



Human Resources Policy (California)

Intero Real Estate Services

HomeServices of America, INC.

A Berkshire Hathaway Affiliate

May 2014

Contact Human Resources for any policy updates issued after the date of this document.

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Introduction

Issued: January 2013

The HomeServices of America, Inc. Human Resources Policy, referred to as the HR Policy or as the HomeServices HR Policy, provides a ready reference to the specific policies, procedures and benefits of our company. It guides employees in understanding their roles, responsibilities and requirements as an employee. Refer to it to answer questions. If you do not find the answer, or if the answer seems unclear, your supervisor or the human resources department will help you find the answer. In any situation concerning insurance or other employee benefits, the terms of the insurance policy or benefit plan text are controlling, irrespective of any statements contained in HR Policy. All references to HomeServices or the “company” contained in the policy mean HomeServices of America, Inc. and its subsidiaries.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change or revoke these policies at any time, with or without notice, with the exception that the company will provide notice prior to a change to the Arbitration Policy.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Administration of Policy

Updated: January 2013

The HomeServices of America, Inc. Human Resources Policy, referred to as the HR Policy or as the HomeServices HR Policy, is applicable to all operations in the domestic United States. All reference to HomeServices or the “company” contained in the policy mean HomeServices of America, Inc. and its subsidiaries.

In the event a specific local, state or federal law is in conflict with the HomeServices HR Policy, the applicable law will always prevail.

Each department and subsidiary will also have operating guidelines to communicate specific instructions related to the department or subsidiary business operations. All policies maintained in the department and subsidiary must conform to the guidelines outlined in HomeServices HR Policy; however, individual procedures may be tailored to meet operating needs.

All members of management have a responsibility to support and comply with HomeServices HR Policy as applicable to their area of responsibility. Where questions arise about a policy, or where there is disagreement over the application of a policy, the HomeServices senior vice president, human resources will resolve the matter in conjunction with executive management. At no time are members of management permitted to deviate from established policy without approval.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Revision of Policy

Updated: January 2013

The company reserves the right to add to, delete, change, or revoke human resources policies at any time, with or without notice, with the exception that the company will provide notice prior to a change to the Arbitration Policy. Human resources policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

New policy topics or revisions to existing policies can be proposed by submitting them to the HomeServices senior vice president, human resources. Changes to HomeServices HR Policy require appropriate authorization from Berkshire Hathaway Energy.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Employment

Updated: November 2009

It is the policy of the company to offer employment based upon individual merit, qualifications and competency. The administration of all employment related practices is not influenced or affected by an individual's race, color, religion, age, national origin, citizenship status (except as required by law), gender, gender identify, sex, sexual orientation, genetic information, physical or mental disability, disabled veteran, Vietnam era veteran status, marital status, other non-job related characteristics or any other category protected by U.S. federal, state or local law.

Employee recruitment and selection are critical management functions that directly impact a department's ability to meet its objectives, including the quantity and quality of work in the department and the equal employment opportunity requirements of the company. As a result, all employment related activities are to be approved, coordinated or processed through the human resources department including decisions regarding staffing needs, use of external recruiters or employment agencies, job posting, advertising, interviewing, candidate evaluation and selection.

Any offer of employment is contingent upon receipt of acceptable references and background check. Background checks, to the extent permitted by law, may include an examination of motor vehicle records, criminal history, credit, social security check, as well as verification of education, licenses or certifications, references and prior employment verification. A candidate's refusal to submit to the company's background checks or testing procedures will be considered a voluntary withdrawal of the application for employment.

Where possible, it is company policy to allow existing qualified employees the first opportunity for new job assignments. Management does reserve the right to waive the posting requirement for individual positions. Employees may contact their local human resources representative for a current list of posted employment opportunities.

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Employment Applications

Updated: January 2013

All applicants for employment are required to complete a written application on an approved job application form. Resumes may be submitted provided they are received in response to a solicitation. However, if a personal interview is conducted with an applicant regarding a specific opening, an approved application form must be completed and filed with the human resources department. All resumes, solicited or not, become the property of the company.

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Employment At-Will

Updated: April 2010

Company employees are employed for indefinite terms. This employment relationship is known as employment at-will. Under this employment relationship, employees may resign at any time and the company has the right to terminate an employee's employment at any time without restrictions. Any contract of employment must have advance approval, in writing, by the HomeServices board of directors' compensation committee.

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Arbitration

Updated: January 2014 (This policy applies only to employees who are employed in California.)

The company believes that most differences between employees and the company can be successfully resolved through internal processes. However, if any claim, controversy or dispute arises with the company resulting from or related to an employee's employment or termination of employment, it will be submitted for arbitration and resolution (unless prohibited by law) exclusively to an arbitrator, except that any arbitration decisions may be enforced by court order. The company believes this is a more effective and more economical way to resolve disputes for both the company and an employee.

By signing the HR Policy Acknowledgement which includes this policy to arbitrate disputes, an employee agrees to the arbitration process described in writing below and agrees to revoke any prior dispute resolution or arbitration agreement an employee may have previously entered into with the company. An employee who has previously entered into such an agreement with the company has the option, within 30 days of receipt of this HR Policy, to sign an alternative HR Policy acknowledgment which provides an opportunity to opt out from this Arbitration Policy and instead be bound by the provisions of the prior dispute resolution or arbitration agreement. If desired, contact human resources to request an alternative HR Policy Acknowledgment with this option.

1. Arbitration will be applied to any dispute arising out of or related to employee's employment with the company or one of its affiliates, subsidiaries or parent companies (collectively "company") or termination of employment. This policy to arbitrate shall not be construed to prevent or excuse employee from utilizing the company's existing internal procedures for resolution of complaints, and this policy is not intended to be a substitute for the utilization of such procedures. The arbitration process will be governed by the Federal Arbitration Act [9 U.S.C. § 1 et seq.] and evidences a transaction involving commerce.
2. Except as otherwise provided in this policy, arbitration is intended to be the exclusive remedy for the resolution of all disputes that otherwise would be resolved in a court of law and, therefore, this policy requires all such disputes to be resolved only by an arbitrator through final and binding arbitration in accordance with the provisions of the California code of Civil Procedure commencing at Section 1280 et. seq. (or any successor or replacement statutes), and the American Arbitration Association, and not by way of court or jury trial. Such disputes include without limitation disputes arising out of or relating to interpretation or application of this policy, but not as to the enforceability, revocability or validity of the policy or any portion of the policy. The policy also applies, without limitation, to disputes regarding the employment relationship, trade secrets, unfair competition, compensation, breaks and rest periods, termination, or harassment and claims arising under the Uniform Trade Secrets Act, Civil Rights Act of 1964, Americans With Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, Employee Retirement Income Security Act, Genetic Information Non-Discrimination Act, and all State statutes, if any, addressing the same or similar subject matters, and all other State statutory and common law claims. Notwithstanding anything herein to the contrary, this policy does not apply to any disputes relating to a noncompetition, nonsolicitation or confidentiality obligation as those may be enforced in a court of law having jurisdiction over the matter.
3. Claims may be brought before an administrative agency but only to the extent applicable law permits access to such an agency notwithstanding the existence of an agreement to arbitrate. Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission (www.eeoc.gov), the U.S. Department of Labor (www.dol.gov), the National Labor Relations Board (www.nlrb.gov), or the Office of Federal

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General Employment

Contract Compliance Programs (www.dol.gov/esa/ofccp). Nothing in this policy shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration. Disputes that may not be subject to pre-dispute arbitration as provided by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) are excluded from the coverage of this policy.

4. Any and all claims must be brought within one (1) year from the date that the dispute first arose or within one year of the termination of employment, whichever occurs first; provided, however, that if the employee's claim arises under a statute providing for a longer time frame in which to file a claim, that statute shall govern. If the company does not receive a written request for arbitration from an employee within one year from the date of the employee's termination, the employee will have waived any right to raise any claim, in any forum, arising out of the termination of employee's employment; provided, however, that if the employee's claim arises under a statute providing for a longer time frame to file a claim, that statute shall govern.
5. Actions brought on behalf of an individual employee by the Attorney General are not covered within the scope of this policy and may be maintained in a court of law, but an employee may seek in arbitration individual remedies for him or herself under any applicable private attorney general representative action statute, and the arbitrator shall decide whether an employee is an aggrieved person under any private attorney general statute.
6. There will be no right or authority for any dispute to be brought, heard or arbitrated as a class, collective or representative action ("Class Action Waiver"). Notwithstanding any other clause contained in this policy, the preceding sentence shall not be severable from this policy in any case in which the dispute to be arbitrated is brought as a class, collective or representative action. Notwithstanding any other clause contained in this policy, any claim that all or part of the Class Action Waiver is unenforceable, unconscionable, void or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator.
7. The arbitrator shall be selected by mutual agreement of the company and an employee. Unless an employee and the company mutually agree otherwise, the arbitrator shall be an attorney licensed to practice in the location where the arbitration proceeding will be conducted or a retired federal or State judicial officer who presided in the jurisdiction where the arbitration will be conducted. If for any reason the parties cannot agree to an arbitrator, either party may apply to a court of competent jurisdiction with authority over the location where the arbitration will be conducted for appointment of a neutral arbitrator. The court shall then appoint an arbitrator, who shall act under this policy with the same force and effect as if the parties had selected the arbitrator by mutual agreement.
8. The location of the arbitration proceeding shall be no more than 45 miles from the place where the employee last worked for the company, unless each party to the arbitration agrees in writing otherwise. If the employee no longer resides in the general geographical vicinity where he or she last worked for the company, the employee and the company shall agree to a location of the arbitration within 45 miles of where the employee resides.
9. A demand for arbitration must be in writing and delivered by hand or first class mail to the other party within the applicable statute of limitations period. Any demand for arbitration made to the company shall be provided to the company's Human Resources or Legal Department. The arbitrator shall resolve all disputes regarding the timeliness or propriety of the demand for arbitration.

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10. The parties will have the right to conduct adequate civil discovery, bring dispositive motions, and present witnesses and evidence as needed to present their cases and defenses, and any disputes in this regard shall be resolved by the arbitrator.
11. Each party will pay the fees for his, her or its own attorneys, subject to any remedies to which that party may later be entitled under applicable law. However, in all cases where required by law, the company will pay the arbitrator's and arbitration fees. If under applicable law the company is not required to pay all of the arbitrator's and/or arbitration fees, such fee(s) will be apportioned between the parties in accordance with said applicable law, and any disputes in that regard will be resolved by the arbitrator.
12. Within 30 days of the close of the arbitration hearing, any party will have the right to prepare, serve on the other party and file with the arbitrator a brief.
13. The arbitrator may award any party any remedy to which that party is entitled under applicable law, but such remedies shall be limited to those that would be available to a party in his or her individual capacity in a court of law for the claims presented to and decided by the arbitrator, and no remedies that otherwise would be available to an individual in a court of law will be forfeited by virtue of this policy. The arbitrator will issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Except as may be permitted or required by law, as determined by the arbitrator, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties. A court of competent jurisdiction shall have the authority to enter a judgment upon the award made pursuant to the arbitration. The arbitrator shall not have the power to commit errors of law or legal reasoning, and the award may be vacated or corrected on appeal to a court of competent jurisdiction for any such error.
14. It is against company policy for any employee to be subject to retaliation if he or she exercises his or her right to assert claims under this Agreement. If any employee believes that he or she has been retaliated against by anyone at the company, the employee should immediately report this to the human resources department.
15. Unless otherwise stated above, in the event any portion of this policy is deemed unenforceable, the remainder of this policy will be enforceable. If the Class Action Waiver is deemed to be unenforceable, it will be treated as though this policy is otherwise silent as to any party's ability to bring a class, collective or representative action in arbitration.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Employment Classifications

Updated: January 2014

Every employee is designated as either full-time or part-time.

- **Benefit Eligible**
 - Full-time: regularly scheduled hours of at least 40 hours per week.
 - Part-time: regularly scheduled hours of at least 30 hours per week.
- **Non-Benefit Eligible**
 - Part-time non-benefit eligible – regularly scheduled hours of less than 30 hours per week.

In addition, every employee is classed as either temporary or regular.

- **Temporary** – works either full-time or part-time hours but whose employment is determined to be of a temporary duration. Temporary employees are not eligible for company benefits except for government mandated benefits such as workers compensation benefits.
- **Regular** – works either full-time or part-time hours on a regularly scheduled basis.

Employment is “at-will” no matter which category an employee is designated (see the section on *Employment At-Will*).

An employee’s regularly scheduled hours per week will determine the benefits in which an employee may participate, subject to meeting benefit plan eligibility and enrollment requirements.

| Employment Classification | Regularly Scheduled Hours per Week | Benefit Eligibility |
|---------------------------|------------------------------------|---------------------------|
| Full-time | 40 | Eligible for all benefits |
| Part-time | 30 to 39* | Health Care & 401k |
| | 20-29 | 401(k) eligible only |
| | Below 20 | Not benefit eligible |
| Temporary | Full- or part-time hours | |

If employees have questions about their job classification, they may ask their manager or the human resources department.

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Employment of Relatives

Updated: April 2010

It is company policy that all individuals have an equal opportunity for career advancement without fear of favoritism or penalty, actual or implied.

Hiring relatives for positions within the company requires prior approval from the HomeServices corporate human resources department and the HomeServices board of director's compensation committee. After hire, advance approval is also required for status changes such as changes in pay or position.

For the purposes of this policy, a relative is defined to include spouse, parents, children, brothers, sisters, cousins, uncles, aunts, nephews, nieces, in-laws, stepparents, stepbrothers, stepsisters and stepchildren. This policy also applies to individuals who live together in a common-law relationship.

Supervisors, managers or executives of the company shall not employ a relative to work directly under his or her jurisdiction. If already employed, relatives cannot be transferred into such a reporting relationship. If a relationship, such as that referenced above, is established after employment, management will decide within 30 days who is to be transferred given the circumstances and available openings. In other cases where a conflict or the potential for conflict arises, even if there is not a supervisory relationship involved, the parties may be transferred to another position or terminated from employment depending on the severity of the conflict.

This policy is not to be construed to mean that relatives cannot work in various levels throughout the company.

This policy does not apply to temporary employees. Advance approval, however, is required to change a relative from temporary to regular status.

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Equal Employment Opportunity

Updated: November 2009

It is the company's policy to provide and promote equal employment opportunity to all employees and applicants for employment in accordance with all local, state and federal laws and regulations governing personnel activities. The company will:

- Provide equal employment and promotional opportunities to all qualified applicants and employees based upon their abilities, achievements and experience without regard to race, color, religion, age, national origin, citizenship status (except as required by law), gender, gender identity, sex, sexual orientation, genetic information, physical or mental disability, disabled veteran, Vietnam era veteran status, marital status, other non-job related characteristics or any other category protected by U.S. federal, state or local law.
- Ensure that all personnel practices such as recruitment, selection, training, promotion, compensation, benefits, transfers, layoffs, terminations, and participation in the company's sponsored programs are administered in a manner which furthers the principle of equal employment opportunity.
- Encourage, counsel and assist employees in matters relating to on-the-job performance and promotional opportunities.

