

Black Star Energy Services, LLC Employee Handbook

01/01/2020

HANDBOOK DISCLAIMER

We prepared this handbook to help employees find the answers to many questions that they may have regarding their employment with Black Star Energy Services, LLC. Please take the necessary time to read it.

We do not expect this handbook to answer all questions. Supervisors and Human Resources also serve as a major source of information.

Neither this handbook nor any other verbal or written communication by a management representative is, nor should it be considered to be, an agreement, contract of employment, express or implied, or a promise of treatment in any particular manner in any given situation, nor does it confer any contractual rights whatsoever. Black Star Energy Services, LLC adheres to the policy of employment at will, which permits the Company or the employee to end the employment relationship at any time, for any reason, with or without cause or notice.

No Company representative other than the CEO may modify at-will status and/or provide any special arrangement concerning terms or conditions of employment in an individual case or generally and any such modification must be in a signed writing.

Many matters covered by this handbook, such as benefit plan descriptions, are also described in separate Company documents. These Company documents are always controlling over any statement made in this handbook or by any member of management.

This handbook states only general Company guidelines. The Company may, at any time, in its sole discretion, modify or vary from anything stated in this handbook, with or without notice, except for the rights of the parties to end employment at will, which may only be modified by an express written agreement signed by the employee and the CEO.

This handbook supersedes all prior handbooks.

Table of Contents

Section 1 - Governing Principles of Employment	5
1-1 Introduction	5
1-2 Equal Employment Opportunity.....	5
1-3 Non-Harassment	6
1-4 Sexual Harassment	6
1-5 Drug-Free and Alcohol-Free Workplace.....	7
1-6 Workplace Violence	9
1-7 Mutual Arbitration Agreement	10
Section 2 - Operational Policies	13
2-1 Employee Classifications	13
2-2 Trial Period	13
2-3 Your Employment Records	13
2-4 Working Hours and Schedule.....	14
2-5 Timekeeping Procedures	14
2-6 Overtime	14
2-7 Travel Time for Non-Exempt Employees	15
2-8 Safe Harbor Policy for Exempt Employees	15
2-9 Your Paycheck.....	17
2-10 Direct Deposit.....	17
2-11 Salary Advances	17
2-12 Performance Review	17
2-13 Record Retention	17
2-14 Job Postings	18
2-15 Wage Deduction(s) and Wage Overpayment/Underpayment	18
Section 3 - Benefits	20
3-1 Benefits Overview/Disclaimer	20
3-2 Paid Holidays.....	21
3-3 Vacation and Paid Time Off (PTO).....	21
3-4 Lactation Breaks	22
3-5 Workers' Compensation.....	22
3-6 Jury Duty	23
3-7 Voting Leave	23
3-8 Insurance Programs	23
3-9 Long-Term Disability Benefits.....	23
3-10 Salary Continuation	24
3-11 Employee Assistance Program	24
3-12 Transportation Reimbursement Program	24
3-13 Retirement Plan	24
Section 4 - General Standards of Conduct	25
4-1 Workplace Conduct	25
4-2 Punctuality and Attendance	26

4-3 Use of Communications and Computer Systems	26
4-4 Use of Social Media	27
4-5 Personal and Company-Provided Portable Communication Devices	28
4-6 Camera Phones/Recording Devices	29
4-7 Inspections	31
4-8 Smoking.....	31
4-9 Personal Visits and Telephone Calls	31
4-10 Solicitation and Distribution.....	31
4-11 Bulletin Boards	32
4-12 Confidential Company Information	32
4-13 Conflict of Interest and Business Ethics.....	32
4-14 Use of Facilities, Equipment and Property, Including Intellectual Property	33
4-15 Health and Safety	33
4-16 Hiring Relatives/Employee Relationships.....	34
4-17 Employee Dress and Personal Appearance	34
4-18 Publicity/Statements to the Media.....	35
4-19 Operation of Vehicles.....	35
4-20 Business Expense Reimbursement	36
4-21 References	36
Section 5 - Leaves of Absence	37
5-1 Personal Leave.....	37
5-2 Military Leave	37
5-3 Family and Medical Leave	38
A Few Closing Words.....	43
General Handbook Acknowledgment.....	44
Receipt of Non-Harassment Policy.....	45
Receipt of Sexual Harassment Policy	46

Section 1 - Governing Principles of Employment

1-1 Introduction

For employees who are commencing employment with Black Star Energy Services, LLC ("Black Star Energy Services, LLC" or "the Company"), on behalf of Black Star Energy Services, LLC, let me extend a warm and sincere welcome.

For employees who have been with us, thanks for your past and continued service.

I extend my personal best wishes for success and happiness here at Black Star Energy Services, LLC. We understand that it is our employees who provide the services that our customers rely upon, and who will enable us to create new opportunities in the years to come.

1-2 Equal Employment Opportunity

Black Star Energy Services, LLC is an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, creed, color, religion, alienage or national origin, ancestry, citizenship status, age, disability or handicap, sex, marital status, veteran status, sexual orientation, genetic information, arrest record, or any other characteristic protected by applicable federal, state or local laws. Our management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities and general treatment during employment.

Accommodations for Individuals with Disabilities: The Company will make reasonable accommodations, as required by law, for the known physical or mental disabilities of an otherwise qualified applicant or employee, unless doing so would impose an undue hardship upon the Company's business operations. An accommodation is not reasonable if, even with the accommodation, the employee is unable to perform essential job duties in a manner that would not endanger the employee's health or safety of the employee or others.

Any applicant or employee who believes they require an accommodation in order to perform the essential functions of the job should contact the Head of Human Resources to request such an accommodation. Employees should specify what accommodation they need to perform the job and submit supporting medical documentation explaining the underlying physical or mental disability and the basis for the requested accommodation. The Company then will review and analyze the request, including engaging in an interactive process with the employee or applicant, to identify if such an accommodation can be made. The Company will evaluate requested accommodations, and as appropriate identify other possible accommodations, if any. The employee will be notified of the Company's decision regarding the request within a reasonable period. The Company treats all medical information submitted as part of the accommodation process in a confidential manner.

The Company will endeavor to accommodate the sincere religious beliefs of its employees to the extent such accommodation does not pose an undue hardship on the Company's operations. If employees wish to request such an accommodation, they should contact the Head of Human Resources.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of the Head of Human Resources. The Company will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. If employees feel they have been subjected to any such retaliation, they should contact the Head of Human Resources. To ensure our workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including discharge. All employees must cooperate with all investigations.

1-3 Non-Harassment

It is Black Star Energy Services, LLC's policy to prohibit intentional and unintentional harassment of any individual by another person on the basis of any protected classification including, but not limited to, race, color, national origin, disability, religion, marital status, veteran status, sexual orientation or age. The purpose of this policy is not to regulate our employees' personal morality, but to ensure that in the workplace, no one harasses another individual.

If the employee feels that he or she has been subjected to conduct which violates this policy, he or she should immediately report the matter to the Head of Human Resources. If the employee is unable for any reason to contact this person, or if the employee has not received a satisfactory response within no more than five (5) business days after reporting any incident of what the employee perceives to be harassment, the employee should contact the CEO. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in his or her reporting hierarchy. Every report of perceived harassment will be fully investigated and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If the employee feels he or she has been subjected to any such retaliation, he or she should report it in the same manner in which the employee would report a claim of perceived harassment under this policy. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

1-4 Sexual Harassment

It is Black Star Energy Services, LLC's policy to prohibit harassment of any employee by any supervisor, employee, customer or vendor on the basis of sex or gender. The purpose of this policy is not to regulate personal morality within the Company. It is to ensure that at the Company all employees are free from sexual harassment. While it is not easy to define precisely what types of conduct could constitute sexual harassment, examples of prohibited behavior include unwelcome sexual advances, requests for sexual favors, obscene gestures, displaying sexually graphic magazines, calendars or posters, sending sexually explicit e-mails, text messages and other verbal or physical conduct of a sexual

nature, such as uninvited touching of a sexual nature or sexually related comments. Depending upon the circumstances, improper conduct also can include sexual joking, vulgar or offensive conversation or jokes, commenting about the employee's physical appearance, conversation about one's own or someone else's sex life, or teasing or other conduct directed toward a person because of their gender which is sufficiently severe or pervasive to create an unprofessional and hostile working environment.

If the employees feel they have been subjected to conduct which violates this policy, they should immediately report the matter to the Head of Human Resources. If unable for any reason to contact this person, or if the employee has not received a satisfactory response within no more than five (5) business days after reporting any incident of perceived harassment, the employee should contact the CEO. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in their reporting hierarchy. Every report of perceived harassment will be fully investigated and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If the employees feel they have been subjected to any such retaliation, they should report it in the same manner in which a claim of perceived harassment would be reported under this policy. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

1-5 Drug-Free and Alcohol-Free Workplace

Drug & Alcohol Free Work Place Policy

The Company intends to help provide a safe and drug and alcohol- free work environment for our clients and our employees. With this goal in mind and because of the serious drug abuse problem in today's workplace, we are establishing the following policy for existing and future employees of the Company.

NOTE: the company provides a separate "Memorandum of Understanding" regarding the Drug and Alcohol Abuse Policy/Program that has additional information on this subject.

