide care.

The Credit Union requires that the employee furnish medical certifications supporting the need for medical leave within the time and in such detail as prescribed by the Credit Union. Periodic reports

of the employee's leave status and intent to return to work and periodic medical certifications are also required by the Credit Union. Employees who have taken leave for their own serious medical condition will need to provide the Credit Union with a fitness-for-duty certification to establish eligibility to return to work.

Intermittent or Reduced Family and Medical Leave

Family and medical leave may be taken on an intermittent or reduced leave schedule if it is medically necessary for a serious health condition of the employee or the employee's spouse, child, or parent. Intermittent or reduced leave for the birth or placement of a child for adoption or foster care may only be taken if the Credit Union agrees to such an arrangement.

Employees should coordinate all leave (intermittent, reduced and consecutive full day) with the Credit Union in advance of any foreseeable absence from work. The failure of an employee (a) to timely comply with the Credit Union's FMLA policy and procedures or (b) to timely return to work may result in termination of employment by the Credit Union. Intermittent leave may be limited by the Credit Union to increments permitted by the FMLA regulations and employees shall cooperate with the Credit Union to schedule their leave to minimize disruption to the Credit Union's operations. The Credit Union may assign an employee requiring intermittent leave to an alternative position to accommodate the employee's intermittent or reduced leave schedule.

Workers' Compensation and Family and Medical Leave

If an employee is receiving workers' compensation benefits and is eligible for family and medical leave, the employee can use any accrued vacation leave during the waiting period before workers' compensation benefits begin, and the remainder of the leave period will be paid according to applicable workers' compensation statutes.

Benefits Coverage during Family and Medical Leave

During a period of family and medical leave, an employee will maintain covered status under the Credit Union's benefit plans (such as group health insurance and 401(K) plan) under the same conditions that applied before leave commenced. If the leave is paid, the employee's share of the premium payments and benefit contributions, if any, will continue to be paid through payroll deduction. However, if the leave is unpaid, the employee is responsible for making any premium payments or benefit contributions when due.

Those benefits that are normally paid by an employee through payroll deductions will be continued. Once a request for leave has been approved, the Human Resource Department will complete the section of the FMLA Request form that lists the benefits the employee has chosen and associated costs. The employee and the Human Resources will agree on a payment method and the dates of payment. If an employee fails to make payment, the benefits may be terminated.

If an employee is unable to return to his/her position at the end of the leave, the employee will then be allowed to continue his benefits through COBRA.

Restoration to Employment Following Family and Medical Leave

An employee eligible for family and medical leave (except "key employees" as that term is defined by the Family and Medical Leave Act of 1993) will be restored to his/her former position or to a position with equivalent pay, benefits and other terms and conditions of employment. The Credit Union cannot guarantee that an employee will be returned to his/her former job. A determination as to whether a position is an "equivalent position" will be made by Credit Union.

Notice of Return from Family and Medical Leave

An employee must notify the Human Resources Department before being returned to active status. If an employee wishes to return to work before the expiration of a family and medical leave of absence, notification must be given to the Human Resources Department at least two (2) working days prior to the employee's planned return. When a medical leave ends, the employee will be required to provide the Human Resources Department with a fitness-for-duty certificate to be restored to employment. The employee will then be reinstated to employment.

Other Absences

Jury Duty and Court Appearances

As a regular or part-time employee, you are paid for time away from work while serving as a juror during your regular work schedule. Time absent during jury duty is not considered as time worked for computing overtime. An employee should notify his/her supervisor immediately when summoned for jury duty. Employees should provide a copy of the summons* or subpoena to the supervisor.

If an employee is selected to serve as a juror or to appear in court as a witness, the employee will be excused from work and will receive full pay up to two (2) weeks. Pay will not be reduced by any jury pay or witness fee or any other pay received on the days he/she is required in court, up to two (2) weeks. After two (2) weeks, employees may use any available vacation.

*Proof of jury duty service will be required.

Time Off To Vote

The Credit Union encourages all employees to vote. In compliance with state law, Red Crown allows employees two (2) consecutive hours of leave (with pay) during polling hours in order to vote in federal, state or local elections, both primary and general elections.

Polling hours are 7:00 am to 7:00 pm; efforts should be made to utilize voting time at the beginning or end of the workday. If an employee does not have time before or after work to vote, employees are asked to give at least one (1) day's notice to his/her supervisor. Your supervisor may select the time to be gone.