Responsibility for the company's equal employment opportunity (EEO) program has been assigned to the vice president, employee, labor relations and HR compliance, Berkshire Hathaway Energy. Each member of management is responsible for ensuring compliance with the program. Human resources will coordinate and monitor all equal employment opportunity activities.

If any employee believes he or she has been discriminated against or desires further information or assistance, the employee should contact their manager or human resources immediately.

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Offers of Employment

Updated: April 2010

In order to ensure consistent employment practices and to assist in compliance with various federal regulations, all offers of employment must be in conformance to an approved personnel requisition and be reviewed and approved in advance by the human resources department.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Promotions, Transfers and Job Reassignment

Updated: April 2010

The purpose of this policy is to provide a method to fill open positions within the company.

The company believes in posting open positions. Sometimes business necessity requires that a position not be posted. The human resources department coordinates the posting of open positions.

All positions must have a position requisition form completed before the posting, job offer or transfer process may begin.

An employee may apply for more than one position at a time. To be eligible to apply, an employee must:

- Have been in their current position for a minimum of six months, or notified that they are part of a reduction in workforce. This requirement may be waived at management's discretion.
- Meet the minimum requirements listed on the job posting to be considered a qualified candidate.
- Submit a resume or internal application form by the due date to the human resources department.

An employee may be reassigned to a position with a lower pay range with the approval of human resources. Where this occurs, a corresponding reduction in base pay may be scheduled to bring the base pay of the employee within the salary range of the position assigned.

All exceptions to this policy must be reviewed and approved in advance by the HomeServices corporate human resources department.

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Reference and Background Checks

Updated: January 2013

The company believes that hiring qualified individuals to fill positions contributes to the overall strategic success of the company. Reference and background checks serve as an important part of the employment process. This type of information is collected as a means of promoting a safe work environment for current and future employees.

The company will check references and verify identity and eligibility to work in the United States. Background checks will be conducted as part of the selection process for some positions and may include an examination of motor vehicle records, criminal history, credit, social security number and identity verification, as well as verification of education, licenses or certifications, prior employment, and other categories as deemed necessary, to the extent permitted by law. The company will ensure that all background checks are conducted in compliance with applicable federal, state and local statutes, such as the Fair Credit Reporting Act. Any offer of employment is contingent upon satisfactory completion of reference and background checks.

Background checks may also be conducted on existing employees at any time during the course of employment as permitted by law.

Refusal to submit to company reference or background check procedures will be considered a voluntary withdrawal of the application for employment, or grounds for termination of employment. In the event that inaccurate or false information is provided by a job candidate or employee, the company reserves the right to take appropriate action, including termination of employment, based upon the circumstances.

All information obtained from the reference and background check process will be kept strictly confidential, and will only be shared with those who need to know this information to perform their job functions, or as required by law or regulation.

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Confidentiality of Employee Information

Updated: April 2010

The company collects and maintains a range of information about individual company employees. All such information, even information not normally thought to be of a sensitive or confidential nature, will be made available strictly on a need-to-know basis.

Employee information is retained in secure custody to ensure access is controlled and limited to authorized users. The human resources department is the designated custodian of all employee information. However, all managers, supervisors, and other company employees, or company representatives who have access to, work with, compile or maintain any information about individual employees are responsible for protecting the confidentiality of that information.

Internal access to employee information is restricted to those company employees who require the information to fulfill their job responsibilities. Managers normally have access to information only about employees under their direction. Except for court orders and written inquiries by government agencies, only limited data may be released with or without the written consent of the employee.

When responding to written or oral requests for employee information the following guidelines should be used:

- Any external requests for information related to a current or former employee should immediately be referred to the legal department, the human resources department, or the company's designated third party employment verification service. No other employee or representative of the company is authorized to provide any information about current or former employees.
- In response to legitimate inquiries, the human resources department is authorized to release dates of employment and job titles.
- Written authorization by employees and former employees is required to release salary and any other information outside of the company, except in response to a subpoena or other lawful process.

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Discrimination and Harassment Policy and Guidelines

Updated: November 2009

Policy Statement

Every employee has the right to work in an environment free of harassment and discrimination. Such conduct does not advance the purposes of the company and may violate laws where the company conducts business.

As a matter of policy, the company will not tolerate any individual engaging in verbal, physical or other conduct that has the purpose or effect of unreasonably interfering with a person's work performance or creates an intimidating, hostile or offensive work environment.

It is the policy of the company to administer employment practices without regard to race, color, religion, age, national origin, citizen status (except as required by law), gender, gender identity, sex, sexual orientation, genetic information, physical or mental disability, marital status, disabled veteran, Vietnam era veteran status or any other category protected by U.S. federal, state or local law. Discrimination or harassment of an employee because he or she is a member of or affiliated with a member of any of the foregoing protected groups is prohibited and will not be tolerated. In addition, sexual harassment or harassment as defined by this policy is prohibited and will not be tolerated. Any employee who violates this policy by engaging in discrimination or harassment will be subject to disciplinary action, up to and including termination of employment.

Application of the Policy

This policy applies to all work locations within the United States and to all U.S. citizens who are employees of the company.

This policy also applies to all employees in their interaction with nonemployees, as customers, sales associates, vendors or the general public. This policy applies during work and nonworking hours when the employee is being reimbursed by the company for time and expenses. Examples include attending seminars or training where participation is a result of your employment.

GUIDELINES

Harassment is generally defined as verbal, written or physical conduct that degrades or shows hostility or dislike toward an individual because of his or her race, color, religion, age, national origin, citizen status (except as required by law), gender, gender identity, sex, sexual orientation, genetic information, physical or mental disability, marital status or disabled veteran, Vietnam era veteran status, other non-job related characteristics or any other category protected by U.S. federal, state or local law. Harassment in violation of the company's policy may occur when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment.
- Submission to or rejection of such conduct by an employee is used as a basis for employment decisions such as promotion, assignment, demotion, discipline or termination of employment.
- Such conduct has the purpose or effect of creating an intimidating, hostile or offensive working environment by unreasonably interfering with an employee's work performance or otherwise adversely affecting an individual's employment opportunities.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Depending on the circumstances, harassment may include, but is not limited to:

- **Verbal harassment:** Examples include certain descriptions, slurs, negative stereotyping, jokes, pranks, or other threatening, intimidating or hostile acts that relate to race, color, religion, age, national origin, citizen status (except as required by law), gender, gender identity, sex, sexual orientation, genetic information, physical or mental disability, disabled veteran, Vietnam era veteran status or marital status, or other non-job related characteristics or any other category protected by U.S. federal, state or local law.
- **Written harassment:** Examples of written harassment include certain unwelcome poems, letters, cartoons, or other visual or physical renderings that denigrate or show hostility or dislike toward an individual or group because of race, color, religion, age, national origin, citizen status (except as required by law), gender, gender identity, sex, sexual orientation, genetic information, physical or mental disability, disabled veteran, Vietnam era veteran status, other non-job related characteristics or any other category protected by U.S. federal, state or local law that are placed on walls, bulletin boards, e-mail, Internet, intranet, or elsewhere on the company's premises/property or circulated in the workplace.
- **Physical harassment:** Examples may include unwelcome gestures, touching, impeding movement, or other threatening, intimidating, hostile or offensive contact that is directed toward an individual because of his or her race, color, religion, age, national origin, citizen status (except as required by law), gender, gender identity, sex, sexual orientation, genetic information, physical or mental disability, disabled veteran, Vietnam era veteran status or marital status, or other non-job related characteristics or any other category protected by U.S. federal, state or local law.

SEXUAL HARASSMENT

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment.
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions.
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Sexual harassment can occur between members of the same sex, and the victim as well as the harasser may be a woman or a man. The harasser may be a co-worker, a manager in an employee's work unit or another unit, or someone who is not an employee who is encountered in the course of work for the company.

RACIAL HARASSMENT

Racial harassment consists of unwelcome verbal, physical or other conduct of a racial character, or with racial connotations, having the purpose or effect of unreasonably interfering with a person's work performance or that creates an intimidating, hostile or offensive work environment.

Racial harassment, like sexual harassment, is a form of employee misconduct that the company will not tolerate. No form of unlawful harassment has any place at the company.

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Employees should be aware that the issue of whether conduct constitutes harassment or discriminatory conduct might depend on how the conduct is viewed by the employee who is subjected to the conduct. Any employee who initiates or persists in this prohibited conduct assumes the risk of violating this policy. In the event that the person who is the object of the conduct views it as offensive, the employee who initiated the offensive behavior may be subject to discipline even if the conduct might not have been intended as offensive.

INTERNAL COMPLAINT PROCEDURE

Filing a Complaint – Employee Responsibility

The first step for an employee who believes he or she has been subjected to or exposed to any discrimination or harassment in the workplace should always be to tell the individual engaging in such behavior that the behavior is improper or offensive, and it must stop. A report of the behavior should also be made to his or her manager. If an employee is uncomfortable approaching the offending individual, fears possible physical injury or if the conduct continues, and the employee would like the company to investigate the problem, he or she should immediately contact his or her manager or human resources representative.

Internal complaint forms are available to employees who want to make a complaint of prohibited or unlawful harassment or discriminatory treatment. Employees are strongly encouraged to use the internal EEO complaint form to describe the objectionable conduct thoroughly. Likewise, employees who suspect that unlawful harassment or discrimination is occurring or who want to report an incident of an unfair employment practice should immediately contact a human resources representative.

- Report the situation immediately to the appropriate manager and file a written complaint. Anyone can obtain an employee EEO complaint form from a manager or human resources representative.
- If the behavior continues or the manager is the individual engaging in the behavior, immediately contact a human resources representative to report the situation and file a written complaint.
- If the employee is not comfortable dealing with their local human resources representative, the HomeServices corporate human resources department may be contacted at 612-336-5151 or toll-free 888-630-9076. Alternately, an EEO complaint form may be used to report the situation to Human Resources, HomeServices of America, Inc., 333 South 7th Street, 27th Floor, Minneapolis, Minnesota 55402, or to Employee, Labor Relations and HR Compliance, P.O. Box 657, Des Moines, IA 50306-0657.
- If the situation is severe or the employee fears possible physical injury, immediately contact the manager or a human resources representative and file an employee EEO complaint form as soon as possible. To obtain the telephone number of the appropriate human resources representative, an employee may call the HR helpline at 888-630-9076.

Manager Responsibility

It is imperative that all managers at all company locations conduct themselves in accordance with this policy. Each manager is responsible for ensuring that employees comply with this policy. The company will enforce this policy against any individual engaging in prohibited or unlawful harassment or discriminatory conduct and against management personnel who knowingly allow such behavior to continue.

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Managers must take timely and appropriate action when they know, or have reason to know, that behavior which might amount to prohibited or illegal harassment or discrimination is occurring. In addition, all employees, including managers, are prohibited from retaliating against employees for filing a complaint in good faith or for participating in good faith in an internal EEO investigation.

COMPLAINT INVESTIGATION AND RESOLUTION

All complaints made according to the procedure described above under "Filing a Complaint" will be investigated. Verbal complaints also will be subject to investigation. If the investigation leads to a determination that the allegations are true, and foreign laws do not require otherwise, disciplinary action, up to and including termination of employment may be imposed on the offending party. The company will notify in writing the complainant, the alleged harasser and any other person who has a need to know, in writing, of the disposition of the complaint.

Review

Either the complainant or alleged harasser may request a review of an investigation by writing to Clifford Faddis, senior vice president human resources, 333 South 7th Street, 27th Floor, Minneapolis, MN 55402. A review may also be requested by writing to the vice president, employee, labor relations and HR compliance, Berkshire Hathaway Energy, P.O. Box 657, Des Moines, Iowa 50306-0657. The request should specify the complainant's name, the alleged offender's name and the reasons for the review.

Confidentiality

Complaints of harassment or discrimination will be kept confidential to the fullest extent possible consistent with the company's need to investigate the matter. Employees are also urged to keep all information regarding an internal EEO investigation confidential. If the company determines that an individual has not kept a complaint or information relevant to the investigation of a complaint confidential, he or she may be subject to discipline, up to and including termination of employment.

Retaliation

Retaliation against any person who complains of or participates in the investigation of a harassment or discrimination complaint is prohibited. Where the company finds that retaliation has occurred, individuals who engaged in the retaliatory behavior may be subject to discipline, up to and including termination of employment regardless of whether the original complaint is substantiated.

False Claims

The company takes all allegations of harassment and discrimination seriously. If the company determines that an individual has misused the process by intentionally filing a false charge of discrimination or harassment, he or she may be subject to discipline, up to and including termination of employment.

Distribution

This statement of policy and procedure shall be published annually through internal company communications and shall be posted at each of the company's U.S. work locations. This statement and the employee EEO complaint form shall be available to employees from their manager or their human resources representative.

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Dress Code and Personal Grooming

Updated: January 2013

All employees are expected to dress in a business-like, professional manner. Appearance is a direct reflection of the company; therefore, there are times when what is considered fashionable will not be considered appropriate or acceptable in the workplace. Subsidiary executive management has the discretion to determine the appropriate dress code for the subsidiary or for individual departments. The primary objective is to project a professional image while recognizing the practical implications of the work being done.

Traditional business attire remains the favored option in office environments; however, management will determine the frequency and application of approved casual business attire.

Personal grooming, attire and general hygiene must be neat, in good taste and in conformity with applicable departmental and work area standards. Departure from conventional dress, personal grooming or hygiene standards is not permitted.

All employees are encouraged to ask questions in advance about what is acceptable business attire. In the unlikely event an employee reports to work in inappropriate attire, they may be sent home to change and will not be paid for missed time.

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Driving

Updated: January 2013

Purpose

Vehicle accidents can be costly from the standpoint of personal injury, lost working time and vehicle repair. This policy applies to and establishes minimum qualifications and guidelines for employees who drive company owned, leased or rented vehicles or personal vehicles for business purposes.

Driver Qualifications

An employee may operate company owned, rented or leased vehicles, or personal vehicles on behalf of the company only if he or she is:

- Acting at the direction and with the explicit permission of the company.
- Age 18 or older, subject to additional specific age or other requirements of rental or leasing agencies.
- A holder of a single valid driver's license.
- A holder of a valid license for the class of vehicle to be driven.
- Otherwise qualified under federal and state regulations to hold a license and to drive the vehicle in question.

An employee who holds a position which requires these driver qualifications is required to immediately report any temporary or permanent loss of driver qualifications to his or her supervisor. The company may request proof of a valid driver's license at any time.