The Company explicitly prohibits:

- The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on Company or customer premises or while performing an assignment.
- Being impaired or under the influence of legal or illegal drugs or alcohol away from the Company or customer premises, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Company's reputation.
- Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol away from the Company or customer premises, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Company's reputation.

- The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of the company or its customers, or while on company business. "Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.

The Company will conduct drug and/or alcohol testing under any of the following circumstances:

- **RANDOM TESTING:** Employees may be selected at random for drug and/or alcohol testing at any interval determined by the Company. If employee is prescribed anything that may show up during testing, they need to let Human Resources know as soon as prescribed.
- **FOR-CAUSE TESTING:** The Company may ask an employee to submit to a drug and/or alcohol test at any time it feels that the employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.
- **POST-ACCIDENT TESTING:** Any employee involved in an on-the-job accident (included vehicle) or injury under circumstances that suggest possible use or influence of drugs or alcohol in the accident or injury event will be asked to submit to a drug and/or alcohol test. "Involved in an on-the-job accident or injury" means not only the one who was or could have been injured, but also any employee who potentially contributed to the accident or injury event in any way.

If an employee is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee may be subject to appropriate disciplinary action, up to and possibly including discharge from employment. In such a case, the employee will be given an opportunity to explain the circumstances prior to any final employment action becoming effective.

Substance Abuse

The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination of employment.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered. When, in the Company's sole and absolute discretion, the Company determines it is appropriate, an employee may be offered the option of participating in and satisfactorily completing a Company-approved drug and/or alcohol rehabilitation program in lieu of termination.

1-6 Workplace Violence

Black Star Energy Services, LLC is strongly committed to providing a safe workplace. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company and personal property.

Black Star Energy Services, LLC does not expect employees to become experts in psychology or to physically subdue a threatening or violent individual. Indeed, Black Star Energy Services, LLC specifically discourages employees from engaging in any physical confrontation with a violent or potentially violent individual. However, Black Star Energy Services, LLC does expect and encourage employees to exercise reasonable judgment in identifying potentially dangerous situations.

Experts in the mental health profession state that prior to engaging in acts of violence, troubled individuals often exhibit one or more of the following behaviors or signs: over-resentment, anger and hostility; extreme agitation; making ominous threats such as bad things will happen to a particular person, or a catastrophic event will occur; sudden and significant decline in work performance; irresponsible, irrational, intimidating, aggressive or otherwise inappropriate behavior; reacting to questions with an antagonistic or overtly negative attitude; discussing weapons and their use, and/or brandishing weapons in the workplace; overreacting or reacting harshly to changes in Company policies and procedures; personality conflicts with co-workers; obsession or preoccupation with a co-worker or supervisor; attempts to sabotage the work or equipment of a co-worker; blaming others for mistakes and circumstances; or demonstrating a propensity to behave and react irrationally.

Prohibited Conduct

Threats, threatening language or any other acts of aggression or violence made toward or by any Company employee **WILL NOT BE TOLERATED**. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, any attempt at intimidating or instilling fear in others, menacing gestures, flashing of weapons, stalking or any other hostile, aggressive, injurious or destructive action undertaken for the purpose of domination or intimidation.

Procedures for Reporting a Threat

All potentially dangerous situations, including threats by co-workers, should be reported immediately to any member of management with whom the employee feels comfortable. Reports of threats may be maintained confidential to the extent maintaining confidentiality does not impede Black Star Energy

Services, LLC's ability to investigate and respond to the complaints. All threats will be promptly investigated. All employees must cooperate with all investigations. No employee will be subjected to retaliation, intimidation or disciplinary action as a result of reporting a threat in good faith under this policy.

If the Company determines, after an appropriate good faith investigation, that someone has violated this policy, the Company will take swift and appropriate corrective action.

If the employee is the recipient of a threat made by an outside party, that employee should follow the steps detailed in this section. It is important for the Company to be aware of any potential danger in its offices. Indeed, the Company wants to take effective measures to protect everyone from the threat of a violent act by employees or by anyone else.

1-7 Mutual Arbitration Agreement

Mutual Arbitration Agreement

Black Star Energy Services, LLC (the “**Company**”) recognizes that legal disputes may arise with its employees that cannot be resolved without the assistance of an outside party, and it has adopted this Mutual Arbitration Agreement to provide for arbitration as the forum for resolving those legal disputes. Arbitration is a process for dispute resolution in which a neutral arbitrator (rather than a judge or jury) hears the legal claims that are unresolved, engages in a thorough consideration of the issues and evidence, and makes a written decision that resolves the claims. By this Agreement, both the Company and you agree to resolve any and all claims, disputes or controversies arising out of or relating to your application for employment, your employment with the Company, and/or the termination of your employment exclusively by arbitration before a single, neutral arbitrator. The arbitration proceeding shall be administered by a neutral dispute resolution agency agreed upon by the parties at the time of the dispute. If the parties cannot agree, the American Arbitration Association (“**AAA**”) will administer the proceedings pursuant to its rules and procedures for the resolution of employment disputes, copies of which are available on AAA’s website (www.adr.org) or upon request from the Company.

Claims Covered/Not Covered. Some, but not all, of the types of claims covered are: unpaid wages, overtime, or other compensation; discrimination or harassment on the basis of race, sex, age, national origin, religion, disability or any other unlawful basis; breach of contract; unlawful retaliation; wrongful discharge; employment-related tort claims such as defamation or negligence; and claims arising under any statutes or regulations applicable to applicants, to employees, or to the employment relationship. Claims not covered by this Agreement are: (a) administrative claims by an employee for workers' compensation, disability insurance, or unemployment benefits; (b) claims for benefits under a Company benefit plan or program that provides its own process for dispute resolution and arbitration of disputes; (c) claims in Court by the Company or by you for emergency or temporary injunctive relief pending appointment of an arbitrator and the opportunity to be heard for similar relief by the arbitrator; and (d) claims seeking relief according to statutes which expressly prohibit arbitration or for which this Agreement would be invalid as a matter of law. This Agreement does not affect or limit your right to file an administrative charge or to cooperate with a state or federal agency such as the National Labor Relations Board or the Equal Employment Opportunity Commission. You are not waiving your rights under Section 7 of the National Labor Relations Act, and you will not be disciplined or threatened with discipline for exercising your rights. You and the Company agree that the parties are subject to the

Federal Arbitration Act (“FAA”) and that this Agreement shall be enforceable pursuant to and interpreted in accordance with the FAA.

Arbitrator to Decide Issues of Arbitrability. The parties also agree to submit claims to the Arbitrator regarding issues of arbitrability, the validity, scope, and enforceability of this Agreement and the arbitrator’s jurisdiction, except that the parties agree to submit to federal court any challenge to the waiver of your right to bring a collective action.

Authority of Arbitrator. The Arbitrator shall have the authority to award the same damages and other relief that would have been available in court pursuant to applicable law. The Arbitrator’s authority and jurisdiction are limited to determining the specific matter in dispute in accordance with established and controlling law and this Agreement. The Arbitrator shall not have the authority to add to, amend, or modify existing law or to alter the at-will status of the relationship between you and the Company. The Arbitrator may limit discovery and other pretrial processes to what is necessary for a prompt and inexpensive resolution of the dispute. The Arbitrator shall have the authority to consider offers of judgment and to rule on dispositive motions, such as motions to dismiss or motions for summary judgment, in accordance with the standards and burdens generally applicable to such motions in federal district court. The Arbitrator may issue subpoenas to compel the attendance of witnesses and to compel the production of documents during discovery and at the hearing and shall do so upon reasonable request of either party. The Arbitrator shall maintain the confidentiality of the arbitration proceedings and shall have the authority to make appropriate rulings to preserve that confidentiality, except as otherwise agreed by the parties or as contrary to applicable law.

Claims Must Be Brought In Individual Capacity And Not As A Class, Collective, or Representative Proceeding. Both Employee and the Company agree that claims must be brought in a party’s individual capacity, and not as a representative plaintiff, class member, or class or other type of representative, in any purported class, collective or representative proceeding. The Arbitrator may not consolidate more than one party’s claims, and may not otherwise preside over any form of a class, collective or representative proceeding. Both Employee and the Company understand that there is no right or authority for any of the disputes covered by this Agreement to be heard or arbitrated on a collective action basis, class action basis, as a private attorney general, or on bases involving claims or disputes brought in a representative capacity on behalf of the general public, of other Company employees (or any of them) or of other persons alleged to be similarly situated. Both Employee and the Company understand that there are no bench or jury trials and no class actions, collective actions, or representative actions permitted under this Agreement. Finally, the Parties agree that only a Court, and not an Arbitrator, may determine the scope, enforceability, and application of the class, collective, and representative action waiver contained in this Section of this Agreement.

Stay of Nonarbitrable Claims. If either party pursues a civil action in Court involving claims which are not arbitrable and also pursues claims that are properly subject to arbitration, the parties agree that the Court shall stay litigation of the nonarbitrable claims and require that arbitration proceed with respect to those claims subject to arbitration. It is agreed that the Arbitrator’s award and any related decisions on the arbitrable claims, including any determination of disputed factual or legal issues, shall be entitled to full force and effect in any later court proceeding regarding the nonarbitrable claims.