Military Leave

Red Crown will comply with all of the requirements of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Bereavement

Full time employees may be paid for up to five regularly scheduled work days for a death in the employee's immediate family. Immediate family is defined as parents, parents-in-law, siblings, step-siblings, spouses, children, and anyone living in your household whom you are responsible for his/her welfare. Other considerations may be made at the discretion of the President/CEO or his/her designee. In extenuating circumstances, additional time off may be considered, with the employee using accrued sick leave or vacation days.

Inclement Weather

In the event that an employee is unable to report to work due to inclement weather, an employee may use vacation time off, if available, or time off without pay.

Retirement

Red Crown matches 100% of the first 5% of the pay you contribute to the Credit Union 401K plan through salary deferral program. This retirement fund has been established to allow employees to contribute tax deferred monies for retirement years. Employees must be at least 18 years of age to enter the plan and there is no service requirement. Employees are 100% vested following five (5) years of service.

Other Benefits

Well Pay

Red Crown offers a "Well Pay" program. Employees using three (3) days or less sick time during the year will have the opportunity to sell back those days to the Credit Union at the rate of \$75.00 per day. The Credit Union will buy back only full eight (8) hour days. Management, supervisory and part-time staff are not eligible. Employees electing to receive the "buy back" option at the end of the year will receive monies as soon as all auditing procedures have been completed. Once an option has been chosen by an employee, and accounting procedures are completed, the decision becomes final. Well pay will not be paid if an employee has unpaid absences. Red Crown will not "buy back" accrued sick leave at retirement or termination of employment.

Membership

Employees are encouraged to open a Red Crown account for payroll deposit. Full-time or part-time employees may open a Share Draft Account with no service charge and receive free share drafts. Employees may also receive a VISA debit card. Lending services are also available to employees, approval is based upon individual credit history.

Overdrafts and delinquent loans are considered a misuse of funds. Overdrafts will be discussed with the employee, and are subject to the normal credit union charge for overdrafts. Loan payments are expected to be paid on the due date. Repeated or continuous abuse of this policy will result in disciplinary review by the Supervisor, Branch Manager or President, and the violation may be considered cause for termination of employment.

Employee Assistance Program

Red Crown offers an Employee Assistance Program (EAP) to assist employees with personal or family problems which may be causing difficulties or stress, or which may inhibit job effectiveness. Financial, legal, emotional, mental, stress, and drug and/or alcohol-related problems are among those most commonly addressed. The program is administered by the Employee Assistance Program Service Center at St. John Medical Center. Employees or dependents may request program assistance directly through the Center and all contacts are confidential between the EAP personnel and the employee.

Gym Membership

Each regular, full-time employee is eligible for membership at the fitness center of your choice. Red Crown will reimburse the employee one-half of the monthly dues for the employee not to exceed \$25 per month. Employee must present receipt of payment to Red Crown for reimbursement.

Travel / Reimbursement

Employees will be reimbursed for reasonable expenses he/she may incur while conducting Credit Union business. However, before incurring expenses, refer to this policy and speak with your

supervisor for appropriate guidelines. Here are examples of allowable personal expenses:

- Meals
- Lodging
- Telephone
- Tips
- Transportation (rail, bus, air, taxi, rental auto, allowance for personal auto use)
- Parking, storage, toll road charges

Employee expense reports should be submitted to immediate supervisor for approval before going to accounting. Expense reports should be submitted as soon as possible.

Personal Car Mileage

The Credit Union pays car mileage at the established IRS mileage rate when you use your personal car on Credit Union business, provided that:

- Authorization is obtained in advance from your supervisor;
- The Credit Union is not responsible for loss or damage to your car. Collision and comprehensive coverage is your responsibility.

Travel Time – Non-exempt Employees

During business trips, non-exempt employees will be paid their normal hourly rate for travel outside regular scheduled work hours.

Company Credit Card

Red Crown will issue credit cards in the name of Red Crown Credit Union to employees and volunteers as authorized by the Board of Directors.

Expenses must be documented on the statement prior to the President or his designee's review. Original receipts are required on all credit card transactions and should be attached to the statement for approval. Detail of business purpose, date and individuals benefiting from the transaction should be made on each receipt of statement as appropriate.

Personal use of the credit card is prohibited and may result in disciplinary action up to and including dismissal.

Good judgment must prevail in determining how to effectively conduct business with a Red Crown credit card. The following partial list suggests appropriate usage:

- Business travel and entertainment
- Conferences and seminars
- Educational material
- Furniture and equipment
- Office supplies
- Other business related expenditures

Additional Information

Safety

Our Credit Union makes every effort to provide the safest possible working conditions.