Criminal Record, Driving Record Check, License Verification

Applicants for employment who will be required to drive a motor vehicle as a part of their employment shall authorize the company to conduct a background record check into the applicant's criminal record and driving records/motor vehicle records and to verify that he or she possesses a valid driver's license from his or her state of residence.

At any time during the course of an employee's employment, background checks including but not limited to, verification of current criminal records, driving records/motor vehicle records, and driver's license status, may be conducted by the company or the company's insurance carrier. Employees are required to provide any information, documents, or authorizations requested by the company in order to perform criminal record, driving record and license verification checks.

Training/Education

Throughout the course of employment, and at the company's discretion, any employee required to drive a motor vehicle as a part of their employment may be required to participate in safe driving courses or education.

Insurance Coverage

- Proof of current insurance coverage must be carried in all vehicles. For rented or leased vehicles, the rental contract serves as an agreement with the vehicle owner establishing who is responsible for insurance.
- If operating a personal vehicle while on company business, the company may request the employee to produce proof of insurance with minimum limits of coverage as required by the state. The company may also require an employee to carry and provide proof of additional insurance beyond state required minimums or to name the company as an additional insured if necessitated by company business insurance requirements.

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- Citations, convictions or traffic violations issued to an employee for vehicular moving violations at any time, whether on or off of work hours, may affect eligibility for coverage by the company's insurance carrier. If an employee whose position requires driving becomes ineligible to be covered by the company's insurance carrier or loses personal insurance coverage, reassignment or termination of employment may occur.

Primary Insurance Coverage

At all times when operating an employee's personal vehicle while on company business, the employee's personal insurance policy is primary. Any applicable company insurance policy is considered excess insurance. The employee is responsible for covering a personal insurance deductible if involved in a vehicle accident while driving a personal vehicle on company business.

Reporting Accidents

Employees are required to immediately report to their supervisor all accidents that involve a company-owned, leased or rented vehicle. Employees are also required to immediately report to their supervisor all vehicle accidents in which they are involved if they are operating a personal vehicle while on company business. Employees are responsible for reporting the accident to their auto insurer as well as reporting the accident to the company.

Notice of Citation, Arrest or Conviction

Employees shall report to their supervisor, within 24 hours, any citation, arrest or conviction of traffic violations issued to them while operating a company owned, leased or rented vehicle. Such incidents that occur while operating a personal vehicle while on company business must also be reported as noted above.

Compliance with Law

All employees who operate a vehicle for company business are required to obey all federal, state and local traffic laws and requirements including the use of seat belts and proof of insurance.

Driving While Intoxicated

An employee convicted of driving any vehicle under the influence during the course of employment, or at any time while operating a company owned, leased or rented vehicle, may be subject to disciplinary action, up to and including termination of employment.

Discipline

All employees who drive vehicles in the course of their employment are expected to comply with this policy, use good judgment, and act in accordance with all safety rules, company-issued driving guidelines, traffic rules or other regulations that are designed to help avoid accidents. Employees failing to do so may be subject to disciplinary action, up to and including termination of employment.

When an investigation reveals that an employee violated this policy or other related rules, operated a vehicle in a careless fashion or otherwise demonstrated poor judgment, the supervisor will consult human resources to assist in determining an appropriate response. Please note the following:

- Temporary or permanent loss of driver qualifications may result in reassignment or termination of employment.
- In some instances, a supervisor may require an employee to successfully complete a defensive driving course outside normal working hours before allowing the individual to return to driving a company vehicle.
- Failure to cooperate in an accident investigation or providing false and/or misleading information during such investigation is grounds for immediate termination of employment.

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Work Environment

- If an employee fails to report a violation on their driving record as required by this policy, the employee will be considered in violation of company policy and may be subject to disciplinary action, up to and including termination of employment.
- Failure to immediately report an accident or report temporary or permanent loss of driver qualifications as required by this policy will be considered a violation of company policy and may result in disciplinary action, up to and including termination of employment.

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Drug and Alcohol Abuse Prevention Policy

Updated: January 2013

Purpose

The company is committed to providing a safe and productive work environment for all employees. As part of this commitment, it is essential that the company maintain a workplace free from the effects of alcohol and illegal drug use. Employee involvement with alcohol and other drugs can be disruptive, adversely affect the quality of work and performance of employees, pose serious health risks to users and others, and have a negative impact on productivity, morale or the company's reputation in the community.

Scope

This policy applies to all employees of the company. The company intends to comply with all local, state and federal laws concerning illegal drug activity and alcohol abuse. It is intended to apply whenever anyone is representing or conducting business for the company. Therefore, this policy applies during all working hours, whenever conducting business or representing the company and at all times while on company property.

Prohibited Behavior

Employees are prohibited from using, possessing, manufacturing, dispensing, transferring, selling, purchasing or being under the influence of any illegal drug or alcohol at any time while working, whenever conducting business or representing the company, and at all times on company property, including while in company-supplied vehicles. This prohibition includes unauthorized drugs or possession of drug paraphernalia. Alcohol use, which could have an adverse effect on an employee's job performance or which could jeopardize the safety of other employees, the public or the company's reputation in the community, will not be tolerated. However, the use of alcohol at company-sponsored events is acceptable, provided such use is approved in advance by a vice president of the company.

Drug and Alcohol Awareness

The company promotes drug and alcohol abuse awareness to assist employees in understanding and avoiding the risks of drug and alcohol misuse. This goal will be met through an ongoing educational effort to prevent and eliminate substance abuse by informing employees about: the company's Drug and Alcohol Abuse Prevention Policy, the availability of treatment and counseling for employees who voluntarily seek such assistance, and the sanctions the company will impose for violations of its policy.

Employee Assistance Program

The decision to seek assistance and accept treatment for substance abuse is first and foremost the employee's responsibility. To assist employees in obtaining early voluntary treatment, the company provides an employee assistance program (EAP), through LifeWorks. The LifeWorks phone number is (888-300-0431). The EAP offers confidential assessment and referral for professional counseling and treatment. The company also provides a health care plan that may help to defray the costs of treatment for enrolled participants.

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Employee Voluntary Disclosure

Employees are encouraged to voluntarily seek help with alcohol and/or drug problems before being confronted, tested or otherwise involved in drug and/or alcohol related discipline or proceedings. Any employee who voluntarily seeks help for an alcohol and/or drug abuse problem will be offered assistance without jeopardizing continued employment. However, employees who engage in misconduct prior to seeking assistance may not avoid the consequences of violating rules and regulations because they seek rehabilitation treatment. Employees undergoing substance abuse treatment must continue to meet all job requirements when they are at work.

Testing

Managers and supervisors have the authority to require any employee to undergo drug and alcohol testing, as a condition of continued employment, where the employee appears by their physical behavior and actions to be under the influence and unfit for work. Employees may also be required to submit to testing if involved in an accident involving themselves, co-workers or company equipment. Testing will also be required following rehabilitation before returning to duty. Before any testing may be ordered, however, the supervisor must follow company procedures that are designed to verify there is reasonable suspicion to require testing. The company shall investigate all cases of suspected drug or alcohol use on the job and take appropriate action. The company reserves the right to make "fitness for duty" determinations without the use of drug or alcohol tests.

To ensure the accuracy and fairness of the testing program, all testing will be conducted according to the Department of Health and Human Services/Substance Abuse and Mental Health Services Administration (DHHS/SAMHSA) guidelines where applicable, and will include the following:

- A screening test
- A confirmation test
- The opportunity for a split sample
- Review by a Medical Review Officer, including the opportunity for employees who test positive to provide a legitimate medical explanation, such as a physician's prescription, for the positive result.

The substances that will be tested for are cocaine, phencyclidine (PCP), opiates, amphetamines, and cannabinoids (marijuana), and alcohol. HomeServices of America reserves the right to test for other controlled substances as necessary.

Testing for the presence of drug metabolites will be conducted by the analysis of urine. Testing for the presence of alcohol will be conducted by analysis of breath. An alcohol reading of 0.04 grams of alcohol per 210 liters of breath or greater is considered a positive test and a violation of company policy.

Refusal or Adulteration of Test

An employee will be presumed to test positive if he/she refuses to submit to testing, adulterates or dilutes the specimen, substitutes the specimen with that from another person or sends an imposter, will not sign the required forms or refuses to cooperate in the testing process in such a way that prevents completion of the test.

Authorized Use of Prescribed Medicine

Employees taking prescribed medical treatment or over the counter medication of any drug which may alter their behavior or physical or mental ability at work must report this treatment to the company's third party medical review officer (MRO), who will assess whether the company should temporarily change the employee's job assignment during the period of treatment. If temporary reassignment or light duty work is

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unavailable, the employee may be required to apply for short-term disability or use paid time off (PTO) time provided the employee meets the eligibility requirements of the applicable plan. Contact human resources to obtain the current contact information for the MRO.

Employees are encouraged to keep all prescribed medicine in its original container which identifies the drug, date of prescription and prescribing doctor.

In Case of a Negative Test Result

If the initial test result of the drug and/or alcohol test is negative and any confirmatory test result is negative, the employee is considered to have satisfactorily completed the drug and/or alcohol test and is able to return to work. Performance, conduct and/or attendance issues may still be addressed and disciplinary action, up to and including termination of employment, may be taken based on these issues.

Consequences for Violations of Policy

If the testing result is positive the employee may be subject to undergo and successfully complete a rehabilitation program. Depending upon the circumstances the employee may also be subject to disciplinary action up to and including termination of employment. An employee required to enter rehabilitation that fails to successfully complete it and/or repeatedly violates the policy will be terminated from employment.

The policy does not prohibit the employee from being disciplined or discharged for other violations and/or performance problems.

Return to Work Agreement

Employees who successfully complete rehabilitation may be required to sign and abide by the terms set forth in a return-to-work agreement as a condition of continued employment

Notification

The company will provide an employee with a copy and an opportunity to read the Drug and Alcohol Abuse Prevention Policy before requesting or requiring an employee to undergo drug and/or alcohol testing.

The company will notify the employee in writing of a confirmed positive test result. An employee has the right to request a confirmatory retest of the urine sample to be conducted at an approved laboratory of their choice at the employee's expense. If the result of the confirmatory test is positive, an employee has the right to explain in a confidential setting the reasons for the positive test. Any employee wishing to exercise these rights must do so within three (3) working days after notification.

Confidentiality

All circumstances surrounding the testing process will be held strictly confidential. The fact that an employee has been required to take a drug and/or alcohol test shall not be disclosed to individuals inside or outside of the organization without the employee's consent, except to those who need to know this information to perform their job functions, or as required by law or regulation.

Conviction Under Criminal Drug Statute and/or Loss of Driver Qualifications

Employees must provide written notification to their immediate supervisor within five days of any criminal conviction of a state or federal drug statute, and for temporary or permanent loss of driver qualifications.

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Right to Inspect

The company reserves the right to inspect the property and person of any individual or vehicle on company property. This right includes, but is not limited to, the inspection of vehicles, parcels, packages, purses, lunch boxes, briefcases, lockers, workstations and desks.

Supervisor Training

The company will instruct supervisors on how to identify and document on-the-job behavior that may indicate an employee is unfit to work due to the use of drugs and/or alcohol. Designated employees will also be trained on drug and alcohol testing procedures. Any applicable state training requirements will be met.

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Life Threatening Illnesses

Updated: April 2010

The company is committed to maintaining a safe and healthy workplace. The company will make reasonable accommodation for any employee who has a life-threatening illness or communicable disease, so long as medical evidence shows that continued employment does not present a health or safety risk to the employee, customers, sales associates or other employees. In addition, reasonable accommodation will be made only where the affected employee remains able to perform the essential functions of his or her job.

If a physician determines that the employee is a health risk or unable to perform the job, even with a reasonable accommodation, the employee may be placed on short-term disability or family medical leave of absence (FMLA/CFRA) provided the employee meets the eligibility requirements of the applicable plan. If the employee is not eligible for such benefits or no accommodation can be made, the employee's employment may be terminated.

If an employee has a contagious disease (such as infectious hepatitis, chicken pox, the flu) there will be times where contact with others is not appropriate. In these cases, employees may be able to use paid time off, short-term disability and/or may qualify for a family medical leave of absence (FMLA/CFRA).

The company expects all employees to be supportive and cooperative with co-workers whose current health condition may be impaired, but who are medically authorized to work. No special consideration is given to employees who feel threatened by a co-worker's health condition where medical evidence shows continued employment of the co-worker does not present a health or safety risk to themselves or others.

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No Expectation of Privacy

Updated: April 2010

The company is the owner or lessee of all company work facilities, furniture, equipment, vehicles and work materials. The company has a significant financial investment in its workplace facilities, proprietary and intellectual property, work product and customer and business partner relationships. The company has a need to protect and preserve this investment. Employees' privacy interests may be outweighed by the company's interest in the productivity and well-being of the workplace and preserving the security of its premises.

All company employees and contractors, by agreeing to work for the company or coming into company facilities and premises, acknowledge and accept they have no expectation of privacy in or on any company facility or premises, including company parking lots. Excepted from this policy is personal medical information which may be contained in employee benefit records. In such instance, the confidentiality of personal medical information will be maintained in accordance with all applicable laws and regulations.

Monitoring of company communications equipment and equipment records, including, but not limited to, computers, telephones, cellular telephones, fax machines, CB radios and the like, and searches of persons or items brought into company facilities, office work cubicles, furniture, employee lockers, work equipment and vehicles on its leased or owned property may be conducted at any time, with or without cause or additional prior notice.

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Social Media

Issued: January 2013

The company recognizes that employees will use social media and social networks for personal or business purposes. The use of social media, however, presents certain risks and carries with it certain responsibilities. This policy provides employee standards for the use of social media when the content relates in any way to the company and its business activities.

Social media includes all means of communicating, posting, conversing and sharing information and content on social network tools and platforms using text, video, images, photos, audio and other communications media. The tools may include, but are not limited to, websites, blogs, wikis, podcasts, message boards and other electronic and online programs which facilitate the sharing, interaction, and posting of content and information.

In addition to following the guidelines below, be professional, thoughtful and ethical before engaging in social media when the content is in any way related to the company and its business activities.

- Know and follow all department and company procedures and guidelines related to communications, social media and the use of electronic resources. Also follow all company policies and procedures regarding the confidentiality of company information, safeguarding of company property, and prohibited harassment and discrimination. In addition, consult the Confidentiality of Information policy and the company Code of Business Conduct for direction regarding the use of company and employee information.
- Never disclose or discuss in any manner, including through social media, the company's (or its parent, subsidiary or any affiliate corporation or entity's) trade secrets, confidential information, proprietary information or any information regarding the foregoing parties or their respective employees, clients, agents, customers, partners or details of any particular customer transaction outside the scope of your employment.
- Use of the company's logo, name, trademarks or other branded or copyrighted material of the company (or its parent, Berkshire Hathaway Energy, Berkshire Hathaway Inc., Warren Buffett or any subsidiary or any affiliate corporation or entity) in any social media is prohibited unless required as part of work duties or when permission is given from company management staff designated to provide such approval. Marketing management determines the content, distribution, display and publication of any information posted on social media on behalf of the company.
- An employee's presence in social media forums reflects on the company. Be respectful of the company's (or its parent, subsidiary or any affiliate corporation or entity's) employees, products and services, clients, agents, customers, partners, vendors, suppliers and competition. Material must not be posted that is unlawful, false, misleading, objectionable, obscene, vulgar, defamatory, threatening, discriminatory, harassing, abusive, hateful, embarrassing or disparaging to the company or to another person or entity. Do not engage in social media that contains any content prohibited by the company's policies and procedures.
- Do not reference or name any affiliate corporation or entity, partners, vendors, suppliers or competitors without their written consent. Any communication on company and industry matters must be honest, accurate, and have appropriate permissions.