Fees and Costs of Arbitration. The Company will pay the Arbitrator's fees and expenses, except for the initial filing fee, which is paid by the employee if the employee initiates the arbitration. Each party shall be responsible for paying its own other costs for the arbitration, including but not limited to, attorneys' fees, witness fees, transcript fees, or other litigation expenses. You will not be required to pay any type or amount of expense if such requirement would invalidate this Agreement or would otherwise be contrary to the law as it exists at the time of the arbitration.

Scope/Complete Agreement. For the purposes of the scope of the obligation to arbitrate, claims against the "Company" shall include claims against the Company and all parent and subsidiary and related companies, as well as their respective officers, directors, managers, supervisors, employees (current and former) and any trade names or alleged joint employers. This is the complete agreement between you and the Company on the subject of arbitration, and no other representations, oral or written, are being relied upon by you or the Company. This Arbitration Agreement shall remain in effect even after the end of the employment relationship between you and the Company.

Effective Date/Severability/Modification. This Agreement shall be effective for all applicants and employees beginning **March 1, 2017** ("Effective Date"). If any provisions of this Agreement are determined by the Arbitrator or by any Court to be unlawful, invalid, or unenforceable, such provisions shall be severed or modified so that the Agreement may be enforced to the greatest extent permissible under the law, with all remaining terms and provisions to continue in full force and effect; provided, however, that the Agreement shall not be enforced in regard to the arbitration of any class, collective or representative actions if the prohibition on such proceedings in arbitration is severed, modified to allow arbitration of claims by more than one individual in a single proceeding, or determined to be unenforceable. This Agreement may be modified or terminated by the Company after thirty days written notice to you. Any modifications or terminations shall be prospective only and shall not apply to any claims or disputes that are pending in arbitration or that have been initiated by either party.

This Agreement is an important document that affects your legal rights. You should familiarize yourself with and understand it, and, by signing below, you acknowledge that you have had the opportunity to do so. You may wish to seek legal advice or to consult with private legal counsel before signing this agreement.

By signing the Handbook Acknowledgement Page, or by reporting to work or continuing your employment with the Company after the Effective Date, you are agreeing to be bound by this Mutual Arbitration Agreement, as does the Company. You understand that, as more fully set forth above, you must arbitrate any and all employment-related claims against the Company and that you may not file a lawsuit in Court in regard to any claims or disputes covered by this Agreement.

Section 2 - Operational Policies

2-1 Employee Classifications

For purposes of this handbook, all Black Star Energy Services, LLC employees fall within one of the classifications below.

Full-Time Employees - Employees who regularly work at least 40 hours per week who were not hired on a short-term basis.

Part-Time Employees - Employees who regularly work fewer than 40 hours per week who were not hired on a short-term basis.

Short-Term Employees - Employees who were hired for a specific short-term project, or on a short-term freelance, per diem or temporary basis. Short-Term employees generally are not eligible for Company benefits, but are eligible to receive statutory benefits.

In addition to the above classifications, employees are categorized as either "**exempt**" or "**non-exempt**" for purposes of federal and state wage and hour laws. Employees classified as exempt do not receive overtime pay; they generally receive the same weekly salary regardless of hours worked. Such salary may be paid less frequently than weekly. The employee will be informed of these classifications upon hire and informed of any subsequent changes to the classifications.

2-2 Trial Period

The first three months of employees' employment is an introductory period. This is an opportunity for Black Star Energy Services, LLC to evaluate the employee's performance. It also is an opportunity for employees to decide whether they are happy being employed by the Company. The Company may extend the introductory period if it desires. Completion of the introductory period does not alter the employee's at-will status.

2-3 Your Employment Records

In order to obtain their position, employees have provided personal information, such as address and telephone number. This information is contained in their personnel file.

Employees should keep their personnel file up to date by informing the Head of Human Resources of any changes. Employees also should inform the Head of Human Resources of any specialized training or skills they acquire, as well as any changes to any required visas. Unreported changes of address, marital status, etc. can affect withholding tax and benefit coverage. Further, an "out of date" emergency contact or an inability to reach employees in a crisis could cause a severe health or safety risk or other significant problem.

2-4 Working Hours and Schedule

Black Star Energy Services, LLC normally is open for business from 8:00am to 5:00pm, Monday through Friday.

Employees will be assigned a work schedule and will be expected to begin and end work according to the schedule. To accommodate the needs of the business, at some point Black Star Energy Services, LLC may need to change individual work schedules on either a short-term or long-term basis.

Employees will be provided meal and rest periods as required by law. A supervisor will provide further details.

2-5 Timekeeping Procedures

Employees must record their actual time worked for payroll and benefit purposes. Non-exempt employees must record the time work begins and ends, as well as the beginning and ending time of any departure from work for any non-work-related reason, on forms as prescribed by management.

Altering, falsifying or tampering with time records is prohibited and subjects the employee to discipline, up to and including discharge.

Exempt employees are required to record their daily work attendance and report full days of absence from work for reasons such as leaves of absence, sick leave or personal business.

Non-exempt employees may not start work until their scheduled starting time.

It is the employee's responsibility to sign time records to certify the accuracy of all time recorded. Any errors in the time record should be reported immediately to a supervisor, who will attempt to correct legitimate errors.

2-6 Overtime

Like most successful companies, Black Star Energy Services, LLC experiences periods of extremely high activity. During these busy periods, additional work is required from all of us. Supervisors are responsible for monitoring business activity and requesting overtime work if it is necessary. Effort will be made to provide employees with adequate advance notice in such situations.

Any non-exempt employee who works overtime will be compensated at the rate of one and one-half times (1.5) their normal hourly wage for all time worked in excess of 40 hours each week, unless otherwise required by law.

Employees may work overtime only with prior management authorization.

For purposes of calculating overtime for non-exempt employees, the workweek begins at 12 a.m. on Monday and ends 168 hours later at 12 a.m. on the following Monday.

2-7 Travel Time for Non-Exempt Employees

Overnight, Out-of-Town Trips

Non-exempt employees will be compensated for time spent traveling (except for meal periods) during their normal working hours, on days they are scheduled to work and on unscheduled work days (such as weekends). Non-exempt employees also will be paid for any time spent performing job duties during otherwise non-compensable travel time; however, such work should be limited absent advance management authorization.

Out-of-Town Trips for One Day

Non-exempt employees who travel out of town for a one-day assignment will be paid for all travel time, except for, among other things: time spent traveling between the employee's home and the local railroad, bus or plane terminal; and meal periods.

Local Travel

Non-exempt employees will be compensated for time spent traveling from one job site to another job site during a workday. The trip home, however, is non-compensable when the employee goes directly home from the final job site, unless it is much longer than the regular commute home from the regular worksite. In such case, the portion of the trip home in excess of the regular commute is compensable.

Commuting Time

Under the Portal to Portal Act, travel from home to work and from work to home is generally non-compensable. However, if a non-exempt employee regularly reports to a worksite near their home, but is required to report to a worksite farther away than the regular worksite, the additional time spent traveling is compensable.

If compensable travel time results in more than 40 hours worked by a non-exempt employee, the employee will be compensated at an overtime rate of one and one-half (1-1/2) times the regular rate.

To the extent that applicable state law provides greater benefits, state law applies.

2-8 Safe Harbor Policy for Exempt Employees

It is Black Star Energy Services, LLC's policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure proper payment and that no improper deductions are made, employees must review pay stubs promptly to identify and report all errors.

Those classified as exempt salaried employees will receive a salary which is intended to compensate them for all hours they may work for Black Star Energy Services, LLC. This salary will be established at the time of hire or classification as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined

amount that will not be subject to deductions for variations in the quantity or quality of the work performed.

Under federal and state law, salary is subject to certain deductions. For example, unless state law requires otherwise, salary can be reduced for the following reasons:

- full-day absences for personal reasons;
- full-day absences for sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing wage replacement benefits for such absences (deductions also may be made for the exempt employee's full-day absences due to sickness or disability before the employee has qualified for the plan, policy or practice or after the employee has exhausted the leave allowance under the plan);
- full-day disciplinary suspensions for infractions of our written policies and procedures;
- Family and Medical Leave Act absences (either full- or partial-day absences);
- to offset amounts received as payment from the court for jury and witness fees or from the military as military pay;
- the first or last week of employment in the event the employee works less than a full week; and
- any full work week in which the employee does not perform any work.

Salary may also be reduced for certain types of deductions such as a portion of health, dental or life insurance premiums; state, federal or local taxes; social security; or voluntary contributions to a 401(k) or pension plan.

In any work week in which the employee performed any work, salary will not be reduced for any of the following reasons:

- partial day absences for personal reasons, sickness or disability;
- an absence because the Company has decided to close a facility on a scheduled work day;
- absences for jury duty, attendance as a witness, or military leave in any week in which the employee performed any work (subject to any offsets as set forth above); and
- any other deductions prohibited by state or federal law.

However, unless state law provides otherwise, deductions may be made to accrued leave for full- or partial-day absences for personal reasons, sickness or disability.

If employees believe they have been subject to any improper deductions, they should immediately report the matter to a supervisor. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact that person (or if the employee has not received a prompt and fully acceptable reply), they should immediately contact Director of Payroll or any other supervisor in Black Star Energy Services, LLC with whom the employee feels comfortable.