A successful safety record depends upon the cooperation of all employees, so observe safe procedures and practices. If you follow basic accident prevention principles, you will help ensure that neither you nor your co-workers will suffer on the job injuries. Remember - no job is so important and no service is so urgent that we cannot take time to perform our work safely. To further ensure a safe environment, you are encouraged to submit suggestions for promoting safety and to call to your supervisor's attention any potentially unsafe conditions.

Even under the safest conditions, accidents can happen. If you are injured on the job, report the accident to your supervisor immediately. If medical treatment is indicated, immediate arrangements will be made by appropriate Credit Union representatives.

Workplace Violence Prevention

Red Crown is committed to providing a safe environment for employees, customers and visitors. In order to provide a safe workplace, we have adopted a zero tolerance policy for violence. This policy includes employees, customers, vendors, families, friends and clients. "Employee" covers full time, part time, temporary and contract employees.

If an employee displays any violence in the workplace or threatens violence in the workplace, he is subject to immediate termination for cause. No talk of violence or joking about violence will be tolerated. "Violence" is defined to include physically harming another, shoving, pushing, harassment, intimidation, coercion, brandishing weapons and threats or talk of violence.

Employees are required to immediately report to their manager any information about perceived, potential or real problems related to workplace violence. Any information received from a victim, witness, or concerned employee will be taken seriously and swift and concrete action will be taken. Any information withheld by the employee regarding potential threats/harm to the Company may result in disciplinary action up to and including termination.

Employees are prohibited from bringing any weapons onto Company premises. It is not prohibited for an employee to possess and/or carry a firearm to store the firearm in their own personal, locked motor vehicle on the employer's property that is designated for employee parking.

While an employee of Red Crown, the employee consents to a search by the Company of any property within Company facilities for purposes of investigating misconduct. This search is not limited to personal files, lockers, packages, purses and backpacks, bags and briefcases, furniture, storage containers, automobiles on Company facilities electronic files, fax machines, copiers and mail systems.

Any private conversations overheard or private messages retrieved that constitute threats against other individuals can and will be used as the basis for termination for cause.

Housekeeping

Good housekeeping is an important part of your job. It is important for your personal safety, it promotes efficiency in your work; and it contributes to fire prevention and sanitation. All employees are expected to help maintain a clean and orderly work area. Additionally, employees are to assist in keeping walkways, hallways, and all common areas clear from any obstruction.

Security

Security is an important consideration. The degree of security at our locations will vary. You can help security measures by keeping your valuables (purse, wallet, checkbook, briefcase, extra sweaters, jackets, etc.) in a safe place and out of sight. Portable articles, when left on desks or in open drawers, are easy prey. Security can be enhanced by someone from each work area being around at all times, report missing items or irregularities to your supervisor. Supervisors are the persons most familiar with their personnel, equipment, and space, and can best assist building management in controlling and investigating irregularities and theft.

Emergency Procedures

To preserve your physical security, procedures have been established in the event of an emergency (fire, severe weather, evacuation bomb threat, etc.). Procedures may vary with the work location and the type of emergency. Check with your supervisor for the specific procedure for your work location and/or area.

Solicitations

Credit Union-approved solicitations are permitted in the work place. Employees may not solicit other employees to join or support any endeavor or project, or distribute literature during work time or in work areas.

Prohibiting outside solicitors further enhances security. Strangers in the Credit Union who appear to have no business to transact should be immediately reported to your supervisor or Credit Union President.

Robbery Procedures

If a robbery should occur: Do not be a hero! Obey all instructions of the robber. Remain calm, be observant, listen carefully and obey instructions slowly. Observe the robber, make a mental picture of him, particularly specific identification characteristics such as scars or moles. Note the color of eyes and hair and compare the height of the robber with indicators on the door frame.

Public Relations

Employees are expected to represent Red Crown in a positive, professional manner. Comments made internally, as well as externally, should reflect the culture and vision of Red Crown.

Courtesy and Behavior

Red Crown believes in providing a work environment that is positive and supportive. All Credit Union employees are expected to act and communicate in a professional and positive manner at all times. Our success depends upon teamwork, cooperative efforts, excellent member service and a positive attitude among all employees and members.

Employees must conduct themselves at all times so that the safety and well-being of all employees and customers is preserved. Personal issues between employees are not to be pursued at work.

Employees demonstrating negative and discourteous behavior, using profanity towards Red Crown or other Credit Union employees and members will be subject to disciplinary action up to and including termination of employment.