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Work Environment

- Social media content must comply with all laws (such as trademark, copyright, fair use and financial disclosure laws) and reference or cite sources appropriately. Plagiarism laws apply to all postings on social media.
- You are personally responsible for commentary expressed and material posted on social media. Do not post opinions or information regarding the company without providing a clear disclaimer that the views or opinions expressed regarding work-related matters are your own and do not represent the views and opinions of the company.
- When acting on behalf of the company in social media, do not use a false name or make an anonymous post.

Where no company policy or guideline exists, consult with a manager, human resources, or appropriate marketing or legal staff if uncertain about appropriate action.

The expression “affiliate corporation or entity” means a person or business entity, corporate or otherwise, that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with the company including, but not limited to, HomeServices Insurance, Inc., HomeServices Relocation, LLC, HomeServices Lending, LLC, and company title and escrow providers.

Employees who violate this policy may be subject to disciplinary action, up to and including termination of employment without further notice.

The intent of this policy is not to limit employees from engaging in legally-protected activities.

Contact human resources or your manager with questions about this policy.

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Reasonable Accommodation

Updated: April 2010

In accordance with the Americans with Disabilities Act, the company provides reasonable accommodation to known physical or mental limitations of a qualified employee with a disability unless the accommodation would impose an undue hardship on the business. Reasonable accommodation is any modification or adjustment to a job, the work environment, or the way things are usually done that enables an employee with a disability to perform the essential functions of a job and to enjoy the benefits and privileges of employment.

If an employee requests a reasonable accommodation, he or she should do so in writing. The request should be accompanied by a physician's statement supporting the requested accommodation. All requests for reasonable accommodation are to be submitted to the human resources department.

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Safety

Updated: January 2013

The company is committed to providing a safe work environment for the benefit of our employees, sales associates and the public. It is the goal of the company to maintain an accident-free work environment.

It is every employee's responsibility to make the safety of fellow employees, sales associates, the general public and themselves part of their daily routine.

When a person joins the company, he or she has a right to expect to be provided with resources to carry out the job. These include not only the obvious resources of proper tools and training, but also the right to expect competent and safety-conscious fellow employees. In return, the company expects employees to be accountable for their actions.

Employees must follow all safety rules and procedures established by operating departments. Extreme care must be exercised to prevent damages or injuries to people or property. All employees are empowered to take immediate, corrective action toward any unsafe work practices and conditions. Any damages or defects caused or discovered must be reported immediately to a manager. All accidents or injuries, no matter how small, must be reported immediately to a manager and human resources.

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Tobacco-Free Workplace

Updated: January 2009

Tobacco-Free Workplace

To help provide a safe, healthy work environment, employees and visitors are not allowed to smoke or use tobacco products on the premises of any company facility or property, whether owned or leased. This prohibition includes offices, field facilities, company vehicles, garages, parking lots, lawns and sidewalks, except at leased properties where the landlord provides a designated smoking area for all tenants.

Reporting

Employees are expected to report violations of the company's tobacco-free policy to their supervisor or a human resources representative. Failure to comply with the tobacco-free policy will result in discipline, up to and including termination of employment. Smoking in the workplace is a violation of law in certain states and may carry civil penalties for those who violate such laws.

Protection Against Retaliation

Retaliation against any person who, in good faith, reports a violation of this policy or participates in an investigation of smoking or the use of tobacco products in the workplace is prohibited. If the company finds retaliation has occurred, individuals who engaged in the retaliatory behavior may be subject to discipline, up to and including termination of employment, regardless of whether the original complaint is substantiated.

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Violence Prevention and Weapons-Free Workplace

Updated: April 2010

All company employees should be able to work in an environment free of violence or the threat of violence. The company is committed to a violence-free workplace and has zero tolerance for weapons; acts of violence; threats of violence or intimidation on company premises or in its facilities, company parking lots, or at any company event, function, client location or while on company business. Possession of weapons (except where permitted by law); acts of violence; and threats or intimidation, whether made directly or indirectly by words, gestures or symbols, are strictly prohibited on company property and will not be tolerated.

The possession of an unauthorized weapon or use of an object as a weapon on company premises or in its facilities, parking lots, or at any company event, function or while on company business is cause for disciplinary action, up to and including termination of employment and potential criminal prosecution.

If an employee's actions indicate remaining on the job may be detrimental to the employee, fellow employees, customers or company, the employee will be required to leave company property and cease performing job responsibilities pending an investigation.

After an investigation, if the company determines allegations of misconduct cannot be substantiated, the employee will be allowed to return to work with no loss of pay. If the allegations are substantiated, disciplinary action, up to and including termination of employment and criminal prosecution may occur. If an employee is unfit or unavailable to return to work during the investigation, the time off will be without pay.

Reporting workplace weapons possession, acts of violence, threats of violence or intimidation

Because the perpetrator of violence or threats of violence may follow targeted victims into the workplace, employees must inform the human resources department and their supervisor immediately if they believe they have been the target of violence or threats with the potential to affect the workplace or who have knowledge of weapons, violent conduct or threats of violence in the workplace.

Employees who have reason to believe their personal safety is in jeopardy should immediately advise the human resources department and their supervisor so appropriate protective action can be taken.

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Participation in Professional/Technical Societies

Updated: April 2010

Employees are encouraged to belong to trade associations when such groups contribute significant benefits sufficient to justify the time and cost of membership or support. Employees must obtain permission from their department head before joining a trade association and before representing the company at any trade association function. Reasonable and actual expenses associated with participating in approved trade associations will be reimbursed by the company.

The company may encourage certain employees, depending upon their positions, to become members of organizations such as the Chamber of Commerce, and/or professional or technical organizations in order to provide company representation, networking and employee development. Where this type of membership is approved in advance, the company will reimburse reasonable and actual expenses incurred by the employee.

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Performance Development

Updated: January 2009

Employee and leadership development is a company priority. To achieve its mission, the company requires quality employees who are dedicated to the achievement of the mission and who fully apply their knowledge, skills and abilities toward its achievement. Management should make every effort to create an environment where employee development and performance is a priority.

The company provides employees with challenges and opportunities to demonstrate superior work performance. The company also provides a work environment that includes compensation, benefit and development programs designed to encourage and facilitate superior performance. In order to achieve our goal of performance development, managers must provide employees with:

- Clear definition of their primary duties and responsibilities; however, such definition should not restrict an employee's contributions to only those areas of primary responsibility.
- Clear definition of performance expectations to include what is meant by fully satisfactory performance and superior performance relative to an employee's assigned duties and responsibilities.
- Objective, timely and ongoing feedback on employee performance, plus coaching and other assistance as may be appropriate to assist the employee in fully developing his or her performance potential.
- Recognition of a job well done.

Employees ultimately bear the primary responsibility for their own performance. They are also to ensure that, when at work or otherwise acting on the company's behalf, they are fully fit and capable of performing their duties and responsibilities in a manner promoting the best interests of the company. The company has a zero-tolerance policy for any unsafe behavior that creates a risk of physical injury or death. If it is determined an employee has engaged in conduct which placed the employee or others in a situation where serious injury or death may occur, the employee's employment may be terminated, even for a first offense. Besides adhering to all rules of conduct and applicable legal, ethical and professional codes, employees are responsible for:

- Ensuring they understand their duties, responsibilities and expected levels of performance. If unsure about any of these, they are to request clarification from the appropriate manager or supervisor.
- Performing at their full level of capability.
- Enhancing knowledge, skills and abilities on an ongoing basis.
- Ensuring their fitness for duty. To the extent that personal issues, situations or problems interfere with their ability to perform in a fully satisfactory manner, employees are to advise their manager of the problem and take appropriate steps to address those situations or problems.

When appropriate and practical, the company will offer assistance to employees who experience personal problems or situations interfering with the ongoing performance of their duties and responsibilities. Employees who desire confidential assistance should contact the company's third party employee assistance program (EAP) administrator, LifeWorks, by telephone at 888-300-0431 or on the Internet at www.lifeworks.com.

When an employee's performance or conduct is unsatisfactory or unacceptable, it is the responsibility of management to address the situation in accordance with company performance development procedures. In

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Employee Development

situations where management determines disciplinary action would be constructive, corrective measures need to be taken. It is impossible; however, to establish a precise formula for the application of corrective action or discipline. The appropriate form of corrective or disciplinary action requires the exercise of management judgment and discretion and will be determined on a case-by-case basis.

In all cases where management seeks to terminate the employment of an employee, the action must be coordinated with the HomeServices corporate human resources department.

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Professional Certification or Registration

Updated: April 2010

The company may reimburse full-time employees for the cost of applying for and obtaining their professional certification or registration. In order to qualify for reimbursement, the certification or registration must be required by the position or be directly related to performance of the employee's job and approved in advance by management.

Examples of certifications included in this policy are:

- State Bar Association
- Certified Public Accountant
- Real Estate Licensing

If employees wish to take refresher courses in order to obtain professional registration, the cost of such courses shall be reimbursed under the subsidiary's educational expense reimbursement benefit. If a subsidiary does not have an educational expense reimbursement benefit, the cost must be approved by the subsidiary president or chief executive officer.

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Bereavement Leave

Updated: January 2014

In the event of a death in a benefit-eligible employee's immediate family, a reasonable amount of paid time off will be granted, normally not to exceed three days. Each case should be appraised on an individual basis by the employee's supervisor. If an employee needs more than three days in connection with a death in the family, additional paid time up to a total of five days of paid leave may be authorized with the approval of management and human resources.

For the purpose of this policy, an employee's immediate family is defined as the employee's spouse, the employee's or spouse's child, parents, grandparents, brothers, sisters, grandchildren or legal guardians. Special consideration will also be given to any other person whose association with the employee was similar to any of the above relationships.

In the event of an emergency, the employee must notify or arrange for notification to be given to his or her supervisor as soon as practical.

Bereavement pay will be calculated based on the employee's normal base pay, not to include overtime pay, bonuses, or other premium pay. Paid bereavement leave does not count as time worked for overtime calculation purposes.

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Jury Duty, Elections and Court Appearances

Updated: April 2010

It is the policy of the company to encourage its employees to serve on jury duty when they are called to do so. An employee who is selected for jury duty should advise his or her supervisor as soon as possible.

Benefit-eligible employees are paid their regular base pay rate when required to serve as a juror. Proof of jury service may be required from the employee. The number of paid days off for jury duty will not normally exceed 20 days per employee, per year. Employees serving on a jury will be retained on the payroll at normal rates of pay for the prescribed number of hours in their regularly scheduled workweek.

Employees released from jury duty prior to the end of their scheduled shift should immediately contact their supervisor to determine if it is practical to return to work to complete their regular work schedule.

In the event an employee has a work project that would be severely hampered by an absence, the human resources department should be contacted to forward a letter to the court requesting that the employee serve at another time.

Employees who are subpoenaed to appear in proceedings in which they are not a party to the legal action will be treated in the same manner as an employee on jury duty. Paid time off will be allowed, however, such time off will not exceed three days per year. Employees who are a party to legal action not connected with the business of the company will not be provided paid time off to pursue their legal action. Employees involuntarily appointed to serve as election workers will be treated in the same manner as an employee on jury duty.

Paid time off provided under this policy does not count as time worked for overtime calculation purposes.

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Military Leave

Updated: January 2014

The Uniformed Services Employment and Reemployment Rights Act of 1994 (the Act) grants rights to employees returning from military leave of absence, including the right to be reinstated after service in the U.S. Armed Forces. The company's policies related to returning veterans will comply with the Act and other similar state and federal laws.

Leave without pay will be granted to any employee ordered to, or volunteering for, active duty or inactive duty training in any branch of the United States Armed Services, including the Coast Guard, Army National Guard, Air National Guard or the Army, Navy, Air Force, Marines and Coast Guard Reserves. The cumulative length of one or more such leaves cannot exceed five years. Employees must provide as much notice as possible prior to the requested starting date of the leave, and estimate the duration of the leave.

Full-time and part-time employees are allowed leave with pay for the required pre-induction physical examination, provided such leave does not exceed two days. If more than two days are needed, the excess will be treated as unpaid leave. Proof of military service is required. Employees may use and be paid for any earned and unused paid time off while on active duty.

Other compensation and benefit components applicable to individuals on active duty military leave from the company will be administered as follows:

Wages

Employees neither receive nor accrue wages or bonuses during active duty military leave. Salary increases, if any, will be included in the returning veteran's wage rate upon his or her re-employment. Salary increases and bonuses based on job performance will not apply while an individual is on active duty military leave.

Paid Time Off

Those on military leave will be credited with continued employment for purposes of calculating paid-time-off accrual increases upon their re-employment. Employees will not earn additional hours of paid time off while on active duty military leave.

Group Insurance

If the leave will be less than 31 days, the cost of medical, dental and other health-related insurances will be continued as if the employee were at work. If the leave is expected to extend for more than 31 days, employees may elect to continue on company-sponsored group medical, dental and other health-related insurance for up to 24 months, but will be required to pay the full cost plus two percent of the continued insurance benefits. This change is effective for elections of coverage made on or after Dec. 10, 2004, by employees who are absent on account of military service. Upon re-employment, the employee will be immediately eligible for coverage, subject to acceptance by the then current insurance carrier. Life insurance and long-term disability insurance will be terminated on the first day of leave, and reinstated, subject to acceptance by the then current insurance carrier, upon return to full-time or benefit-eligible part-time employment.

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401(k) Plan

Company contributions to the 401(k) Plan for the employee are suspended at the time the employee takes a military leave. However, time spent on military leaves of absence will not be considered a break in service and will be credited toward the vesting requirement of the plan upon re-employment. Employees may make up their contributions upon return to work within a period three times that of the military services (but less than five years) and the company will provide the appropriate contribution and match.

FMLA Eligibility

For employees serving in the U.S. Armed Forces, the hours such an employee should have worked but for his or her military service are credited toward the employee's required 1,250 hours worked for Family Medical Leave Act (FMLA) eligibility. Upon commencement of employment, the time an employee is absent from duty for service in the U.S. Armed Forces will be counted in determining the FMLA qualification of having been employed by the company at least 12 months.