2-9 Your Paycheck

Employees will be paid bi-weekly for all the time worked during the past pay period.

Payroll stubs itemize deductions made from gross earnings. By law, Black Star Energy Services, LLC is required to make deductions for Social Security, federal income tax and any other appropriate taxes. These required deductions also may include any court-ordered garnishments. Payroll stubs also will differentiate between regular pay received and overtime pay received.

If there is an error in any employee's pay, the employee should bring the matter to the attention of the Head of Human Resources immediately so the Company can resolve the matter quickly and amicably.

Discussion of compensation of any kind is against Black Star Energy Services policy and is prohibited. Discussion of compensation with other Black Star Employees could lead to punishment up to and including termination.

2-10 Direct Deposit

Black Star Energy Services, LLC requires employees to use direct deposit. Authorization forms are available from the Head of Human Resources.

2-11 Salary Advances

Black Star Energy Services, LLC does not permit advances on paychecks or against accrued paid time off. Advance pay for vacation must be requested in writing at least two weeks prior to the vacation period.

2-12 Performance Review

Depending on the employee's position and classification, Black Star Energy Services, LLC endeavors to review performance Quarterly for office staff and annually for all other staff. However, a positive performance evaluation does not guarantee an increase in salary, a promotion or continued employment. Compensation increases and the terms and conditions of employment, including job assignments, transfers, promotions, and demotions, are determined by and at the discretion of management.

In addition to these formal performance evaluations, the Company encourages employees and supervisors to discuss job performance on a frequent and ongoing basis.

2-13 Record Retention

Black Star Energy Services, LLC acknowledges its responsibility to preserve information relating to litigation, audits and investigations. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Company and its employees and possible disciplinary action against responsible individuals (up to and including discharge of the employee). Each employee has an obligation to contact the President to inform them of potential or actual litigation, external audit,

investigation or similar proceeding involving the Company that may have an impact on record retention protocols.

2-14 Job Postings

Black Star Energy Services, LLC is dedicated to assisting employees in managing their careers and reaching their professional goals through promotion and transfer opportunities. This policy outlines the on-line job posting program which is in place for all employees. To be eligible to apply for an open position, employees must meet the following requirements:

- be a current, regular, full-time or part-time employee;
- have been in current position for at least six (6) months;
- maintain a performance rating of satisfactory or above;
- not be on conduct/performance-related probation or warning;
- meet the job qualifications listed on the job posting; and
- provide their current manager with notice prior to applying for the position.

If employees find a position of interest on the job posting website and they meet the eligibility requirements, an on-line job posting application must be completed in order to be considered for the position. Not all positions are guaranteed to be posted. The Company reserves the right to seek applicants solely from outside sources or to post positions internally and externally simultaneously.

For more specific information about the program, please contact the Human Resources Department.

2-15 Wage Deduction(s) and Wage Overpayment/Underpayment

I understand and agree that my employer, Black Star Energy Services, LLC (the Company), may deduct money from my pay from time to time for reasons that fall into the following categories:

1. my share of the premiums for the Company's group medical/dental plan;
2. any contributions I may make into a retirement or pension plan sponsored, controlled, or managed by the Company;
3. installment payments on loans or wage advances given to me by the Company, and if there is a balance remaining when I leave the Company, the balance of such loans or advances;
4. installment payments on loans based upon store credit that I use for my own personal purchases, including the value of merchandise or services that I purchase or have purchased for personal, non-business reasons using my employee charge account or credit card, an account or credit card assigned to another employee, or a general company account or credit card, regardless of whether such purchase was authorized, and if there is a balance remaining when I leave the Company, the balance of such store credit or charges;
5. if I receive an overpayment of wages for any reason, repayment to the Company of such overpayments (the deduction for such a repayment will equal the entire amount of the overpayment, unless the Company and I agree in writing to a series of smaller deductions in specified amounts);

6. the cost to the Company of personal long-distance calls I may make, or messages I may send, using Company phones (land lines or cell phones) or Company accounts, of personal faxes sent by me using Company equipment or Company accounts, or of non-work related access to the Internet or other computer networks by me using Company equipment or Company accounts;
7. the cost of repairing or replacing any Company supplies, materials, equipment, money, or other property that I may damage (other than normal wear and tear), lose, fail to return, or take without appropriate authorization from the Company during my employment (except in the case of misappropriation of money by me, I understand that no such deduction will take my pay below minimum wage, or, if I am a salaried exempt employee, reduce my salary below its predetermined amount)*;
8. the cost of Company uniforms and of cleaning the uniforms (the Company will deduct only the actual price it pays for uniforms and cleaning costs);
9. the reasonable cost or fair value, whichever is less, of meals, lodging, and other facilities furnished to me by the Company in connection with my employment;
10. administrative fees in connection with court-ordered garnishments or legally-required wage attachments of my pay, limited in extent to the amount or amounts allowed under applicable laws;
11. if I take paid vacation or sick leave in advance of the date I would normally be entitled to it and I separate from the Company before accruing time to cover such advance leave, the value of such leave taken in advance that is not so covered;
12. the value of any time off for absences to which paid leave is not applied (except in the case of those who are paid a fixed salary for fluctuating workweeks, non-exempt salaried employees will have all such unpaid leave deducted from their salary, while exempt salaried employees will experience salary reductions only in units of a full day or week at a time, depending upon the exact nature of the absence, unless partial-day deductions are specifically allowed under federal law); and
13. if my employer pays any insurance premiums or retirement system contributions ("payments") on my behalf that I would normally make under the applicable Company benefit plan, the amount of such payments made by the Company, such payments being an advance of future wages payable to me.

I agree that the Company may deduct money from my pay under the above circumstances, or if any of the above situations occur. I further understand that the Company has stated its intention to abide by all applicable federal and Texas wage and hour laws and that if I believe that any such law has not been followed, I have the right to file a wage claim with appropriate Texas and federal agencies.

Wage Overpayment/Underpayment

The Company takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled paydays.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the General Manager or Payroll Manager so that corrections can be made as quickly as possible. If the employee has been underpaid, the Company will pay the employee the difference as soon as possible. If the employee has been paid in excess of what he or she has earned, the employee will need to return the overpayment to the Company as soon as possible. No employee is entitled to retain any pay in excess of the amount he or she has earned according to the agreed-upon

rate of pay. If a wage overpayment occurs, the overpayment will be regarded as an advance of future wages payable and will be deducted in whole or in part from the next available paycheck(s) until the overpaid amount has been fully repaid. Each employee will be expected to sign a wage deduction authorization agreement authorizing such a deduction.

I understand this policy and agree to its terms, I acknowledge that any wage overpayment constitutes an advance of future wages payable to me, and I give permission to the Company to deduct any wage overpayments from any subsequent paycheck(s) to which I become entitled until the overpaid amount has been fully repaid.

Section 3 - Benefits

3-1 Benefits Overview/Disclaimer

In addition to good working conditions and competitive pay, it is Black Star Energy Services, LLC's policy to provide a combination of supplemental benefits to all eligible employees. In keeping with this goal, each benefit program has been carefully devised. These benefits include time-off benefits, such as vacations, holidays, sick, personal, insurance and other plan benefits. We are constantly studying and evaluating our benefits programs and policies to better meet present and future requirements. These policies have been developed over the years and continue to be refined to keep up with changing times and needs.

The next few pages contain a brief outline of the benefits programs Black Star Energy Services, LLC provides employees and their families. Of course, the information presented here is intended to serve only as guidelines.

The descriptions of the insurance and other plan benefits merely highlight certain aspects of the applicable plans for general information only. The details of those plans are spelled out in the official plan documents, which are available for review upon request from the Head of Human Resources. Additionally, the provisions of the plans, including eligibility and benefits provisions, are summarized in the summary plan descriptions ("SPDs") for the plans (which may be revised from time to time). In the determination of benefits and all other matters under each plan, the terms of the official plan documents shall govern over the language of any descriptions of the plans, including the SPDs and this handbook.

Further, Black Star Energy Services, LLC (including the officers and administrators who are responsible for administering the plans) retains full discretionary authority to interpret the terms of the plans, as well as full discretionary authority with regard to administrative matters arising in connection with the plans and all issues concerning benefit terms, eligibility and entitlement.

While the Company intends to maintain these employee benefits, it reserves the absolute right to modify, amend or terminate these benefits at any time and for any reason.

If employees have any questions regarding benefits, they should contact the Head of Human Resources.

3-2 Paid Holidays

All employees will be paid for the following holidays:

New Year's Day

Good Friday

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Christmas Eve

Christmas Day

When holidays fall or are celebrated on a regular workday, eligible employees will receive one (1) day's pay at their regular straight-time rate. Eligible employees who are called in to work on a holiday will receive one (1) day's pay at their regular straight-time rate, and an additional payment of straight-time for the actual time they work that day.

If a holiday falls within an eligible employee's approved vacation period, the eligible employee will be paid for the holiday (at the regular straight-time rate) in addition to the vacation day, or the eligible employee will receive an additional vacation day at the option of the Company.

If a holiday falls within a jury duty or bereavement leave, the eligible employee will be paid for the holiday (at the regular straight-time rate) in addition to the leave day, or the eligible employee will receive an additional day off at the option of the Company.