Public Information Release

Information prepared for publication, news bulletins, interviews and press releases will be reviewed and approved by the President, Chairman of the Board, Chairman of the Policy Committee, or their designee prior to publication, posting or release.

For Your Information

Red Crown makes it a practice to keep you informed of important Credit Union policy changes that affect you, and of other matters that might be of particular interest to you.

Managerial and Staff Development

Staff Development

The management shall prepare a program for the development of permanent staff, both managerial and non-managerial, in order that each will have the opportunity to develop optimum skill for his/her position.

Educational Assistance

Based on the need to develop knowledgeable personnel, Red Crown will reimburse a full-time employee a portion of the cost of tuition, and fees for undergraduate courses of instruction related to Credit Union operations (accounting, data processing, credit management, etc.) taken at schools approved by the management. General education courses required to obtain a degree do not qualify for reimbursement. Courses considered for reimbursement must be approved in advance by the management in order that they be considered for reimbursement upon completion. The employee will be reimbursed for such expenses upon satisfactory completion of the course as evidenced by a grade report or certificate. The employee will be reimbursed upon the completion of the course based upon the following scale:

Grade of "B" or better	75%
Grade of "C" or better	50%
Grade below "C"	0%

Public Office

Upon prior approval by the Board, the President or staff may seek public office such as Board of Education member, as long as such office will not interfere or be in conflict with the regular duties of the Credit Union position. Such intention to seek office should be given to the Chairman of the Board of Directors in writing.

CUNA, League and Chapter Officers

It is recognized that active participation in the Credit Union movement by the management and staff is valuable to the growth of Red Crown.

Upon prior approval, the Board of Directors will provide time for official meetings, with pay, for the President and/or staff who are serving as directors or officers of Credit Union National Association, Inc. (CUNA), Cornerstone Credit Union League or the Green Country Chapter of Credit Unions.

Working Rules

Personal Professional Image

Red Crown has a business casual dress image. Clothing should be neat and clean.

For employees working in areas which do not require member or vendor contact, such as accounting, call center and collections, jeans and athletic shoes are acceptable on a daily basis. All employees are encouraged to wear jeans with Red Crown logo shirts on Fridays of payday week. Additionally, by contributing \$1 to the Red Crown Employees Community Fund, all employees may wear jeans on alternate Fridays. The \$1 can be set up on a payroll deduction for ease in contributing.

Employees working on Saturday may wear shorts with Red Crown logo shirt, athletic shoes or sneakers. Shorts should be a respectable length.

The following items have been determined to be unacceptable at any time:

- Novelty T-shirts, sweatshirts, sweatpants and other athletic wear
- Tank tops, revealing blouses/shirts, halter tops, and crop tops
- Cargo pants of any style or fabric, gym shorts, yoga pants
- Any pants shorter than mid-calf length
- Wrinkled, torn, frayed, ripped or dirty clothing
- Tight or provocative clothes, sheer fabrics
- Hiking or work boots, athletic shoes (acceptable on all jeans days), and rubber beach-styled flip flops
- Jeans which are faded, frayed, ripped or torn

This list is not all inclusive. It is provided as a guideline for all employees.

Non-Smoking Policy

In the interest of promoting good health for all employees, smoking is prohibited within the Credit Union offices

Eating in the Credit Union

Employees are invited to use kitchen appliances located in each branch. Employees are responsible for keeping the appliances and area clean. Coffee is provided by the Credit Union.

Employees are requested to:

- Refrain from eating at workstations
- Keep workstations clear of unnecessary cups, cans and mugs
- Keep liquids away from the immediate area of any electronic equipment as the equipment can be damaged with careless spillage

Personal Phone Calls

The Credit Union management recognizes that employees have personal responsibilities that might require limited use of the Credit Union's telephone during business hours. The use of the telephone for personal calls should be kept to a minimum. Abuse of this privilege could result in disciplinary action.

Work Station / Desk / Office Decoration

Employees, who choose to personalize work station should do so, minimally. Employees should limit family pictures to one or two pictures. Since the work space is limited and based on the efficient need of the job, additional pictures or other items is not acceptable-

Fraud Statement

Red Crown Federal Credit Union considers any form of fraud or dishonesty on the part of its employees as totally unacceptable conduct. Acts which are considered to be either fraudulent or dishonest include, but are not limited to:

- Manipulation of loan accounts, documents, computer records, shares or share draft accounts.
- Theft of any kind, including stealing from members' accounts, over payment of dividends and creating fictitious loans.
- Check/Share draft kiting.
- Forgeries.
- Unauthorized or unapproved salary advances or overtime reimbursement.
- Intentional violation of Credit Union rules, internal controls, regulations or procedures.
- Intentionally failing to secure collateral to properly record a security interest in collateral or pledging a members' shares as collateral without that members' permission.
- Granting or requesting preferential treatment for ANYONE.