Reinstatement

If the employee has been on leave for 90 days or less, the employee will be reinstated to the position he or she would have had but for the leave, or the employee's former position. If the employee has been on leave for more than 90 days, the options for reinstatement are: the employee will be reinstated to the position he or she would have had but for the leave; the employee will be reinstated in another position with similar seniority, status and pay; or the employee will be reinstated in the former position. Employees must be qualified for the position they are placed in. Re-employment is not required if impossible or unreasonable or if the employee receives a dishonorable discharge.

Please note if the employee is on leave for 30 days or less, the employee is required to return to work on the next full business day following the last day of the leave, assuming that a minimum of eight hours has passed since military duty ended. If the employee has been on leave for 31-180 days, the employee must apply for reinstatement within 14 days of the end of the service. If the employee has served for more than 180 days and wishes re-employment, the employee must make application for employment reinstatement no later than 90 days after discharge from active service.

In applying for re-employment, the employee must show (1) the application is timely; (2) the cumulative periods of service did not exceed five years; and (3) the employee was not dishonorably discharged.

Employees who are members of a military reserve unit will be allowed to attend regularly scheduled military training activities, and such employees may be authorized up to 10 days of paid leave per year. Such employees will be paid the difference between their regular or average daily pay rate and their military pay for the leave period. Proof of military pay is required.

Managers must notify the human resources department if an employee is required to take a military leave of absence.

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Personal Leave

Updated: January 2009

Employees are discouraged from taking a leave of absence for personal reasons other than as permitted under other company leave policies. However, benefit eligible employees may be granted an unpaid leave of absence for personal reasons if they have at least one year of continuous, fully satisfactory job performance. Typically a personal leave of absence will be granted for no more than four weeks and only if available paid time off has been exhausted. Personal leaves of absence require the advance approval of the employee's manager, subsidiary executive officer and HomeServices corporate human resources.

Employees in some states may be eligible for personal leave which will be determined in accordance with the terms of the statutes. Specific compensation and benefit components applicable during any approved leave will be administered in accordance with the associated plan documents. For specific information, contact human resources.

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Pregnancy Disability Leave (PDL)

Updated: August, 2013 (This policy applies only to employees who are employed in California.)

Purpose

Pregnancy Disability Leave (PDL) provides leave for disability related to pregnancy, childbirth or related medical conditions. In addition to the information in this policy, guidelines are available upon request from human resources department. The company utilizes a third party administrator to administer company leave of absence and disability programs. This administrator must also be contacted to initiate a leave of absence request and will provide additional guidelines. The contact information for the administrator can be obtained from the human resources department.

Basic Leave Entitlement

Pregnancy Disability Leave (PDL) provides eligible employees up to a maximum of four months (17.33 weeks) of unpaid leave per pregnancy. Eligible employees can take PDL on an as-needed basis or in one continuous period of time. PDL is for any period of actual disability caused by one or more of the reasons listed below:

- Pregnancy
- Childbirth
- Related medical conditions (for example prenatal care, severe morning sickness, doctor ordered bed rest, recovery from childbirth).

Reasonable Accommodation

An employee may request a reasonable accommodation based on the advice of her health care provider that reasonable accommodation is medically advisable. Examples of accommodations include a change of duties, job restructuring or a temporary transfer to a less strenuous or hazardous position for the duration of the pregnancy, if:

- The request is based on the medical certification of a health care provider that the accommodation is advisable; and
- The requested accommodation is reasonable.

Reasonable accommodations due to health considerations will be granted where possible. Where the employee has requested a transfer, the employee will receive the pay that accompanies the position to which she is transferred.

Employee Responsibilities

An employee who plans to request PDL or who requests reasonable accommodation must provide notice.

- When the PDL is foreseeable, employees must provide at least 30 days notice.
- In the event of an emergency or when the need for a PDL is not foreseeable, notice must be given to the company within two business days of learning of the need for the leave, or as soon as practicable.

The employee must submit a Leave Request and submit it to the human resources department. The employee must also contact the third party administrator to initiate a leave request and provide required medical certification within the required deadlines. The third party administrator contact information is available from human resources.

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The written medical certification should include:

- The date on which the employee became disabled due to pregnancy or the date the accommodation became medically advisable;
- The probable duration of the period(s) of disability or the period(s) that are medically advisable for accommodation;
- If the request is for leave, a statement that, due to the disability, the employee is unable to work at all or to perform any one or more of the essential functions of her position without undue risk to the employee or others, or to the successful completion of the pregnancy;
- If the request is for an accommodation, the health care provider must certify that due to pregnancy the accommodation is medically advisable.

Medical certification must be provided, where possible, in advance of the leave, but not later than 15 calendar days from the date the request for leave is submitted. Failure of an employee to meet certification requirements may result in delay in granting the leave request.

If an employee requests an extension of the leave beyond the time estimated by the health care provider, the employee must submit recertification prior to the original expiration date.

The company requires written medical verification by a health care provider of an employee's ability to return to her original job duties at the end of a PDL.

Pay and Use of Paid Leave

PDL is unpaid, except to the extent an employee elects to use any available paid time off (PTO).

Any portion of a leave that occurs after all paid time off has been exhausted is without pay.

An employee may be eligible for compensation through California State Disability Insurance (SDI) or through the California Paid Family Leave (PFL) program. The SDI and PFL programs are administered by the California Employment Development Department (EDD) which is solely responsible for determining if an employee is eligible for state benefits. An employee can contact the EDD directly for information on the programs. The human resources department also has information available on the programs. Any benefits approved by the EDD for SDI or PFL will run concurrently with other leaves of absence, if applicable. Any company paid compensation that is paid during PDL will be coordinated as appropriate with any state disability benefits.

Benefits and Protections

Group health insurance coverage will continue for eligible employees taking PDL under the same conditions that applied before the leave commenced. To continue health insurance coverage, the employee must continue to make any employee contributions that she was required to make prior to taking leave. Payments will be collected from any pay due the employee during the leave period. If the employee is not paid, she will pay her share of the contributions by catch-up contributions upon return from leave. The company has the right to recover from an employee any unpaid employee contributions if the employee fails to return to work following a leave of absence.

Upon return to work, the company will reinstate the employee to the same or a comparable position in most instances. However, any personnel action (i.e. layoffs, salary actions, reorganizations, etc.) taken by the company during the employee's leave will be applied to the employee as if they had not taken a leave.

Employees who fail to return to work at the conclusion of their approved leave or within the maximum period allowed for the leave will be considered to have voluntarily resigned from the company.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

PDL Coordination with Other Leaves

Leave granted under the PDL runs concurrently with other leaves as allowed by policy and law. If you are eligible under the federal Family and Medical Leave Act, your PDL will also be designated as time off under the Family and Medical Leave Act. If eligible, leave under the California Family Rights Act begins after the pregnancy disability ends. Please see the Family and Medical Leave (FMLA/CFRA) policy for more information.

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Family and Medical Leave (FMLA/CFRA Leave)

Updated: January 2013 (This policy applies only to employees who are employed in California.)

Purpose

The Family Medical Leave Policy is designed to comply with, and be administered according to, the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA) and the National Defense Authorization Act. The administration of this policy will also comply with applicable state law where such state law provides a greater benefit. Family and Medical Leave (FMLA/CFRA leave) does not affect any federal or state law prohibiting discrimination or supersede any state or local law which provides greater family or medical leave rights.

For a summary of employee rights and responsibilities under FMLA and the National Defense Authorization Act please review *WH Publication 1420* that is provided by the Wage and Hour Division of the U.S. Department of Labor. Information on the Family Medical Leave Act and the California Family Rights Act can also be found on company employment posting boards and obtained from the human resources department.

Eligibility

An employee becomes eligible for FMLA/CFRA leave after being employed by the company for 12 months (which need not be consecutive), having worked at least 1,250 hours in the 12 months preceding the leave, and working at a worksite where 50 or more employees are located within 75 miles of that worksite. For employees serving in the U.S. Armed Forces, the hours such an employee should have worked from the date of hire, but for his or her military service, are credited toward the employee's required 1,250 hours worked for FMLA eligibility.

Basic Leave Entitlement

An eligible employee may take FMLA/CFRA leave for the following reasons:

- For the employee's own serious health condition that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or (counts toward FMLA and CFRA leave entitlements);
- To care for the employee's spouse, registered domestic partner, child, or parent (but not in-law) with a serious health condition; (counts toward FMLA and CFRA leave entitlements except for time to care for an employee's registered domestic partner counts only towards CFRA leave, not FMLA leave);
- Disability due to pregnancy, childbirth or related medical condition (counts only toward FMLA leave and California Pregnancy Disability Leave ("PDL") leave entitlements; see the Pregnancy Disability Leave policy for additional information);
- Bonding and/or caring for a newborn child (counts toward FMLA and CFRA leave entitlements);
- For placement with the employee of a child for adoption or foster care and to care for the newly placed child; (counts toward FMLA and CFRA leave entitlements);

An employee is entitled to a **combined** maximum of up to 12 weeks leave in a rolling 12-month period for one, or a combination of reason(s) listed above. Leave for birth, adoption or fostering a child is expected to be taken within 12 months of the event.

Leave entitlements may be limited for two parents or spouses working for the company. Contact the human resources department for more information.

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Military Leave Entitlements

In addition to the basic leave entitlement above, employees who are members of the U.S. Armed Forces, or who have certain family members in the U.S. Armed Forces, are entitled to leave in the following circumstances:

- For a qualifying exigency such as: (1) a short-notice deployment (2) to attend military events and related activities (3) for childcare and school activities (4) to make financial and legal arrangements associated with military duty (5) for counseling (6) rest and recuperation (7) post-deployment activities and (8) additional activities where the employer and employee agree to the leave arising out of the fact the spouse, or a son, daughter or parent of the employee is on active duty or has been notified of an impending call or order to active duty in the U.S. Armed Forces in support of a contingency operation.
- An eligible employee who is the spouse, son, daughter, parent or next of kin of a covered service member shall be entitled to a total of 26 workweeks of leave during a 12-month period to care for the service member (available during a single 12-month period). A covered service member is a current member of the U.S. Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the service member medically unfit to perform his or her duties for which the service member is undergoing medical treatment, recuperation or therapy; or is in outpatient status; or is on the temporary disability retired list.

Definition of a Serious Health Condition and Intermittent Leave

A serious health condition is an illness, injury, impairment or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the requirement of continuing treatment may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider, or one visit and a regimen of continuing treatment, or incapacity due to pregnancy or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

FMLA/CFRA leave may be taken on an intermittent or reduced schedule basis in certain circumstances which include medical necessity or military qualifying events. Intermittent or reduced scheduled leave is FMLA/CFRA leave taken in separate blocks of time due to a single qualifying reason and any certified leave reducing the employee's usual number of hours per workweek or hours per workday.

Example:

A full-time employee's serious health condition requires treatment for four hours of medication/treatment at a local health facility once a week. If FMLA/CFRA certified, the four hours the employee must take each week would be counted towards the employee's annual eligible FMLA/CFRA entitlement.

Employee Responsibilities

Contact the human resources department for questions regarding FMLA/CFRA leave or to initiate a leave request. The company utilizes a third party administrator to administer company leave of absence programs and this administrator must also be contacted to initiate a leave of absence request. The contact information for the administrator can be obtained from the human resources department.

Employees must provide 30 days advance notice of the need to take FMLA/CFRA leave when the need is foreseeable. When a 30 day notice is not possible, the employee must provide notice as soon as

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practicable using the company's normal call-in procedures. Employees must make reasonable efforts to schedule leave for planned medical treatment to avoid disrupting company operations.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA/CFRA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform their normal job functions, a qualified family member is unable to perform daily activities, a need for hospitalization or continuing treatment by a health care provider or circumstances supporting the need for military family leave. Employees need also state if the requested leave is for a reason for which FMLA/CFRA leave was previously taken or certified. Employees will be required to provide a certification and periodic recertification supporting the need for leave. Failure of an employee to meet certification requirements may result in denial of the leave request and the absence will not be covered by this policy.

Pay and Use of Paid Leave Concurrently with FMLA/CFRA Leave

An employee may be eligible for compensation through California State Disability Insurance (SDI) or through the California Paid Family Leave (PFL) program. The SDI and PFL programs are administered by the California Employment Development Department (EDD) which is solely responsible for determining if an employee is eligible for state benefits. An employee can contact the EDD directly for information on the programs. The human resources department also has information available on the programs. Any benefits approved by the EDD for SDI or PFL will run concurrently with other leaves of absence, if applicable.

Employees receiving workers' compensation or short-term disability payments that do not fully equal their regular earnings may use accrued paid leave to supplement those payments up to their regular earnings amount until accrued paid leave is exhausted. Any company paid compensation that is paid during FMLA/CFRA leave will be coordinated as appropriate with any state disability benefits.

When any SDI or PFL pay is exhausted, employees must use all paid leave available to them concurrently with FMLA/CFRA leave. When all paid leave is exhausted, FMLA/CFRA leave will be unpaid. In using paid leave, employees must comply with the company's normal paid leave policies.

Benefits and Protections

Group health plan benefits will be maintained during eligible FMLA/CFRA leave. Upon return from FMLA/CFRA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits and other employment terms. To continue health insurance coverage, the employee must continue to make any employee contributions that she was required to make prior to taking leave. Payments will be collected from any pay due the employee during the leave period. If the employee is not paid, the employee will pay his/her share of the contributions by catch-up contributions upon return from leave. The company has the right to recover from an employee any unpaid employee contributions if the employee fails to return to work following a leave of absence.

Use of FMLA/CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of the FMLA/CFRA leave.

Employer Responsibilities

The company must advise employees of their rights and responsibilities. If FMLA/CFRA leave is requested, the company must inform the employee if the requested leave is eligible and FMLA/CFRA protected and designated. Also, the company must advise the employee if any additional information is required. If the requested leave is determined not eligible, the company must advise the employee the leave is ineligible and give the employee a reason why the request is ineligible.

The company must also provide information to update the employee about the amount of leave counted against the employee's annual entitlement.

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Unlawful Acts

The Family Medical Leave Act (FMLA) and California law make it unlawful for any employer to:

- Interfere with, restrain or deny the exercise of any right provided under the Family Medical Leave Act, California Family Rights Act, or pregnancy disability leave (PDL).
- Discharge or discriminate against any person for opposing any practice made unlawful by the Family Medical Leave Act, California Family Rights Act, or pregnancy disability leave (PDL) or for involvement in any proceeding under or relating to these laws.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer for an employer's interference with an employee's rights under FMLA. The California Department of Fair Employment and Housing handles claims related to the California Family Rights Act or Pregnancy Disability Leave (PDL).

Definitions

“Spouse” means a husband or wife as defined or recognized under state law for purposes of marriage in the state where the employee resides, including common law marriage in states where it is recognized.