3-3 Vacation & Paid Time Off (PTO)

On year 1 anniversary date you earn (5) days (40 hours)

On January 1, after 1st anniversary you earn additional (5) days (total of 10 days/80 hours)

On January 1, after 4th anniversary you earn another (5) days (total of 15 days/120 hours)

Days do not carry over and must be used by year end

Vacation days' pay for regular full-time employees will be calculated based on the employee's base pay rate times an 8-hour workday.

Every calendar year, each employee will receive up to 4 days of paid sick leave and 2 personal paid days off.

Sick and personal days will not carry over from year to year. If not used during current calendar year, employee can trade 2 unused sick/personal days for 1 additional vacation day for the following next year.

If out sick for more than 3 consecutive days a doctor's release is required. If employee takes more than 4 random sick days, then you will lose a personal day each sick day. If employee exhausts personal days, then they will lose vacation days. This does not apply for any major illness or injury. Employee cannot take sick or personal days prior to resigning. Employee must have workdays in between to be paid.

3-4 Lactation Breaks

Black Star Energy Services, LLC will provide a reasonable amount of break time to accommodate employees desiring to express breast milk for their infant child, in accordance with and to the extent required by applicable law. The break time, if possible, must run concurrently with rest and meal periods already provided. If the break time cannot run concurrently with rest and meal periods already provided, the break time will be unpaid, subject to applicable law.

The Company will make reasonable efforts to provide employees with the use of a room or location other than a toilet stall to express milk in private. This location may be the employee's private office, if applicable. The Company may not be able to provide additional break time if doing so would seriously disrupt the Company's operations, subject to applicable law. Please consult the Head of Human Resources with questions regarding this policy.

Employees should advise management if they need break time and an area for this purpose. Employees will not be discriminated against or retaliated against for exercising their rights under this policy.

3-5 Workers' Compensation

On-the-job injuries are covered by Black Star Energy Services, LLC's Workers' Compensation Insurance Policy, which is provided at no cost. If employees are injured on the job, no matter how slightly, they should report the incident immediately to their supervisor. Failure to follow Company procedures may affect the ability of employees to receive Workers Compensation benefits.

This is solely a monetary benefit and not a leave of absence entitlement. Employees who need to miss work due to a workplace injury must also request a formal leave of absence. See the Leave of Absence sections of this handbook for more information.

3-6 Jury Duty

Black Star Energy Services, LLC realizes that it is the obligation of all U.S. citizens to serve on a jury when summoned to do so. All employees will be allowed time off to perform such civic service as required by law. Employees are expected, however, to provide proper notice of a request to perform jury duty and verification of their service.

Employees also are expected to keep management informed of the expected length of jury duty service and to report to work for the major portion of the day if excused by the court. If the required absence presents a serious conflict for management, employees may be asked to try to postpone jury duty.

Employees on jury duty leave will be paid for their jury duty service in accordance with state law; however, exempt employees will be paid their full salary for any week in which time is missed due to jury duty if work is performed for the Company during such week.

3-7 Voting Leave

In the event employees do not have sufficient time outside of working hours to vote in a statewide election, if required by state law, the employee may take off enough working time to vote. Such time will be paid if required by state law. This time should be taken at the beginning or end of the regular work schedule. Where possible, supervisors should be notified at least two (2) days prior to the voting day.

3-8 Insurance Programs

Full-time employees may participate in Black Star Energy Services, LLC's insurance programs. Under these plans, eligible employees will receive comprehensive health and other insurance coverage for themselves and their families, as well as other benefits.

Employees will receive summary plan descriptions (SPDs) describing the benefits in greater detail during new hire orientation. Please refer to the SPDs for detailed plan information. Of course, feel free to contact the Head of Human Resources with any further questions.

Employees have 30 days from hire date to enroll in insurance. If employee does not enroll within 30 calendar days, employee cannot enroll/make changes until next open enrollment unless there is an involuntary life event or a life event change.

3-9 Long-Term Disability Benefits

Full-time employees are eligible to participate in the Long-Term Disability plan, subject to all terms and conditions of the agreement between Black Star Energy Services, LLC and the insurance carrier.

This is solely a monetary benefit and not a leave of absence. Employees who will be out of work must also request a formal leave of absence. See the Leave of Absence sections of this handbook for more information.

3-10 Salary Continuation

Black Star Energy Services, LLC provides enhanced monetary short-term disability benefits to full-time employees. These enhanced monetary benefits are inclusive of any monetary workers' compensation or statutory short-term disability benefits.

This is not a leave of absence provision. Employees who will be out of work must request a leave of absence. See the Leave of Absence sections of this handbook for more information. Employees will be required to submit medical certification as requested by Black Star Energy Services, LLC. Required medical certification under this policy may differ from the medical certification required for any leave of absence requested.

3-11 Employee Assistance Program

Black Star Energy Services, LLC provides the Employee Assistance Program, which offers qualified counselors to help employees cope with personal problems they may be facing. Further details can be obtained through Human Resources.

3-12 Transportation Reimbursement Program

Black Star Energy Services, LLC provides a Transportation Reimbursement Program which allows all employees to pay for eligible transportation expenses with pre-tax income. Employees may participate on the first of the month after one (1) month of employment. The program works similarly to a Flexible Benefits Program, in which employees elect to have a portion of pre-tax income transferred to an account for future reimbursement for transportation expenses. The amount of contributions is subject to IRS limits which generally change every year. Upon becoming eligible to participate in this plan, employees will receive a Summary Plan Document (SPD) describing the benefit in greater detail. Employees should refer to the SPD for detailed plan information. Of course, employees also should feel free to speak to the Head of Human Resources if they have any further questions.

3-13 Retirement Plan

Eligible employees are able to participate in Black Star Energy Services, LLC's retirement plan. Plan participants may make pre-tax contributions to a retirement account.

Upon becoming eligible to participate in this plan, employees will receive an SPD describing the plan in greater detail. Please refer to the SPD for detailed plan information. Of course, feel free to speak to the Head of Human Resources if there are any further questions.

Section 4 - General Standards of Conduct

4-1 Workplace Conduct

Black Star Energy Services, LLC endeavors to maintain a positive work environment. Each employee plays a role in fostering this environment. Accordingly, we all must abide by certain rules of conduct, based on honesty, common sense and fair play.

Because everyone may not have the same idea about proper workplace conduct, it is helpful to adopt and enforce rules all can follow. Unacceptable conduct may subject the offender to disciplinary action, up to and including discharge, in the Company's sole discretion. The following are examples of some, but not all, conduct which can be considered unacceptable:

1. Obtaining employment on the basis of false or misleading information.
2. Stealing, removing or defacing Black Star Energy Services, LLC property or a co-worker's property, and/or disclosure of confidential information.
3. Completing another employee's time records.
4. Violation of safety rules and policies.
5. Violation of Black Star Energy Services, LLC's Drug and Alcohol-Free Workplace Policy.
6. Fighting, threatening or disrupting the work of others or other violations of Black Star Energy Services, LLC's Workplace Violence Policy.
7. Failure to follow lawful instructions of a supervisor.
8. Failure to perform assigned job duties.
9. Violation of the Punctuality and Attendance Policy, including but not limited to irregular attendance, habitual lateness or unexcused absences.
10. Gambling on Company property.
11. Willful or careless destruction or damage to Company assets or to the equipment or possessions of another employee.
12. Wasting work materials.
13. Performing work of a personal nature during working time.
14. Violation of the Solicitation and Distribution Policy.
15. Violation of Black Star Energy Services, LLC's Harassment or Equal Employment Opportunity Policies.
16. Violation of the Communication and Computer Systems Policy.
17. Unsatisfactory job performance.
18. Any other violation of Company policy.

Obviously, not every type of misconduct can be listed. Note that all employees are employed at-will, and Black Star Energy Services, LLC reserves the right to impose whatever discipline it chooses, or none at all, in a particular instance. The Company will deal with each situation individually and nothing in this handbook should be construed as a promise of specific treatment in a given situation. However, Black Star Energy Services, LLC will endeavor to utilize progressive discipline but reserves the right in its sole discretion to terminate the employee at any time for any reason.

The observance of these rules will help to ensure that our workplace remains a safe and desirable place to work.

4-2 Punctuality and Attendance

Employees are hired to perform important functions at Black Star Energy Services, LLC. As with any group effort, operating effectively takes cooperation and commitment from everyone. Therefore, attendance and punctuality are very important. Unnecessary absences and lateness are expensive, disruptive and place an unfair burden on fellow employees and Supervisors. We expect excellent attendance from all employees. Excessive absenteeism or tardiness will result in disciplinary action up to and including discharge.

We do recognize, however, there are times when absences and tardiness cannot be avoided. In such cases, employees are expected to notify Supervisors as early as possible, but no later than the start of the workday. Asking another employee, friend or relative to give this notice is improper and constitutes grounds for disciplinary action. Employees should call, stating the nature of the illness and its expected duration, for every day of absenteeism.

Unreported absences of three (3) consecutive workdays generally will be considered a voluntary resignation of employment with the Company.