Code of Ethics Policy

The success of our business is dependent on the trust and confidence we earn from our employees and members. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct.

Red Crown's code of conduct prohibits any employee, officer, director, agent or attorney for the Credit Union from soliciting for themselves or for a third party (other than the Credit Union itself) anything of value from anyone in return for any business, service or confidential information of the Credit Union and accepting anything of value (other than described) below from anyone in connection with the business of the Credit Union, either before or after a transaction is discussed or consummated.

Officers and managers are responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Officers and managers should not consider employees' ethics concerns as threats or challenges to authority, but rather as another encouraged form of business communication.

In some instances, it may be necessary and appropriate for the Credit Union to place an employee on paid, administrative leave for purposes of conducting an investigation in order to allow time for review of the issue in reaching the most accurate conclusion possible and administering appropriate action when warranted.

Competition

The Credit Union is dedicated to ethical, fair and vigorous competition. The Credit Union will provide services and products based on their merit, superior quality, and competitive pricing. The Credit Union will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors.

Proprietary Information

The Credit Union will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. Employees will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

Selective Disclosure

Employees will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material nonpublic information with respect to the Credit Union, its securities, business operations, plans, financial condition, results of operations or any development plan. Employees should be particularly vigilant when making presentations or proposals to members to ensure that our presentations do not contain material nonpublic information.

Conflicts of Interest

Employees must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, employees may be faced with situations where the business actions they take on behalf of the Credit Union may conflict with their own personal or family interests. Business actions taken should always be the best course of action for the Credit Union. Employees should not use the Credit Union property or information for personal gain or personally take for themselves any opportunity that is discovered through their position with the Credit Union.

Possible Conflict of Interest could arise if:

Performing any bank transaction(s) for family members. Family members include immediate and extended family.

- Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with the Credit Union:
- Hiring or supervising family members or closely related persons.
- Serving as a board member for an outside commercial company or organization.
- Owning or having a substantial interest in a competitor, supplier or contractor.
- Having a personal interest, financial interest or potential gain in any Credit Union transaction.
- Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all Credit Union employees.

Gifts, Gratuities and Business Courtesies

Employees should avoid any actions that create a perception that favorable treatment of outside entities by the Credit Union was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom the Credit Union does or may do business. Employees will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of the Credit Union or customers, or would cause embarrassment or reflect negatively on Red Crown's reputation.

Accepting Business Courtesies

Most business courtesies offered to employees in the course of employment are offered because of the position at the Credit Union. Employees should not feel any entitlement to accept and keep a

business courtesy. Although employees may not use his/her position at the Credit Union to obtain business courtesies, and they must never ask for them, employees may accept unsolicited business courtesies that promote successful working relationships and good will with the firms that the Credit Union maintains or may establish a business relationship with as long as they comply with the restrictions noted below.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing.

Meals, Refreshments and Entertainment

Employees may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that they are not lavish or excessive; do not reflect a pattern of frequent acceptance of courtesies; and does not create the appearance of an attempt to influence business decisions,

Gifts

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including flowers, fruit baskets and other modest presents that commemorate a special occasion or gifts of nominal value such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items) as long as the value of such gifts does not exceed \$100.

Generally, employees may not accept compensation, honoraria or money of any amount from entities with whom the Credit Union does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) that have a value in excess of \$100 may not be accepted unless prior written approval is obtained from the Credit Union's Chairman or CEO.

Gifts, gratuities, amenities or favors based on obvious family or personal relationships (such as those between the parents, children or spouse of a Credit Union official) where the circumstances make it clear that it is those relationships rather than the business of the Credit Union are acceptable.

Offering Business Courtesies

Any employee who offers a business courtesy must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon the Credit Union. An employee may never use personal funds or resources to do something that cannot be done with the Credit Union resources. Accounting for business courtesies must be done in accordance with approved company procedures.

Except where otherwise prohibited by law, Credit Union may provide nonmonetary gifts (i.e., company logo apparel or similar promotional items) to our customers. Further, management may approve other courtesies, including meals, refreshments or entertainment of reasonable value, provided that the practice does not violate any law or regulation or the standards of conduct of the recipient's organization, the business courtesy is consistent with industry practice, is infrequent in nature and is not lavish and the business courtesy is properly reflected on the books and records of the Credit Union.