“Parent” means a biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the employee when the employee was a child, son or daughter as defined in paragraph (c) of this section. This term does not include parents in law.

“Child, son or daughter” means, for purposes of FMLA/CFRA leave taken for birth or adoption, or to care for a qualified family member with a serious health condition, a biological, adopted, or foster child, a stepchild (including children of a registered domestic partners), a legal ward, or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and incapable of self-care because of a mental or physical disability or an adult dependent child at the time that FMLA/CFRA leave is to commence.

“Domestic Partner” means two adults who have established a registered domestic partnership in accordance with the requirements of California law.

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EMPLOYEE RIGHTS AND RESPONSIBILITIES UNDER THE FAMILY AND MEDICAL LEAVE ACT

Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

Military Family Leave Entitlements

Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

Benefits and Protections

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Eligibility Requirements

Employees are eligible if they have worked for a covered employer for at least one year, for 1,250 hours over the previous 12 months, and if at least 50 employees are employed by the employer within 75 miles.

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose or employers may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

FMLA section 109 (29 U.S.C. § 2619) requires FMLA covered employers to post the text of this notice. Regulations 29 C.F.R. § 825.300(a) may require additional disclosures.



For additional information:
1-866-4US-WAGE (1-866-487-9243) TTY: 1-877-889-5627
WWW.WAGEHOUR.DOL.GOV



U.S. Department of Labor | Employment Standards Administration | Wage and Hour Division

WHD Publication 1420 Revised January 2009

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Domestic Violence, Sexual Assault and Crime Victims Leave

Updated: January 2013 (This policy applies only to employees who are employed in California.)

The company allows time off for situations of domestic violence, sexual assault and crime victims and will comply with applicable state regulations when administering such leave. Employees may elect to use available paid time off (PTO) for absences provided under this policy. If an employee does not elect to use paid time off, the absence will be unpaid unless required by law. Time off under this policy does not create a right for an employee to take unpaid leave that exceeds the leave time allowed under, or is in addition to the unpaid leave time permitted by, under the company Family Medical Leave (FMLA/CFRA) policy.

Time Off for Domestic Violence or Sexual Assault

The company permits employees who become victims of domestic violence or sexual assault to take time off to:

- Obtain a restraining order.
- Seek medical treatment or psychological counseling.
- Seek assistance from a shelter or similar organization.
- Obtain relief to help ensure the health, safety or welfare of the employee or of the employee's child(ren), including time off to participate in safety planning.

When foreseeable and feasible, employees who take time off under the policy must provide the company with advance notice of the need to take time off, including the date and length of time off that is required. Employees who are able to provide advance notice should consult their supervisor and schedule the time off to minimize the effect of their absence on the company's business. In addition to advance notice, the company also requires proof of an employee's participation in these activities. Proof may be in the form of a police report, court order, or official documentation from a medical professional, counselor, or social services advocate. Failure to provide documentation may result in a denial of the requested time off.

Time Off for Crime Victims

Employees who have been victims of serious or violent felonies, as specified under California law, or felonies relating to theft or embezzlement, may take time off work to attend judicial proceedings related to the crime. Employees also may take time off if an immediate family member has been a victim of such crimes and the employee needs to attend judicial proceedings related to the crime. "Immediate family member" is defined as spouse, registered domestic partner, child, child of registered domestic partner, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Employees must give the human resources department a copy of the court notice of each scheduled proceeding before taking time off, unless advance notice to the company of the need for time off is not feasible. When advance notice is not feasible, the employee must provide the company with documentation evidencing the judicial proceeding within a reasonable time after the absence. The documentation may be from the court or government agency setting the hearing, the district attorney or prosecuting attorney's office, or the victim/witness office that is advocating on behalf of the victim.

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School-Related Activities Leave

Updated: January 2013 (This policy applies only to employees who are employed in California.)

Parents, guardians or grandparents with children from kindergarten through grade 12, or who attend licensed child daycare facilities, may take time off of up to 40 hours per calendar year to attend or participate in authorized school activities which involve one or more of their school-age children. To be eligible for school visitation leave, employees must obtain from the school written verification that the employee attended or participated in the school activity. School visitation leave may not exceed eight hours in any calendar month. Parents, guardians or grandparents with custody of schoolchildren who have been suspended are allowed to take unpaid time off to appear at the school pursuant to the school's request.

Eligible parents, guardians or grandparents may use any accrued but unused paid time off while attending their child's school activities. If not, school visitation leave will be unpaid. For scheduling purposes, when feasible an employee should provide his/her supervisor at least one week notice before the date of the school activity so that work duties may be covered.

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Other Leaves of Absence

Issued: January 2013 (This policy applies only to employees who are employed in California.)

The company will provide time off as required by any local, state, or federal regulation. In addition to the time off and leaves of absence policies detailed in the HR Policy, various employment regulations allow for time off these reasons:

- Time off for voting in statewide elections
- Time off for volunteer firefighters or law enforcement personnel
- Time off for literacy assistance
- Rehabilitation leave
- Bone marrow and organ donor leave
- Any other reason mandated by local, state or federal law.

Contact the human resources department immediately after the need for time off for any of these reasons becomes known. The company will follow applicable local, state or federal guidelines when determining eligibility, employee responsibilities, company responsibilities, required documentation, and other requirements related to the requested absence.

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Compensation

Updated: April 2010

It is company policy to provide a competitive compensation package in order to attract, retain and motivate employees of high caliber, talent and aspiration.

Based on company and individual employee performance, as well as market conditions, management may, at its sole discretion, adjust an individual employee's compensation. Additionally, individuals may also be rewarded through incentive compensation plans or by specific one-time awards. Incentive compensation is paid at the discretion of company management.

Managers will review the compensation and performance of their respective employees at least annually, generally at or near year-end.

Compensation recommendations and employee performance reviews shall be completed prior to any annual adjustment. Management recommendations will be compiled and forwarded to the HomeServices chairman and chief executive officer for review prior to being forwarded to the HomeServices board of director's compensation committee for approval.

All recommendations for pay increases outside of normal, established time frames, including promotions and bonus awards, must be individually approved by the subsidiary chief executive officer and the HomeServices senior vice president of human resources.

Exempt Pay Guidelines

The Fair Labor Standards Act (FLSA) is the federal legislation that regulates wages and hours in the workplace, including overtime pay. Positions are classified as:

- Exempt - not entitled to overtime pay; or
- Nonexempt - covered by the FLSA overtime pay requirements.

Exempt employees must receive their full salary for a workweek in which they perform any work, regardless of the number of days or hours actually worked, except as noted below. Employees who work no hours during a particular workweek, however, need not be paid in any workweek when no work is performed.

Reductions in pay for exempt employees cannot be made for variations in the quality or the quantity of work being performed, except in one of the following circumstances:

- Other than sickness or disability, absence from work for one or more full days for personal reasons.
- Absence from work for one or more full days due to sickness or disability, if deductions are made under a bona fide plan, policy or practice providing wage replacement benefits for these types of absences.
- To offset any amounts received as payment for jury fees, witness fees or military pay.
- Penalties imposed in good faith for violating safety rules of major significance.
- Unpaid disciplinary suspension of one or more full days imposed in good faith for violations of workplace conduct rules.
- Proportionate part of an employee's full salary may be paid for time actually worked in the first and last weeks of employment.
- Unpaid medical leave taken pursuant to the Family and Medical Leave Act.

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Compensation and Benefits

If an exempt employee does not have paid time off available to cover an absence of less than one day, it is up to management to choose to allow the employee to take the time off with pay or not allow the employee to take the time off at all. No reduction in pay, however, is allowed.

It is company policy to comply with the FLSA provisions regarding employees' pay. Therefore, any deduction from pay thought to be improper should be reported immediately to the human resources department. Any such complaints shall be investigated promptly and remedied as appropriate.

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Time Reporting and Overtime

Updated: January 2013 (This policy applies only to employees who are employed in California.)

It is company policy to pay employees for overtime in accordance with this policy and applicable federal and state statutes.

Time Reporting

Nonexempt employees must record their start and stop time (including meal breaks) each day on their time record. Exempt employees must report absences, whether paid or unpaid, in a timely manner. Falsifying time records, failing to accurately report hours worked or failure to report time off is a violation of company work rules and may result in discipline up to and including termination of employment. Supervisors are responsible for reviewing and approving accurate time reports of each employee's time worked and not worked, including start and stop times as well as paid/unpaid absences for each workday and workweek.

NONEXEMPT EMPLOYEES

Rest and Meal Breaks

The company will provide nonexempt employees with rest and meal breaks in accordance with state and federal wage and hour regulations.

- Nonexempt employees are entitled to a ten minute break for every 3.5 hours worked.
- Any nonexempt employee who works five hours or more per day is required to take a thirty to sixty minute meal break. Meal breaks are unpaid and work should not be performed during the period.
- Any nonexempt employee who works ten hours or more in one day is required to take a second thirty minute meal break.
- If a nonexempt employee does not take these company-provided rest and meal periods, the employee must notify his or her supervisor immediately and record the reason in the time reporting system.

Overtime

All hours worked by nonexempt employees in excess of 8 hours in one workday or 40 hours in one workweek will be treated as overtime. The workday begins at 12:01 a.m. and ends 24 hours later. A workweek begins each Monday at 12:01 a.m.

Overtime compensation will be paid at a rate of one-and-one-half times the employee's regular rate of pay for:

- Hours worked in excess of 40 for the workweek.
- Hours worked in excess of 8 and not more than 12 for the workday.
- The first 8 hours of the seventh day in a consecutive workweek.

Compensation shall be paid at double the regular rate for:

- Hours in excess of 12 in one workday.
- Hours in excess of 8 on the seventh consecutive workday in one workweek.

Attendance at company meetings and training programs is not considered time worked and is not included in overtime calculations when all of these conditions exist:

1. The employee's attendance is voluntary.
2. The employee's attendance is outside of normal working hours.
3. The meeting, course or training program is not directly related to the employee's job.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Compensation and Benefits

Time spent during company required travel will be paid according to the Fair Labor Standards Act (FLSA) and state law.

Nonexempt employees shall not be required or allowed to take time off to compensate for overtime hours worked.

Only time worked is counted towards overtime calculations. Any other types of paid or unpaid time do not count as time worked for overtime calculation purposes.

It is company practice to minimize overtime costs, therefore overtime work shall not be scheduled without the prior authorization and approval of the employee's supervisor. Overtime worked without prior authorization from the manager will be paid but may result in disciplinary action. Failure to work scheduled or requested overtime may also result in disciplinary action.

EXEMPT EMPLOYEES

Employees who are exempt from overtime provisions of the federal Fair Labor Standards Act and any applicable state laws, and are paid on a salaried basis, will not be paid additional compensation for overtime hours worked.

Interpretation of this Policy

The human resources department will provide technical guidance regarding time reporting and complying with the overtime pay requirements of this policy.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Relocation

Updated: January 2013

The company does not provide employees or new hire candidates with relocation benefits. Exceptions to this policy require the approval of the HomeServices chairman and chief executive officer prior to any offer that includes relocation benefits.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Code of Business Conduct and Ethical Standards

Issued: January 2013

HomeServices of America, Inc. is proud to be a part of Berkshire Hathaway Energy. Berkshire Hathaway Energy and its subsidiaries and affiliates expect at all times to maintain the highest ethical standards in the conduct of the company's business. The Berkshire Hathaway Energy Code of Business Conduct provides the overarching principles, values and guidance company employees are to follow in carrying out their duties. HomeServices of America supports and expects all employees to comply with the Berkshire Hathaway Energy Code of Business Conduct.

Code of Business Conduct and Ethics

Though not all-inclusive, the following documents provide clear guidance to the employees of the company and serve to emphasize the company's commitment to ethics and compliance with the law; set forth minimum standards of ethical and legal behavior; provide reporting mechanisms for known or suspected ethical or legal violations; and help prevent and detect wrongdoing.

- Berkshire Hathaway Energy Code of Business Conduct
- Berkshire Hathaway Energy Prohibited Business Practices Policy
- Berkshire Hathaway Inc. Code of Business Conduct and Ethics

The Berkshire Hathaway Inc. Code of Business Conduct and Ethics and the Berkshire Hathaway Energy Prohibited Business Practices Policy are incorporated in HomeServices HR Policy. The Berkshire Hathaway Energy Code of Business Conduct is published separately and can be obtained from human resources.

Individual Accountability

Every employee is responsible for his or her individual actions. The company holds each employee accountable for complying with the company's codes of business conduct and ethics (Berkshire Hathaway Code of Business Conduct and Ethics Policy, Berkshire Hathaway Energy Code of Business Conduct, Berkshire Hathaway Energy Prohibited Business Practices Policy), HR Policy and the law. Failure to live up to the responsibilities set forth in the company codes and HR Policy, either directly or by failure to report a violation, may result in disciplinary action, up to and including termination of employment without further notice.

Responsibilities of Managers

Managers have the additional responsibility of creating and sustaining an ethical work environment. Managers are to be vigilant in preventing violations of the company codes of business conduct, HR Policy and the law. When wrongdoing or violations are observed, or allegations of such actions are brought to their attention, managers must take prompt action to ensure appropriate steps are taken.

Employee Duty to Report

It is the responsibility of all employees to ensure the company codes of business conduct, HR Policy and the law are upheld in the course of carrying out the business of the company. Employees, whether in management or not, have a duty to report wrongdoing or alleged violations of the company codes, HR Policy or the law to their supervisor or an employee relations representative. If your situation requires your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the company's legal obligations.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Protection Against Retaliation

You may report violations of the company codes of business conduct, HR Policy and the law without fear of retaliation. Good faith reporting of violations or possible violations will not result in adverse consequences to the person reporting them, even if the perceived violations are ultimately proven not to have occurred.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Berkshire Hathaway Inc. Code of Business Conduct and Ethics

This Code of Business Conduct and Ethics applies to all Berkshire Hathaway directors, officers and employees, as well as to directors, officers and employees of each subsidiary of Berkshire Hathaway. Such directors, officers and employees are referred to herein collectively as the “covered parties.” Berkshire Hathaway and its subsidiaries are referred to herein collectively as the “company.”

The company is proud of the values with which it conducts business. It has and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. To this end, this Code of Business Conduct and Ethics serves to (1) emphasize the company’s commitment to ethics and compliance with the law; (2) set forth basic standards of ethical and legal behavior; (3) provide reporting mechanisms for known or suspected ethical or legal violations; and (4) help prevent and detect wrongdoing.

Given the variety and complexity of ethical questions that may arise in the company’s course of business, this Code of Business Conduct and Ethics serves only as a rough guide. Confronted with ethically ambiguous situations, the covered parties should remember the company’s commitment to the highest ethical standards and seek advice from supervisors, managers or other appropriate personnel to ensure that all actions they take on behalf of the company honor this commitment. When in doubt, remember Warren Buffett’s rule of thumb:

“...I want employees to ask themselves whether they are willing to have any contemplated act appear the next day on the front page of their local paper – to be read by their spouses, children and friends – with the reporting done by an informed and critical reporter.”