4-3 Use of Communications and Computer Systems

Black Star Energy Services, LLC's communication and computer systems are intended primarily for business purposes; however limited personal usage is permitted if it does not hinder performance of job duties or violate any other Company policy. This includes the voice mail, e-mail and Internet systems. Users have no legitimate expectation of privacy in regard to their use of the Black Star Energy Services, LLC systems.

Black Star Energy Services, LLC may access the voice mail and e-mail systems and obtain the communications within the systems, including past voice mail and e-mail messages, without notice to users of the system, in the ordinary course of business when the Company deems it appropriate to do so. The reasons for which the Company may obtain such access include, but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that Company operations continue appropriately during the employee's absence.

Further, Black Star Energy Services, LLC may review Internet usage to ensure that such use with Company property, or communications sent via the Internet with Company property, are appropriate. The reasons for which the Company may review employees' use of the Internet with Company property include, but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that Company operations continue appropriately during the employee's absence.

The Company may store electronic communications for a period of time after the communication is created. From time to time, copies of communications may be deleted.

The Company's policies prohibiting harassment, in their entirety, apply to the use of Company's communication and computer systems. No one may use any communication or computer system in a manner that may be construed by others as harassing or offensive based on race, national origin, sex, sexual orientation, age, disability, religious beliefs or any other characteristic protected by federal, state or local law.

Further, since the Company's communication and computer systems are intended for business use, all employees, upon request, must inform management of any private access codes or passwords.

Unauthorized duplication of copyrighted computer software violates the law and is strictly prohibited.

No employee may access, or attempt to obtain access to, another employee's computer systems without appropriate authorization.

Violators of this policy may be subject to disciplinary action, up to and including discharge.

4-4 Use of Social Media

Black Star Energy Services, LLC respects the right of any employee to maintain a blog or web page or to participate in a social networking, Twitter or similar site, including but not limited to Facebook and LinkedIn. However, to protect Company interests and ensure employees focus on their job duties, employees must adhere to the following rules:

Employees may not post on a blog or web page or participate on a social networking platform, such as Twitter or similar site, during work time or at any time with Company equipment or property.

All rules regarding confidential and proprietary business information apply in full to blogs, web pages and social networking platforms, such as Twitter, Facebook, LinkedIn or similar sites. Any information that cannot be disclosed through a conversation, a note or an e-mail also cannot be disclosed in a blog, web page or social networking site.

Whether the employees are posting something on their own blog, web page, social networking, Twitter or similar site or on someone else's, if the employee mentions the Company and also expresses either a political opinion or an opinion regarding the Company's actions that could pose an actual or potential conflict of interest with the Company, the poster must include a disclaimer. The poster should specifically state that the opinion expressed is his/her personal opinion and not the Company's position. This is necessary to preserve the Company's good will in the marketplace.

Any conduct that is impermissible under the law if expressed in any other form or forum is impermissible if expressed through a blog, web page, social networking, Twitter or similar site. For example, posted material that is discriminatory, obscene, defamatory, libelous or violent is forbidden. Company policies apply equally to employee social media usage.

Black Star Energy Services, LLC encourages all employees to keep in mind the speed and manner in which information posted on a blog, web page, and/or social networking site is received and often misunderstood by readers. Employees must use their best judgment. Employees with any questions

should review the guidelines above and/or consult with their manager. Failure to follow these guidelines may result in discipline, up to and including discharge.

4-5 Personal and Company-Provided Portable Communication Devices

Black Star Energy Services, LLC-provided portable communication devices (PCDs), including cell phones and personal digital assistants, should be used primarily for business purposes. Employees have no reasonable expectation of privacy in regard to the use of such devices, and all use is subject to monitoring, to the maximum extent permitted by applicable law. This includes, as permitted, the right to monitor personal communications as necessary.

Some employees may be authorized to use their own PCD for business purposes. These employees should work with the IT department to configure their PCD for business use. Communications sent via a personal PCD also may be subject to monitoring if sent through the Company's networks and the PCD must be provided for inspection and review upon request.

All conversations, text messages and e-mails must be professional. When sending a text message or using a PCD for business purposes, whether it is a Company-provided or personal device, employees must comply with applicable Company guidelines, including policies on sexual harassment, discrimination, conduct, confidentiality, equipment use and operation of vehicles. Using a Company-issued PCD to send or receive personal text messages is prohibited at all times and personal use during working hours should be limited to emergency situations.

If employees who use a personal PCD for business resign or are discharged, they will be required to submit the device to the IT department for resetting on or before their last day of work. At that time, the IT department will reset and remove all information from the device, including but not limited to, Company information and personal data (such as contacts, e-mails and photographs). The IT department will make efforts to provide employees with the personal data in another form (e.g., on a disk) to the extent practicable; however, the employee may lose some or all personal data saved on the device.

Employees may not use their personal PCD for business unless they agree to submit the device to the IT department on or before their last day of work for resetting and removal of Company information. This is the only way currently possible to ensure that all Company information is removed from the device at the time of termination. The removal of Company information is crucial to ensure compliance with the Company's confidentiality and proprietary information policies and objectives.

Please note that whether employees use their personal PCD or a Company-issued device, the Company's electronic communications policies, including but not limited to, proper use of communications and computer systems, remain in effect.

4-6 Camera Phones/Recording Devices

Due to the potential for issues such as invasion of privacy, sexual harassment and loss of productivity, as well as inappropriate disclosure of confidential information, no employee may use a camera function on any phone on company property or while performing work for the Company.

Any type of recording devices anywhere on Company property, including to record conversations or activities of other employees or management, or while performing work for the Company, is also strictly prohibited, unless the device was provided to you by the Company and is used solely for legitimate business purposes.

Cell Phone Policy

Cell Phone

For the purpose of this Policy, the term Cell Phone is defined as any handled electronic device with the ability to receive and/or transmit voice, text, or data messages without a cable connection (including, but not limited to, cellular phones, digital wireless phones, radio-phones/walkie-talkies, telephone pagers). The Company reserves the right to modify or update these policies at any time.

Use of Cell Phones or Similar Devices

1. General Use at Work

While at work, employees are expected to exercise the same discretion in using personal cell phones as they use with company phones. Excessive personal calls during the workday, regardless of the phone used, can interfere with employee productivity and be distracting to other employees. Employees should restrict personal calls during work time and should use personal cell phones only during scheduled break or lunch periods in non-working areas. Employees should ensure that their friends and family members are instructed of this policy. The Company is not liable for the loss of personal cell phones brought into the workplace. To ensure the effectiveness of meetings, employees are asked to leave their phone on vibrate mode. While working in the field, employees should leave personal cell phones in the truck.

2. Unsafe work situation

The Company prohibits employee use of cell phone or similar devices while at any work site at which the operation of such device would be a distraction to the user and/or could create an unsafe work environment.

3. Use While Driving

An employee who uses a company-supplied electronic device while driving a company-supplied vehicle is prohibited from using a cell phone except if it is permissible to receive calls on a factory capable Bluetooth vehicle. This prohibition includes receiving or placing calls, text messaging, surfing the Internet, receiving or responding to email, checking for phone messages, or any other purpose related to your employment; the business; our customers; our vendors; volunteer activities, meetings, or civic responsibilities performed for or attended in the name of the company; or any other company or personally related activities not named here while driving. Use of company owned vehicles or devices for personal business is prohibited.

Under no circumstances should employees feel that they need to place themselves at risk to fulfill business needs.

Since this policy does not require any employee to use a cell phone while driving, employees who are charged with traffic violations resulting from the use of their PCDs while driving will be solely responsible for all liabilities that result from such actions.

Texting and e-mailing while driving is prohibited in all circumstances.

Company Issued Cell Phones

The Company may issue phones to employees whose jobs require them to make calls while away from work or require them to be accessible for work-related matters.

Cell phones issued by the Company are Company property. Employees must comply with Company requests to make their Company-issued cell phones available for any reason, including upgrades, replacement, or inspection. Employees who leave the Company for any reason must return in their Company-issued cell phones. A review of calling activity for company cell phones will be conducted on a monthly basis

Personal Use of Company-Owned Cell Phones

Company-issued cell phones are to be used only for business purposes. Personal use will result in discipline, up to and including termination. Employees will also be responsible to reimburse the Company for any costs or charges relating to personal use of their cell phones.

Prohibition of Camera Phones

Employees may not use any cameras, video and audio recording devices, or video or recording features of cell phones, MP3 Players or Personal digital assistants with wireless communications capabilities (PDAs) or other digital devices that contain such capability at work that can cause violations of privacy and breaches of confidentiality.

Security of Company Issued Cell Phones

Employees are responsible for the security of Company-issued cell phones and the information stored on them. Always carry it with you; never leave the cell phone unattended. On lost or stolen you must immediately notify the same to the Company.

Special Responsibilities of Managerial Staff

It is important for management to provide a good example of mobile/cellular phone use.

Effect of Policy

Violations of the foregoing rules will be considered a serious offense and may result in the imposition of discipline up to and including termination.

Personal Use Reminder

The use of cell phones and other wireless devices while driving leads to distractions that can result in traffic accidents. So, while we cannot force you to adhere to these rules when you are not on duty, we strongly urge you to do so for your own safety and well-being and that of family, friends and third parties on the roadways.