Accurate Public Disclosures

The Credit Union will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable.

Corporate Recordkeeping

The Credit Union will create, retain and dispose of all company records as part of our normal course of business in compliance with all the Credit Union policies and guidelines, as well as all regulatory and legal requirements.

Employees must not improperly influence, manipulate or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of Red Crown's books, records, processes or internal controls.

Accountability

Employees are responsible for knowing and adhering to the values and standards set forth in this Code. Any questions regarding standards and/or violations of the Code should be directed to Human Resources.

Confidential and Proprietary Information

Integral to Red Crown's business success is our protection of confidential company information, as well as nonpublic information entrusted to us by employees, customers and other business partners. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or nonpublic information about other companies, including current or potential supplier and vendors. We will not disclose confidential and nonpublic information without a valid business purpose and proper authorization.

Use of Company Resources

Company resources, including time, material, equipment and information, are provided for company business use. Company equipment is to be used strictly for company business or authorized company-requested support. Employees will not solicit contributions nor distribute non-work related materials during work hours.

The Credit Union reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or Red Crown's intranet. Employees cannot use company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

Any questions or concerns regarding any portion of this Code of Ethics should be made directly to Human Resources.

Conflict Resolution

Employees are encouraged to speak with his/her immediate supervisor when experiencing difficulty in the work place. If the employee is unable to resolve the conflict with the immediate supervisor, employees are encouraged to speak with the President, or his/her designee. If issues cannot be resolved at this level, employees will be given the opportunity to discuss the issue with the Chairman of the Personnel Committee. All issues are heard and considered without prejudice to the employee status. If the matter is of a personal nature, employees are encouraged to utilize the Employee Assistance Program made available by the Credit Union. All conversations with the Employee Assistance Program are confidential and anonymous.

Discharge or Discipline

If the problem is unsatisfactory work performance, inadequate quality or quantity of work or inefficient use of time as determined by the supervisor, an attempt shall be made to correct the situation before moving to progressive discipline. However, depending on the severity of an infraction or violation of company policy, Red Crown may skip the following guideline and terminate employment without notice.

Although Red Crown and the employee have the right to terminate the employment relationship at any time for any reason, where discharge is not appropriate in management's view, *generally* progressive discipline shall be handled as follows:

- 1st Offense - Informal discussion between supervisor and employee.
- 2nd Offense - Oral warning with supervisor informing the seriousness of the situation to the employee.
- 3rd Offense - Warning letter to serve notice that a continuation of the behavior can result in discharge and to state the time period within which behavioral improvement is expected.
- 4th Offense – Discharge

The following examples of causes for progressive disciplinary action are simply meant to be a guide and shall not be deemed to exclude Red Crown's right to discipline or discharge employees for any other cause.

- Failure to report absence to supervisor prior to the start of the work day.
- Failure to obtain doctor's written release when requested.
- Failure to report to the supervisor an accident or injury immediately after such accident or injury occurs.
- Failure to observe health, safety and security regulations as prescribed.
- Failure to observe fire regulations.
- Unexcused absence.
- Unexcused tardiness.
- Absence from work station without supervisor's permission.
- Horseplay - distraction of other employees or behavior which may be dangerous to self or others.
- Use of profane, indecent, or offensive language.
- Unauthorized soliciting, selling or collecting for any purpose in work areas during working hours.
- Smoking in areas other than designated smoking areas during work hours.
- Failure to follow good housekeeping practices at work station and around equipment as established by management for health and safety.
- Distribution of literature unrelated to Credit Union work in work areas during working hours.
- Posting, removing or tampering with bulletin board notices and information without authorization.
- Personal or non-credit union work performed while in work status and on Red Crown premises.
- Unauthorized or personal use of Credit Union materials.
- Refusing to perform duties as assigned by your manager.
- Creating conditions which interfere with the orderly delivery of service to members.
- Disregarding board policy and management directions.

- Failing to wear appropriate business attire.
- Showing discourtesy or rudeness to members and other employees.
- Looking or reviewing confidential management records - payroll, budget, etc.
- Creating damage to, destruction of or misuse of credit union or other employee's property.
- Insubordination or willful disobedience in carrying out reasonable requests, instructions or orders of the supervisor or management.
- Sleeping on the job.
- Conducting self in an offensive, dishonest, unprofessional manner *during* work *hours* and while *away* from work.
- Making discrediting statements about Red Crown, its services and personnel whether on or off Red Crown premises.
- Harassment of fellow employees, subordinates or those in supervisory positions on the basis of race color, religion, sex, national origin or disability, including verbal or physical conduct which interferes with an employee's work performance or creates an intimidating, hostile or offensive work environment.