I. Ethical Standards

1. Conflicts of Interest

A conflict of interest exists when a person’s private interest interferes in any way with the interests of the company. A conflict can arise when a covered party takes actions or has interests that may make it difficult to perform his or her work for the company objectively and effectively. Conflicts of interest may also arise when a covered party, or members of his or her family, receives improper personal benefits as a result of his or her position at the company. Loans to, or guarantees of obligations of, covered parties and their family members may create conflicts of interest. It is almost always a conflict of interest for a covered party to work simultaneously for a competitor, customer or supplier.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or manager or, if circumstances warrant, the chief financial officer or chief legal officer of the company. Any covered party who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in section III of this code.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Code of Business Conduct

All directors and executive officers of the company, and the chief executive officers and chief financial officers of Berkshire Hathaway's subsidiaries, shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the chairman of the

company's audit committee. No action may be taken with respect to such transaction or party unless and until such action has been approved by the audit committee.

2. Corporate Opportunities

Covered parties are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the board of directors of the company. No covered party may use corporate property, information or position for improper personal gain, and no employee may compete with the company directly or indirectly. Covered parties owe a duty to the company to advance its legitimate interests whenever possible.

3. Fair Dealing

Covered parties shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically competitors, suppliers, customers, and colleagues. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. No covered party should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered or accepted by a covered party or any family member of a covered party unless it (1) is consistent with customary business practices, (2) is not excessive in value, (3) cannot be construed as a bribe or payoff and (4) does not violate any laws or regulations. The offer or acceptance of cash gifts by any covered party is prohibited. Covered parties should discuss with their supervisors, managers or other appropriate personnel any gifts or proposed gifts which they think may be inappropriate.

4. Insider Trading

Covered parties who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the company's business. All nonpublic information about the company should be considered confidential information. It is always illegal to trade in Berkshire Hathaway securities while in possession of material, non-public information, and it is also illegal to communicate or "tip" such information to others.

5. Confidentiality

Covered parties must maintain the confidentiality of confidential information entrusted to them, except when disclosure is authorized by an appropriate legal officer of the company or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the company. The obligation to preserve confidential information continues even after employment ends.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

6. Protection and Proper Use of Company Assets

All covered parties should endeavor to protect the company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The company's equipment should not be used for non-company business, though incidental personal use is permitted.

The obligation of covered parties to protect the company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports.

Unauthorized use or distribution of this information would violate company policy. It could also be illegal and result in civil or criminal penalties.

7. Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which the company's ethical standards are built. In conducting the business of the company, the covered parties shall comply with applicable governmental laws, rules and regulations at all levels of government in the United States and in any non-U.S. jurisdiction in which the company does business. Although not all covered parties are expected to know the details of these laws, it is important to know enough about the applicable local, state and national laws to determine when to seek advice from supervisors, managers or other appropriate personnel.

8. Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to the Securities and Exchange Commission and other regulators by the company, and in other public communications made by the company, the covered parties involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. Where applicable, these covered parties shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the company's independent public auditors or investors.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

9. Significant Accounting Deficiencies

The chief executive officer and each senior financial officer shall promptly bring to the attention of the audit committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's financial reporting, disclosures or internal control over financial reporting.

II. Waivers

Any waiver of this code for executive officers or directors may be made only by the company's Board of Directors or its audit committee and will be promptly disclosed as required by law or stock exchange regulation.

III. Violations of Ethical Standards

1. Reporting Known or Suspected Violations

The company's directors, chief executive officers, senior financial officers and chief legal officers shall promptly report any known or suspected violations of this code to the chairman of the company's audit committee. All other covered parties should talk to supervisors, managers or other appropriate personnel about known or suspected illegal or unethical behavior. These covered parties may also report questionable behavior in the same manner as they may report complaints regarding accounting, internal accounting controls or auditing matters by calling (anonymously, if desired) a third party organization called *The Network* at 1-800-261-8651. No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the company's audit committee will strictly enforce this prohibition.

2. Accountability for Violations

If the company's audit committee or its designee determines that this code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending covered party may be disciplined for non-compliance with penalties up to and including removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the audit committee, demotion or re-assignment of the individual involved and suspension with or without pay or benefits. Violations of this code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending covered party and the company. All covered parties are expected to cooperate in internal investigations of misconduct.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

IV. Compliance Procedures

We must all work together to ensure prompt and consistent action against violations of this code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? Use your judgment and common sense. If something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the questions, and he or she will appreciate being consulted as part of the decision-making process.
- Seek help from company resources. In rare cases where it would be inappropriate or uncomfortable to discuss an issue with your supervisor, or where you believe your supervisor has given you an inappropriate answer, discuss it locally with your office manager or your human resources manager.
- You may report ethical violations in confidence without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the company's legal obligations. The company in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.
- Ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Prohibited Business Practices

Updated: January 2013

This policy applies to all subsidiaries of Berkshire Hathaway Energy, including HomeServices of America, Inc. and its subsidiaries. The HomeServices legal department can assist with contacting appropriate Berkshire Hathaway Energy legal staff if guidance is needed related to this policy.

It is the policy of Berkshire Hathaway Energy and its subsidiaries (collectively, the “company”) to comply with all laws and regulations that apply to any of company’s activities and operations, including laws and regulations of the United States of America (“United States” or “U.S.”) that may create liability for Berkshire Hathaway Energy, for Berkshire Hathaway Inc. (“Berkshire”) or for persons employed by the company. Officers, directors or employees of the company (collectively “company employees”) shall comply with this Prohibited Business Practices Policy (the “policy”), shall abide by all such applicable laws and regulations, and shall exercise great care not to take or authorize any actions that may create the appearance of impropriety. Company employees who violate this policy shall be subject to appropriate disciplinary action.

This policy deals with some issues that are also covered by the Berkshire Hathaway Energy Code of Business Conduct. The policy and the Berkshire Hathaway Energy Code of Business Conduct are cumulative and if there is a conflict between them, the more restrictive provisions shall apply. In any situation where a question exists about what actions are permitted company employees must seek guidance in advance from the general counsel of Berkshire Hathaway Energy.

COMPLIANCE WITH LAWS

Compliance with all applicable laws and regulations includes compliance not only with the laws and regulations of the United States, but also with the respective local laws and regulations of the countries in which the company carries on its business. Company employees should exercise good judgment and seek advice from their managers, the general counsel or the chief financial officer whenever questions or concerns regarding such compliance arise.

PROHIBITED PAYMENTS

The term “sensitive payments” is commonly used to describe a broad range of corporate dealings that are generally considered to be illegal, unethical or immoral or to reflect negatively on the integrity of management. Such payments are usually in the nature of kickbacks, bribes or payoffs to influence a decision affecting a company’s business or for the personal gain of an officer or employee.

No company shall make sensitive payments, and company employees who either make or receive such payments shall be subject to appropriate disciplinary action. In addition, any out-of-the-ordinary payment made from funds of a company for the purpose of obtaining or retaining business or a business advantage or improperly influencing some matter (such as a tax decision) in favor of such company should be considered a sensitive payment and is prohibited. Note that such a payment can take the form of extravagant entertainment or a gift of significant value as described below. If any question exists as to the propriety of any proposed transaction or payment, the matter should be referred to the general counsel or chief financial officer of Berkshire Hathaway Energy prior to entering into the transaction or making the payment.

Furthermore, no company shall corruptly give anything of value to a government official for the purpose of improperly influencing such official, securing any improper advantage, or inducing such official to affect any governmental decision or to help such company obtain or retain business or a business advantage. In

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

addition, no company shall offer, give, or authorize anything of value to intermediaries, such as affiliates or agents, if all or part of the payment will be used for any such prohibited action. Liability may be imposed in situations where the company or its employees are willfully blind or have constructive knowledge of improper payments to a government official. If a company employee has reason to believe that such payments are being made, he or she shall inform the general counsel or chief financial officer of Berkshire Hathaway Energy.

Note that the term “government official” is broad and includes employees of a company under government control, de facto members of government (e.g., political parties, candidates for political office), employees of state-owned or controlled enterprises, and officials or employees of international organizations. A company may be under government control even if it is publicly traded or has substantial nongovernmental ownership of its equity. In some countries, such as China, government control of publicly traded companies is common. There is no clear test for determining whether a person is a government official. In general, no value of any kind shall be paid or furnished for any prohibited actions, and no sensitive payments shall be made.

Bona Fide and Reasonable Reimbursement of Business Expenses

The company shall not provide travel and lodging expenses to government officials unless those expenses are reasonable and are not precluded by law. If any questions exist as to the propriety of any proposed payment, the matter should be referred to the company’s general counsel prior to entering into the transaction or making the payment. Reimbursement of expenses to a government official must be documented and the business purpose of the expense must be explicitly recorded.

Gifts and Entertainment

Great care must be taken to ensure no gifts or entertainment could be interpreted as bribes or improper forms of compensation or payment. Gifts to government officials may only be made when they are (1) made to promote general good will and not as a *quid pro quo* for any official action; (2) of modest value; (3) not in the form of cash money; (4) permitted under local laws of the host country; (5) customary in type and value in that country; (6) given openly and not secretly; and (7) accurately reflected in the company’s books and records on whose behalf they are made or otherwise granted.

Transactions with Cuba and North Korea

Under U.S. law, prohibitions of the Cuba and North Korea sanctions programs apply to foreign subsidiaries of U.S. companies, and thus to the company and all its subsidiaries, since such companies are considered persons subject to U.S. jurisdiction.

US law broadly prohibits persons subject to U.S. jurisdiction from virtually all commercial and financial transactions with Cuba. Restricted dealings include: (i) imports into the U.S. of goods, technology or services of Cuban origin, (ii) exports from the U.S. to Cuba of goods, technology or services, either directly or through third country intermediaries, (iii) offshore transactions dealing in or assisting the sale of goods, technology or services to or from Cuba, and (iv) other transactions in which a Cuban financial institution or other Cuban national has any property interest (which is defined very broadly).

U.S. economic sanctions against North Korea have been eased, but U.S. law still prohibits imports into the U.S. of goods, technology or services of North Korean origin either directly or through third countries, without prior U.S. government approval. U.S. economic sanctions no longer prohibit most exports and sales to North Korea (with the exception of certain luxury goods and items that have both civil and military applications). However, United Nations (“UN”) imposed sanctions (which are legally binding on all member states), restrict exports of defense hardware, related defense services and luxury goods to North Korea.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

As a result of various U.S. laws and United Nations resolutions (including UN Security Council Resolution 1929 adopted on June 9, 2010), trade with Iran is severely restricted. No Company or its employees should consider doing any activities in Iran without first consulting with Berkshire Hathaway Energy's general counsel or its chief financial officer.

Transactions with Certain Designated Countries, Organizations and Nationals

U.S. law has instituted trade sanctions that may restrict or prohibit certain imports, exports, offshore transactions and financial transactions by U.S. companies and U.S. nationals¹ (collectively, "U.S. Persons") with certain designated countries, groups or persons in those countries, including the Balkans, Belarus, Cote d'Ivoire, Cuba, the Democratic Republic of the Congo, Iran, Iraq, Liberia, Myanmar, North Korea, Somalia, Sudan, Syria Venezuela and Zimbabwe. The U.S. administers and enforces many different trade sanctions, which can be separated into "country-based" and "list-based" sanctions programs. "Country-based" sanctions include Cuba, Iran, Myanmar, North Korea and Sudan. Of these countries, three are subject to U.S. trade embargoes prohibiting virtually all types of commercial and financial activity: Cuba, Iran and Sudan². In addition to country-based sanctions, the U.S. administers a growing number of list-based programs targeting members of governments and other groups and individuals whose conduct is inimical to U.S. national security and foreign policy. Collectively, these list-based groups and individuals are known as Specially Designated Nationals or SDNs, which appear on the U.S. Office of Foreign Assets Control's ("OFAC") master list of SDNs³. All assets of SDNs are blocked, and U.S. Persons are generally prohibited from dealings with them. From time to time, Berkshire will provide Berkshire Hathaway Energy with an updated list of designated countries, organizations and nationals, or instructions regarding web-based access to such lists.

When transactions are effected by foreign subsidiaries of U.S. companies, U.S. law may be violated if U.S. Persons of those subsidiaries, including any U.S. Nationals who are officers, directors, employees or agents of the company, are involved in such transactions. Similarly, if U.S. Persons affiliated with foreign subsidiaries (of U.S. companies) approve or facilitate those transactions, including Berkshire or any of its officers, directors, employees or agents (that are U.S. Persons), U.S. law may be violated. To prevent such violations of U.S. law, no U.S. Person shall engage in, facilitate or approve a transaction with any such designated country, organization or national without the express prior authorization of Berkshire Hathaway Energy's general counsel and chief financial officer. Any such transaction and any transaction with Cuba or North Korea prohibited or proscribed as described hereunder is a prohibited transaction.

RETENTION OF THIRD PARTY SERVICES

The use of third parties or any other intermediaries for the purpose of facilitating prohibited transactions or sensitive payments is strictly prohibited. The company shall not retain any third party consultant, distributor, commercial agent, joint venture partner or other representative (each a "third party"), if the company believes that such prospective third party may not have the necessary qualifications, background, experience, reputation and integrity to properly provide the services for which it is being retained in a manner consistent with this policy. With respect to each arrangement for retaining a third party, the company shall maintain accurate accounting records of the true nature and use of any payments with respect to the relationship.

¹ The term "U.S. national" includes U.S. citizens, permanent residents and persons who "owe permanent allegiance to the United States."

² In addition, virtually all export and re-exports to Syria of U.S.-origin items are not permitted without a prior license from the U.S. government. The U.S. also administers "list-based" sanctions blocking property of, and prohibiting transactions or any other dealings with, persons determined to be involved with the Government of Syria in various activities hostile to U.S. foreign policy and national security.

³ The SDN list is available on the Internet at <http://www.treasury.gov/ofac/downloads/sdnlist.txt>.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

INTERNAL ACCOUNTING CONTROLS AND ACCURATE RECORDKEEPING

It is the policy of the company that all transactions be recorded in a timely, consistent, and accurate manner in terms of amount, accounting period, purpose and accounting classification. In particular, receipts must be obtained and kept for any travel, gifts or entertainment over a de minimis amount (currently \$75) provided to a government official. No transaction shall be entered into that requires or contemplates the making of false or fictitious entries or records in whole or in part. Any inquiry from the internal or independent auditors of the company or Berkshire must be responded to fully and promptly.