4-7 Inspections

Black Star Energy Services, LLC reserves the right to require employees while on Company property, or on client property, to agree to the inspection of their persons, personal possessions and property, personal vehicles parked on Company or client property, and work areas. This includes lockers, vehicles, desks, cabinets, work stations, packages, handbags, briefcases and other personal possessions or places of concealment, as well as personal mail sent to the Company or to its clients. Employees are expected to cooperate in the conduct of any search or inspection.

4-8 Smoking

Smoking, including the use of e-cigarettes, is prohibited on Company premises and in all Company vehicles.

4-9 Personal Visits

For safety and security reasons, employees are prohibited from having personal guests visit or accompanying them anywhere in Black Star Energy Services, LLC facilities other than the reception areas.

4-10 Solicitation and Distribution

To avoid distractions, solicitation by the employee of another employee is prohibited while either employee is on work time. "Work time" is defined as the time the employee is engaged, or should be engaged, in performing his/her work tasks for Black Star Energy Services, LLC. Solicitation of any kind by non-employees on Company premises is prohibited at all times.

Distribution of advertising material, handbills, printed or written literature of any kind in working areas of the Company is prohibited at all times. Distribution of literature by non-employees on Company premises is prohibited at all times.

4-11 Bulletin Boards

Important notices and items of general interest are continually posted on Black Star Energy Services, LLC bulletin boards. Employees should make it a practice to review bulletin boards frequently. This will assist employees in keeping up with what is current at Black Star Energy Services, LLC. To avoid confusion, employees should not post or remove any material from the bulletin board.

4-12 Confidential Company Information

During the course of work, employees may become aware of confidential information about Black Star Energy Services, LLC's business, including but not limited to information regarding Company finances, pricing, products and new product development, software and computer programs, marketing strategies, suppliers and customers and potential customers. Employees also may become aware of similar confidential information belonging to the Company's clients. It is extremely important that all such information remain confidential, and particularly not be disclosed to Black Star Energy Services, LLC's competitors. Any employee who improperly copies, removes (whether physically or electronically), uses or discloses confidential information to anyone outside of the Company may be subject to disciplinary action up to and including termination. Employees may be required to sign an agreement reiterating these obligations.

4-13 Conflict of Interest and Business Ethics

It is Black Star Energy Services, LLC's policy that all employees avoid any conflict between their personal interests and those of the Company. The purpose of this policy is to ensure that the Company's honesty and integrity, and therefore its reputation, are not compromised. The fundamental principle guiding this policy is that no employee should have, or appear to have, personal interests or relationships that actually or potentially conflict with the best interests of the Company.

It is not possible to give an exhaustive list of situations that might involve violations of this policy. However, the situations that would constitute a conflict in most cases include but are not limited to:

1. holding an interest in or accepting free or discounted goods from any organization that does, or is seeking to do, business with the Company, by any employee who is in a position to directly or indirectly influence either the Company's decision to do business, or the terms upon which business would be done with such organization;
2. holding any interest in an organization that competes with the Company;
3. being employed by (including as a consultant) or serving on the board of any organization which does, or is seeking to do, business with the Company or which competes with the Company; and/or
4. profiting personally, e.g., through commissions, loans, expense reimbursements or other payments, from any organization seeking to do business with the Company.

A conflict of interest would also exist when a member of the employee's immediate family is involved in situations such as those above.

This policy is not intended to prohibit the acceptance of modest courtesies, openly given and accepted as part of the usual business amenities, for example, occasional business-related meals or promotional items of nominal or minor value.

It is the employee's responsibility to report any actual or potential conflict that may exist between the employee (and the employee's immediate family) and the Company.

4-14 Use of Facilities, Equipment and Property, Including Intellectual Property

Equipment essential in accomplishing job duties is often expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards and guidelines.

Employees should notify their supervisor if any equipment, machines, or tools appear to be damaged, defective or in need of repair. Prompt reporting of loss, damages, defects and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. Supervisors can answer any questions about the employees' responsibility for maintenance and care of equipment used on the job.

Employees also are prohibited from any unauthorized use of the Company's intellectual property, such as audio and video tapes, printed materials and software.

Improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in discipline, up to and including discharge.

Further, the Company is not responsible for any damage to employees' personal belongings unless the employee's supervisor provided advance approval for the employee to bring the personal property to work.

4-15 Health and Safety

The health and safety of employees and others on Company property are of critical concern to Black Star Energy Services, LLC. The Company intends to comply with all health and safety laws applicable to our business. To this end, we must rely upon employees to ensure that work areas are kept safe and free of hazardous conditions. Employees are required to be conscientious about workplace safety, including proper operating methods, and recognize dangerous conditions or hazards. Any unsafe conditions or potential hazards should be reported to management immediately, even if the problem appears to be corrected. Any suspicion of a concealed danger present on the Company's premises, or in a product, facility, piece of equipment, process or business practice for which the Company is responsible should be brought to the attention of management immediately.

Periodically, the Company may issue rules and guidelines governing workplace safety and health. The Company may also issue rules and guidelines regarding the handling and disposal of hazardous substances and waste. All employees should familiarize themselves with these rules and guidelines, as strict compliance will be expected.

Any workplace injury, accident, or illness must be reported to the employee's supervisor as soon as possible, regardless of how minor or severe the nature of the injury or accident.

4-16 Hiring Relatives/Employee Relationships

A familial relationship among employees can create an actual or at least a potential conflict of interest in the employment setting, especially where one relative supervises another relative. To avoid this

problem, Black Star Energy Services, LLC may refuse to hire or place a relative in a position where the potential for favoritism or conflict exists.

In other cases, such as personal relationships where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or discharged from employment, at the discretion of the Company. Accordingly, all parties to any type of intimate personal relationship must inform management.

If two employees marry, become related, or enter into an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. The Company generally will attempt to identify other available positions, but if no alternate position is available, the Company retains the right to decide which employee will remain with the Company.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

4-17 Employee Dress and Personal Appearance

Employees are expected to report to work well groomed, clean, and dressed according to the requirements of their position. Some employees may be required to wear uniforms or safety equipment/clothing. Employees should contact their supervisor for specific information regarding acceptable attire for their position. If employees report to work dressed or groomed inappropriately, they may be prevented from working until they return to work well groomed and wearing the proper attire.

4-18 Publicity/Statements to the Media

All media inquiries regarding the position of the Company as to any issues must be referred to the CEO. Only the CEO is authorized to make or approve public statements on behalf of the Company. No employees, unless specifically designated by the CEO are authorized to make those statements on behalf of the Company. Any employee wishing to write and/or publish an article, paper, or other publication on behalf of the Company must first obtain approval from the CEO.

4-19 Operation of Vehicles

All employees authorized to drive Company-owned or leased vehicles or personal vehicles in conducting Company business must possess a current, valid driver's license and an acceptable driving record. Any change in license status or driving record must be reported to management immediately.

Employees must have a valid driver's license in their possession while operating a vehicle off or on Company property. It is the responsibility of every employee to drive safely and obey all traffic, vehicle safety, and parking laws or regulations. Drivers must demonstrate safe driving habits at all times.

Employees may be assigned company vehicles to use for work purposes. The vehicles are to be used for work purposes only. Employees are not allowed to use the work vehicles to travel out of town unless for work purposes. The employee is not allowed to have the work vehicle on premises whose sole

purpose is the distribution of alcohol. Any damages occurring to the vehicle or others at the fault of the employee will be the responsibility of the driver. The driver must abide by all state and federal motor vehicle laws while operating the vehicle. Any citations for not abiding by these laws will be the responsibility of the driver. Only an approved company employee may operate these vehicles. Any violation of these policies will result in disciplinary action, up to and including termination.

Company-owned or leased vehicles may be used only as authorized by management.

4-20 Business Expense Reimbursement

Employees will be reimbursed for reasonable approved expenses incurred in the course of business. These expenses must be approved by the employee's Supervisor, and may include air travel, hotels, motels, meals, cab fare, rental vehicles, or gas and car mileage for personal vehicles. All expenses incurred should be submitted to the CFO along with the receipts in a timely manner.

Employees are expected to exercise restraint and good judgment when incurring expenses. Employees should contact their Supervisor in advance if they have any questions about whether an expense will be reimbursed.

4-21 References

Black Star Energy Services, LLC will respond to reference requests through the Human Resources Department. The Company will provide general information concerning the employee such as date of hire, date of discharge, and positions held. Requests for reference information must be in writing, and responses will be in writing. Please refer all requests for references to the Human Resources Department.

Only the Human Resources Department may provide references.

Section 5 - Leaves of Absence

5-1 Personal Leave

If employees are ineligible for any other Company leave of absence, Black Star Energy Services, LLC, under certain circumstances, may grant a personal leave of absence without pay. A written request for a personal leave should be presented to management at least two (2) weeks before the anticipated start of the leave. If the leave is requested for medical reasons and employees are not eligible for leave under the federal Family and Medical Leave Act (FMLA) or any state leave law, medical certification also must be submitted. The request will be considered on the basis of staffing requirements and the reasons for the requested leave, as well as performance and attendance records. Normally, a leave of absence will be granted for a period of up to eight (8) weeks. However, a personal leave may be extended if, prior to the end of leave, employees submit a written request for an extension to management and the request is granted. During the leave, employees will not earn vacation, personal days or sick days. Black Star Energy Services, LLC will continue health insurance coverage during the leave if employees submit their share of the monthly premium payments to the Company in a timely manner, subject to the terms of the plan documents.