Listed below are selected violations of these rules which may subject you to discharge without prior notice:

- Possessing weapons, fighting, inflicting or attempting to inflict bodily injury on another during working hours or on Credit Union property.
- Stealing, or conduct resulting in the injury or destruction of property of the Credit Union or of others, or allowing same to be done by members of the employee's household or others.
- Disclosing proprietary or confidential information of the Credit Union without authority, or misusing such information outside the scope of employee's assigned job duties.
- Insubordination, including refusal to perform work assigned or to follow instructions, except refusal to do any acts which would subject the employee to discharge under any of the other offenses listed herein, failure to perform work assigned, use of profane or abusive language toward fellow employees or subordinates or toward those in supervisory positions.
- Falsifying testimony or refusing to cooperate in connection with investigation of accidents; making false statements in connection with any Credit Union authorized investigation, with applications for employment, or in connection with medical examinations.
- Dishonesty in performance of duties as an employee, including but not limited to:
 - a. Falsifying records or reports, either written or oral.
 - b. Failure to report an account, in accordance with instructions, for all monies, materials, and equipment.
 - c. Fraudulently obtaining money, materials, or property from the Credit Union, its employees, or anyone with whom it does business.
- Employees are not to make any transactions or approvals on his or her own account or on the account or accounts of a relative.
- Sleeping during scheduled working hours.
- Impairment during working hours caused by the *use of any drug or alcoholic beverage*, or the use, sale or possession of such during working hours in the Credit Union office without management authorization.
- Impairment during working hours caused by the use of illegal or unauthorized drugs, or the use, sale or possession of such drugs during working hours in the Credit Union office.
- Membership in or active support of any organization that advocates illegal conduct by force or any other illegal method.

- Refusing to submit to a Credit Union authorized search.
- Conviction of a felony offense.

The above list of offenses is not intended to be all-inclusive. The Credit Union reserves the right to skip any step or go directly to termination of employment, depending upon the severity of the offense.

Drug-Free Workplace Program

Drug-Free Workplace Program

I. POLICY

The use, sale, possession, manufacture, dispensation or distribution of illegal drugs, intoxicants, and controlled substances, as well as improper use of legal drugs or intoxicants, is prohibited in or on the Company's property, jobsites or vehicles, as well as under any circumstances when an individual is acting as a representative, agent or employee of the Company while conducting Company business. Any violation of this provision is cause for discipline, up to and including immediate discharge.

Off the job drug and/or alcohol use which could result in job impairment or adversely affect an employee's job performance, or which could jeopardize the safety of other employees, the public, or Company equipment is also prohibited. Employees should not report to work under the influence of any illegal drug, alcoholic beverage, intoxicant, narcotic or other substance (including legal drugs) which may adversely affect their ability to work or jeopardize the safety of themselves or others. Any violation of this provision is cause for discipline, up to and including immediate discharge.

II. APPLICABILITY

This policy applies to all applicants and employees.

III. CIRCUMSTANCES UNDER WHICH TESTING MAY OCCUR

A. Applicant

The Company may require an applicant to undergo drug testing. An applicant is a person who has applied for a position with the Company and received a conditional offer of employment. A positive test result as well as failing or refusing to undergo the requested testing may be used as a basis for refusing to hire the applicant.

B. Transfer/Reassignment Testing

The Company may require an employee who transfers to a different position or job or who is reassigned to a different position or job to undergo drug or alcohol testing.

C. For Cause Testing

The Company may require an employee to undergo drug or alcohol testing at any time it reasonably believes an employee may be under the influence of drugs or alcohol including, but not limited to, the following circumstances: a) drugs or alcohol on or about the employee's person or in the employee's vicinity; b) conduct on the employee's part that suggest impairment or influence of drugs or alcohol; c) a report of drug or alcohol use while at work or on duty; d) information that an employee has tampered with drug or alcohol testing at any time; e) negative performance patterns; or f) excessive or unexplained absenteeism or tardiness.

D. Post-Accident Testing

The Company may require an employee to undergo drug or alcohol testing if the employee or another person has sustained an injury while at work or property has been damaged while at work (including damage to equipment).

E. Random Testing

The Company may require an employee to undergo drug or alcohol testing at random.