Accounting Practices and Prohibited Means of Payment

Each transaction or disposition of assets by a company must have proper authorization. No secret or unrecorded fund or asset of a company shall be created or maintained. No accounting balances shall be created or maintained that have no documentary support, are fictitious in whole or in part, or have no reasonable basis in fact. Adjustments to accounting records and procedures for closing the books must follow the established procedures of the company. Company checks shall not be written to "cash," to "bearer," or to third-party designees of a party entitled to payment. Other than documented petty cash transactions, or documented employee business related expenses for travel, lodging, meals or entertainment, no cash transactions may be made, unless such transaction is evidenced by a receipt bearing the signature of the recipient and the recipient is a party with whom the company has a written contract.

Maintenance and Retention of Records

Access to systems of accounting or financial records shall not be given to individuals without proper authorization. Destruction or removal of company records may be undertaken only in compliance with company policy.

ONGOING COMPLIANCE OBLIGATIONS

Distribution and Reporting

Each business president of a company shall be responsible for the enforcement of and compliance with the policy within his or her area of responsibility, including distribution of the policy to senior management reporting to him or her. Any person who becomes aware of a failure of any other person to abide by the terms of this policy should contact the general counsel or chief financial officer of Berkshire Hathaway Energy. Should any person be concerned as to whether reporting of activity as required by this policy may subject him or her, or any other person to any form of retaliation, he or she should contact the general counsel or chief financial officer of Berkshire Hathaway Energy. If any person would prefer to contact the general counsel or chief financial officer of Berkshire Hathaway Energy about this policy anonymously (including the reporting of violations or suspected violations of this policy), he or she may do so via the company ethics and compliance hotline by calling 1-800-261-8651.

Training

This policy and any related documentation shall be included in employee manuals for the company, shall be provided to senior management of the company and shall be available to all company employees. Review and explanation of this policy and any related documentation shall be made a part of the training for each manager of the company.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Corporate Image and Reputation

Updated: January 2013

This policy applies to all subsidiaries of Berkshire Hathaway Energy, including HomeServices of America, Inc. and its subsidiaries. The HomeServices legal department can assist with contacting appropriate Berkshire Hathaway Energy legal staff if guidance is needed related to this policy.

Berkshire Hathaway Energy works hard to maintain and develop our corporate identity. This identity is expressed in a number of ways including the company trigon, trademarks, copyrights, photo images and by reference to our corporate name. Berkshire Hathaway Energy wants to ensure that its good reputation and credibility is preserved at all times. For this reason, no employee is permitted to authorize or approve any supplier request to use the Berkshire Hathaway Energy corporate trigon, the Berkshire Hathaway Energy name, trademarks, photo images, or other intellectual property of the company. When appropriate, such authority can only be granted by the president of the business.

Failure to comply with this directive is grounds for disciplinary action up to and including the termination of employment.

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Voluntary Separation

Updated: August 2013

A voluntary separation is defined as an employment termination initiated by the employee. It includes, but is not limited to, the following reasons: accepted another position, returned to school, suffered a long term illness, experienced job dissatisfaction, relocated, encountered personal circumstances requiring a job change or abandoned job. The company considers a failure to report to work without notice from an employee for two consecutive work days to be job abandonment.

When an employee resigns, management requests a two-week written notice. An employee must work on his/her final day of employment unless on an approved leave of absence. Paid Time Off (PTO) cannot be applied to extend an employee's final day of employment beyond their last active day at work. Management may, in its discretion, require the resigning employee to cease employment prior to the end of the two-week notice period.

When an individual's employment with the company ceases, there may be final pay due the employee which could include regular pay through a certain date, overtime pay (for nonexempt employees), and any earned and unused Paid Time Off (PTO). In addition, a terminating employee may have an outstanding advance on the books that must be reconciled and paid back before the employee receives the final paycheck. Managers and human resources will coordinate the disbursement of the final pay with payroll in compliance with applicable regulations.

Resigning employees will receive a letter notifying them of their benefit options. If this letter is not received within 30 days after the last day of work, a request should be made immediately to the human resources department.

Employees must return all company property on or before their last day of employment. The employee's supervisor or human resources will complete an exit checklist with the employee to ensure company property is properly returned and the company has forwarding contact information for the exiting employee. Employees are also requested to complete an exit interview questionnaire or may contact the human resources department for a personal exit interview.

Requests for employment verification should be directed to the company's designated third party employment verification service. Telephone and online access information for the employment verification service is found in HR Self Service or can be obtained from human resources.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Involuntary Separation/Termination

Updated: March 2009

Involuntary separation is defined as an employment separation initiated by company management. An employee may be terminated from employment involuntarily for reasons that may include poor performance, misconduct or other violations of company policy, work rules, and/or legal, professional or ethical standards of conduct. The company reserves the right to terminate an employee's employment with or without cause and with or without prior notice.

A position elimination is considered an involuntary separation. From time to time, the company may need to terminate an employee as a consequence of reorganizations, position eliminations, economic downturns in business, or lack of work. Terminations that occur for any of these reasons will comply with the Worker Adjustment and Retraining Notification Act (WARN) of 1988, or any similar state regulation, where applicable.

All Involuntary termination requests must be approved by HomeServices corporate human resources prior to the termination being communicated to an employee.

When an individual's employment with the company ceases, there may be final pay due to the employee. This could include regular pay through a certain date, overtime pay (for non-exempt employees), or earned and unused Paid Time Off (PTO). Managers and human resources will coordinate the disbursement of the final pay with payroll.

Employees discharged from employment will receive a letter notifying them of their benefits options, if applicable. If this letter is not received within 30 days after the last day of work, a request should be made immediately to the human resources department.

Employees must return all company property on or before their last day of employment. The employee's supervisor or human resources will complete an exit checklist with the employee to ensure all company property is returned and the company has forwarding contact information for the exiting employee. Employees may be requested to complete an exit interview questionnaire or may contact the human resources department for a personal exit interview.

All requests for work references must be directed to human resources. Requests for employment verification should be directed to the company's designated third party employment verification service. Telephone and online access information for the employment verification service is found in HR Self Service or can be obtained from human resources.

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Eligibility for Rehire

Updated: March 2009

At management's discretion, rehire eligibility will be determined at the time an employee resigns or is terminated from the company. As a general rule, employees terminated for misconduct, policy violations or poor performance, and employees who are not in good standing at the time their employment ends will not be eligible for rehire. When determining rehire eligibility, the manager will consider employees' conduct, work performance evaluations and attendance records over the course of their employment at the company. A voluntary resignation does not guarantee an employee will be eligible for rehire.

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Personal References

Updated: March 2009

It is extremely important that managers refer all requests for information from persons outside of the company on former and current employees to the human resources department or designated third party verification provider. The only exception is in the case of personal references. The company acknowledges the desire some managers have in regard to offering a personal reference for a former employee. The company will allow managers to provide personal references for former employees only if the following conditions are met:

- The employee verbally requested the personal reference from the manager prior to using his or her name as a reference with a potential employer.
- The reference must be explicit in explaining he/ she is not representing the company and that his/her comments are solely a reflection of his/her personal opinion about the former employee.

No written references may be provided on company letterhead. If the manager is unsure how to handle a specific reference request, discuss or direct the request to the human resources department. Managers are not obligated to provide references for departing employees.

Managers who provide personal references in violation of these conditions may be subject to disciplinary action.

Requests for employment verification should be directed to the company's designated third party employment verification service. Telephone and online access information for the employment verification service is found in HR Self Service or can be obtained from human resources.

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Addendum

Intero Real Estate Services

1. In the event of a specific local, state or federal law is in conflict with HomeServices HR Policy, the applicable law will always prevail.
2. Any reference to Paid Time Off (PTO) in HomeServices HR Policy will be administered based on vacation and sick pay guidelines.
3. Paid time off guidelines (vacation, sick and holiday) will follow the program guidelines listed below until otherwise communicated.

ADP's EZLABOR MANAGER

Salaried Time-Off entry is used to track exempt employees' time accrual use in ezLaborManager. Each exempt employee should indicate any time used for vacation, sick leave, floating holidays or any other types of leave within this program.

EzLaborManager is used to compute non-exempt employees' pay. In and out times (including clocking out and back in for lunch period) should be punched in each day by hourly or non-exempt salaried employees. The employee's supervisor may amend or correct their employee's time when he or she approves the employee's time record.

All overtime must be approved in advance by the employee's supervisor. If an employee works overtime without the approval of their supervisor it could result in disciplinary action, up to and including termination.

It is important that all employees utilize the timekeeper system on a daily basis to account for their hours or exceptions accurately. The employee's supervisor gives final approval to each time record before it is processed. Falsifying any time records, including, without limitation, falsifying the amount of time on your time record or on anyone else's time record, or tampering with anyone else's time records may result in discipline up to and including immediate termination.

HOLIDAYS

The Company recognizes several annual holidays and provides time off with pay to all eligible employees. The holiday schedule may vary from year to year and will be distributed to all employees prior to the end of the current year.

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ILLNESS LEAVE

A. Illness Leave

Intero Real Estate Services, Inc. provides full-time employees the following amount of paid leave of absence for use when you or a family member (including a domestic partner) or dependent or child of a domestic partner is ill or for doctor's appointments.

| Length of Full-Time Employment With the Company | Number of Illness Leave Days |
|--|-------------------------------------|
| First 90 days of employment | NONE |
| From 90 days through 12 months of employment | 2 days total |
| Year 2 of employment | 3 days per year |
| Year 3 of employment | 4 days per year |
| Year 4+ of employment | 5 days per year |

Part-time and temporary employees are NOT eligible for illness leave.

Employees who are too sick to work or who must care for a family member or dependent should notify their supervisor as soon as they know they will be unable to report for a scheduled work period and, in any case, within one hour after their normal scheduled start time for that day.

Intero Real Estate Services, Inc. will reasonably accommodate an employee who, under applicable law, has an illness that is a disability. Employees who need leaves of absence or other accommodation due to illnesses that may be disabilities should contact their supervisor and the Human Resources Department for guidance and instruction on how to proceed. A written verification of an illness by a physician will be required following an employee's absence of three (3) days or more due to personal illness or due to a family member's or dependent's illness.

Employees are not paid for any unused illness leave when their employment terminates.

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VACATION

4.2 Vacations

For regular full-time employees, vacation accrues according to the following schedule unless modified in writing by management.

Eligibility:

| Length of Full-Time Employment with the Company | Number of Vacation Hours Accrued Monthly |
|--|---|
| Months 1 through 36 | 6.67 hours per month (2 weeks) |
| Months 37 through 72 | 10 hours per month (3 weeks) |
| Months 73 through 144 | 13.33 hours per month (4 weeks) |
| Months 145 through end of employment | 16.67 hours per month (5weeks) |

As of 01/01/2009, part-time or temporary employees are NOT eligible for accrued paid vacation.

Vacation accrues from the employee's first day of employment. All Intero Real Estate Services new-hire employees have a six (6)-month waiting period before they can utilize their vacation. At that time, the new hire employee will have accrued one week's worth of vacation. As vacation time is healthy and restorative for every employee, the Company encourages all employees to utilize their vacation allowance within the year they receive it.

With management approval, an employee may use vacation time in advance of accrual. A vacation request must be entered into ezLaborManager for each employee who wishes to exercise his or her vacation benefits. The time taken in advance of accrual may not exceed the amount of vacation time that would normally be accrued in one year. If the employee's employment terminates with vacation time taken, but not yet accrued (negative accrual), the Company must be reimbursed at termination, or the amount will be deducted from the employee's final paycheck.

An employee can accrue up to his or her annual accrual rate.

Once an employee reaches his or her maximum balance, he or she will cease to accrue vacation days until he or she uses vacation days to reduce the balance below the maximum.

On separation, either voluntary or involuntary, employees will be paid for any earned and unused vacation benefit accrued under this policy.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Intero Real Estate Services Employee Personal Sale Benefit

Intero promotes and encourages home ownership and property investment. Therefore, as a benefit to working with Interio, an employee will receive a full 25% discount off the top of a purchase or sale of the employee's property, provided they use an Interio agent. The process must be initiated through your Branch or Department manager to insure the transaction is completed properly. Employees should review our E&O Summary for differences in coverage of personal-sale transactions.

Example: Employee informs the Branch Manager he/she is looking to buy a property. The manager then recommends an agent who agrees to a 25% off the top discount. At the close of sale the home sells for \$500,000 and the buyer side commission is 3%.

$\$500,000 * .03 = \$15,000$ Commission

$\$15,000 * 25\%$ discount = \$3,750 discount paid to the employee. Interio does not participate in or split any part of the discount to the employee

Parking

Interio Real Estate Services, Inc. provides employee parking spaces in designated areas. Employees should park only in employee spaces so customers and visitors have easy access to our facilities.

The Company does not assume any responsibility for theft or any damage to employees' vehicles or any personal property in vehicles while parked on the Company's premises.

These policies supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. The company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that notice will be provided prior to a change to the Arbitration Policy. These policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

Acknowledgment HR Policy and Code of Business Conduct

This is to acknowledge that I have received information concerning the HomeServices of America, Inc. HR Policy (the "HR policy"). This information contains important company rules and policies including company administrative policies.

I understand this employee information is neither an express nor implied contract of employment and I understand HomeServices and its subsidiaries are employers at-will, and as an employee I am an employee at-will. Either the company or I may terminate the employment relationship at any time without notice and without cause.

I understand the purpose and content of the HR Policy, acknowledge that it sets forth the guidelines which the company requires me to follow in conducting company business, and acknowledge my responsibility to comply with company policies. I also acknowledge my obligation to follow the guidelines provided by the Berkshire Hathaway Energy Code of Business Conduct and the Berkshire Hathaway Inc. Code of Business Conduct and Ethics. I understand that the most current versions of these documents are available from human resources. I will uphold and apply these guidelines at all times and in all dealings on behalf of the company. Furthermore, I understand that failure to comply with these guidelines will subject me to disciplinary action, up to and including termination of employment.

I have been encouraged by the company to report violations of the code, and I understand that I may, in good faith, report possible violations of the code without adverse consequences to me even if the violations are ultimately proven not to have occurred.

Agreement to arbitrate. I understand the HR Policy includes a policy to arbitrate disputes and I agree to arbitration knowingly and voluntarily with full understanding of the arbitration policy. I understand that the arbitration policy excludes the right or authority for any dispute to be arbitrated as a class, collective or representative action.

I understand that the policies in this HR Policy supersede and revoke any and all past policies and practices, oral and written representations, or statements regarding terms and conditions of employment concerning the subject matter covered herein. I understand that the company reserves the right to add to, delete, change, or revoke these policies at any time, with or without notice, with the exception that the company will provide notice prior to a change to the Arbitration Policy. I understand that these policies do not create a contract of employment between the company and any employee, nor do they create any entitlement to employment or any benefit provided by the company to its employees.

I understand that the policies are confidential documents and that without approval from human resources, they may not be copied or distributed to others who are not employees of the company.

Employee Name (please print) _____

Employee Signature _____ Date _____

Company/Division _____

Return this acknowledgment directly to the human resources department.