F. Fitness-for-duty; Return from leave; Other Periodic Testing

The Company may require an employee to undergo drug or alcohol testing if the test is conducted as a routine part of a routinely scheduled employee fitness-for-duty medical examination, or is requested or required by the employer in connection with an employee's return to duty from leave of absence, or which is scheduled routinely as part of the employer's written policy.

G. Post-rehabilitation Testing

The Company may require an employee to undergo unannounced drug or alcohol testing for a period of up to two (2) years commencing with the employee's return to work, following a positive test or following participation in a drug or alcohol dependency treatment program.

IV. GENERAL PROVISIONS

A. Substances which may be tested:

The substances tested shall be for drugs and alcohol as permitted by law.

B. Time and Cost of Testing; Time to Challenge Results

Any testing of current employees shall be considered work time for purposes of compensation.

The employer will pay the costs of testing. However, if the employee or applicant requests a confirmation test of a sample within twenty-four (24) hours of receiving notice of a positive test in order to challenge the results of the positive test, that employee/applicant shall pay the costs of the confirmation test of that sample. If the confirmation test reverses the findings of the challenged test, the employer will reimburse the individual for their costs in challenging the test.

C. Testing Procedures

All collection and testing shall be done in accordance with the rules promulgated by the Oklahoma State Board of Health.

All sample collection and testing for drugs and alcohol pursuant to the provisions of this act shall be conducted in accordance with the following conditions:

- An employee covered under this policy has the right to explain, in confidence, the test results. The reporting of the results of the drug test shall be handled discreetly between the testing facility and the Company.

D. Confidentiality Requirements

Records of all drug and alcohol test results and related information maintained by the Company shall be the property of the Company and, upon the request of the applicant or employee tested, shall be made available for inspection and copying to the applicant or employee. Except as provided in the next paragraph, the Company shall not release such records to any person other than the applicant, employee, or the review officer.

Records of all drug and alcohol test results and related information maintained by the employer may be released by the Company for any of the following purposes:

- As admissible evidence by the Company or the individual tested in a case or proceeding before a court of record or administrative agency if either the employer or the individual tested are named parties in the case or proceeding;

- In order to comply with a valid judicial or administrative order; or
- To the Company's employees, agents, and representatives who need access to such records in the administration of the Standards for Workplace Drug and Alcohol Testing Act.

Additionally, the Company, contracting with another employer, may share drug or alcohol testing results of any tested person who works pursuant to such contractual agreement.

E. Consequences of Refusing to Undergo Testing - Potential Adverse Actions as a Result of a Positive Test Result

If an employee refuses to undergo testing or receives a positive result for the presence of drugs or alcohol, the employee will be subject to discipline, up to and including termination, at the discretion of the Company.

F. Appeal; Questions

There is no right to appeal other than as provided by law. If you have questions about this policy, please speak with the Human Resources Department

In the event that Red Crown Federal Credit Union becomes aware that an employee has a criminal conviction or a pending charge in any of the above offenses, the Human Resources Department will interview the employee and recommend a disposition of findings.

- **Coordination with Law Enforcement Agencies**

The sale, use, purchase, transfer or possession of an illegal drug or drug paraphernalia is a violation of the law. Red Crown Federal Credit Union will report information concerning possession, distribution or use of any illegal drugs to law enforcement officials and will turn over to the custody of law enforcement officials any such substances found during a search of an individual or property. Red Crown Federal Credit Union will cooperate fully in the prosecution and/or conviction of any violation of the law.

- **Reservation of Rights**

Red Crown Federal Credit Union reserves the right to interpret, change, suspend, cancel or dispute, with or without notice, all or any part of this Program, or procedures or benefits discussed herein. Employees will be notified before any implementation of any change.

Although adherence to this Program is considered a condition of continued employment, nothing in the Program alters any employee's status and shall not constitute nor be deemed a contract or promise of employment. Employees remain free to resign their employment at any time for any or no reason, without notice.

- **Other Laws and Regulations**

The provisions of this Program shall apply in addition to, and shall be subordinated to, any requirements imposed by applicable federal, state or local laws, regulations or judicial decisions. Unenforceable provisions of the Program shall be deemed deleted.

Employee Assistance Program

Any employee who feels that he\she has developed an addiction to or dependence on alcohol or drugs is encouraged to seek assistance through the Company's Employee Assistance Program. Requests for assistance will be confidential. The Company's Employee Assistance Program consists of contracted services to provide evaluation and referral services for substance abuse counseling, treatment or rehabilitation. To obtain assistance through this evaluation and referral program, an employee may refer to the Employee's Assistance Program or speak with the Human Resource Manager to receive information.