When the employees anticipate returning to work, they should notify management of the expected return date. This notification should be made at least one (1) week before the end of the leave.

Upon completion of the personal leave of absence, the Company will attempt to return employees to their original job or a similar position, subject to prevailing business considerations. Reinstatement, however, is not guaranteed.

Failure to advise management of availability to return to work, failure to return to work when notified or a continued absence from work beyond the time approved by the Company will be considered a voluntary resignation of employment.

Personal leave runs concurrently with any Company-provided Short-Term Disability Leave of Absence.

5-2 Military Leave

If employees are called into active military service or enlist in the uniformed services, they will be eligible to receive an unpaid military leave of absence. To be eligible for military leave, employees must provide management with advance notice of service obligations unless they are prevented from providing such notice by military necessity or it is otherwise impossible or unreasonable to provide such notice. Provided the absence does not exceed applicable statutory limitations, employees will retain reemployment rights and accrue seniority and benefits in accordance with applicable federal and state laws. Employees should ask management for further information about eligibility for Military Leave.

If employees are required to attend yearly Reserves or National Guard duty, they can apply for an unpaid temporary military leave of absence not to exceed the number of days allowed by law (including travel). They should give management as much advance notice of their need for military leave as possible so that Black Star Energy Services, LLC can maintain proper coverage while employees are away.

5-3 Family and Medical Leave

The Leave Policy

Employees may be entitled to a leave of absence under the Family and Medical Leave Act (FMLA). This policy provides employees information concerning FMLA entitlements and obligations employees may have during such leaves. If employees have any questions concerning FMLA leave, they should contact the Head of Human Resources.

I. Eligibility

FMLA leave is available to "eligible employees." To be an "eligible employee," the employee must: 1) have been employed by the Company for at least 12 months (which need not be consecutive); 2) have been employed by the Company for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave; and 3) be employed at a worksite where 50 or more employees are located within 75 miles of the worksite.

Special hours of service eligibility requirements apply to airline flight crew employees.

II. Entitlements

As described below, the FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration.

A. Basic FMLA Leave Entitlement

The FMLA provides eligible employees up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. The 12-month period is determined based on the calendar year. Leave may be taken for anyone, or for a combination, of the following reasons:

- To care for the employee's child after birth or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent (but not in-law) who has a **serious health condition**;
- For the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or
- Because of any **qualifying exigency** arising out of the fact that the employee's spouse, son, daughter or parent is a military member on covered active duty or called to covered active duty status (or has been notified of an impending call or order to covered active duty) in the Reserves component of the Armed Forces for deployment to a foreign country in support of contingency operation or Regular Armed Forces for deployment to a foreign country.

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 employees from performing the functions of their 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.

Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for the parents of the military member on covered active duty and attending post-deployment reintegration briefings.

B. Additional Military Family Leave Entitlement (Injured Servicemember Leave)

In addition to the basic FMLA leave entitlement discussed above, an eligible employee who is the spouse, son, daughter, parent or next of kin of a **covered servicemember** is entitled to take up to 26 weeks of leave during a single 12-month period to care for the servicemember with a serious injury or illness. Leave to care for a servicemember shall only be available during a single-12-month period and, when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12-month period. The single 12-month period begins on the first day an eligible employee takes leave to care for the injured servicemember.

A "**covered servicemember**" is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status or is on the temporary retired list, for a serious injury or illness. These individuals are referred to in this policy as "current members of the Armed Forces." **Covered servicemembers** also include a veteran who is discharged or released from military services under condition other than dishonorable at any time during the five years preceding the date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation or therapy for a serious injury or illness. These individuals are referred to in this policy as "covered veterans."

The FMLA definitions of a "serious injury or illness" for current Armed Forces members and covered veterans are distinct from the FMLA definition of "serious health condition" applicable to FMLA leave to care for a covered family member.

C. Intermittent Leave and Reduced Leave Schedules

FMLA leave usually will be taken for a period of consecutive days, weeks or months. However, employees also are entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered servicemember. Qualifying exigency leave also may be taken on an intermittent basis.

D. No Work While on Leave

The taking of another job while on family/medical leave or any other authorized leave of absence is grounds for immediate discharge, to the extent permitted by law.

E. Protection of Group Health Insurance Benefits

During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

F. Restoration of Employment and Benefits

At the end of FMLA leave, subject to some exceptions including situations where job restoration of "key employees" will cause the Company substantial and grievous economic injury, employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits and other employment terms. The Company will notify employees if they qualify as "key employees," if it intends to deny reinstatement, and of their rights in such instances. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA leave.

G. Notice of Eligibility for, and Designation of, FMLA Leave

Employees requesting FMLA leave are entitled to receive written notice from the Company telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA leave, employees are entitled to receive written notice of: 1) their rights and responsibilities in connection with such leave; 2) Company's designation of leave as FMLA-qualifying or non-qualifying, and if not FMLA-qualifying, the reasons why; and 3) the amount of leave, if known, that will be counted against the employee's leave entitlement.

The Company may retroactively designate leave as FMLA leave with appropriate written notice to employees provided the Company's failure to designate leave as FMLA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection, the Company and employee can mutually agree that leave be retroactively designated as FMLA leave.

III. Employee FMLA Leave Obligations

A. Provide Notice of the Need for Leave

Employees who take FMLA leave must timely notify the Company of their need for FMLA leave. The following describes the content and timing of such employee notices.

1. Content of Employee Notice

To trigger FMLA leave protections, employees must inform the Head of Human Resources of the need for FMLA-qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA leave specifically or explaining the reasons for leave so as to allow the Company to determine that the leave is FMLA-qualifying. For example, employees might explain that:

- a medical condition renders them unable to perform the functions of their job;
- they are pregnant or have been hospitalized overnight;
- they or a covered family member are under the continuing care of a health care provider;

- the leave is due to a qualifying exigency caused by a military member being on covered active duty or called to covered active duty status to a foreign country; or
- if the leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered servicemember with a serious injury or illness.

Calling in "sick," without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to the Company's questions to determine if absences are potentially FMLA-qualifying.

If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the Company has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

2. Timing of Employee Notice

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, or the approximate timing of the need for leave is not foreseeable, employees must provide the Company notice of the need for leave as soon as practicable under the facts and circumstances of the particular case. Employees who fail to give 30 days' notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

B. Cooperate in the Scheduling of Planned Medical Treatment (Including Accepting Transfers to Alternative Positions) and Intermittent Leave or Reduced Leave Schedules

When planning medical treatment, employees must consult with the Company and make a reasonable effort to schedule treatment so as not to unduly disrupt the Company's operations, subject to the approval of the employee's health care provider. Employees must consult with the Company prior to the scheduling of treatment to work out a treatment schedule that best suits the needs of both the Company and the employees, subject to the approval of the employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the Company may require employees to attempt to make such arrangements, subject to the approval of the employee's health care provider.

When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered servicemember, the Company may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise the Company of the reason why such leave is medically necessary. In such instances, the Company and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the Company's operations, subject to the approval of the employee's health care provider.

C. Submit Medical Certifications Supporting Need for FMLA Leave (Unrelated to Requests for Military Family Leave)

Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA-qualifying leave. As described below, there generally are three types of FMLA medical certifications: an **initial certification**, a **recertification** and a **return to work/fitness for duty certification**.

It is the employee's responsibility to provide the Company with timely, complete and sufficient medical certifications. Whenever the Company requests employees to provide FMLA medical certifications, employees must provide the requested certifications within 15 calendar days after the Company's request, unless it is not practicable to do so despite the employee's diligent, good faith efforts. The Company will inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven calendar days to cure deficiencies. The Company will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.

With the employee's permission, the Company (through individuals other than the employee's direct supervisor) may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the Company with authorization allowing it to clarify or authenticate certifications with health care providers, the Company may deny FMLA leave if certifications are unclear.

Whenever the Company deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

1. Initial Medical Certifications

Employees requesting leave because of their own, or a covered relation's, serious health condition, or to care for a covered servicemember, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of their covered family or service member. If employees provide at least 30 days' notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If the Company has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at the Company's expense. If the opinions of the initial and second health care providers differ, the Company may, at its expense, require employees to obtain a third, final and binding certification from a health care provider designated or approved jointly by the Company and the employee.

2. Medical Recertifications

Depending on the circumstances and duration of FMLA leave, the Company may require employees to provide recertification of medical conditions giving rise to the need for leave. The Company will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

3. Return to Work/Fitness for Duty Medical Certifications

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs must provide the Company with medical certification confirming they are able to return to work and the employees' ability to perform the essential functions of the employees' position, with or without reasonable accommodation. The Company may delay and/or deny job restoration until employees provide return to work/fitness for duty certifications.

D. Submit Certifications Supporting Need for Military Family Leave

Upon request, the first time employees seek leave due to qualifying exigencies arising out of the covered active duty or call to covered active duty status of a military member, the Company may require employees to provide: 1) a copy of the military member's active duty orders or other documentation issued by the military indicating the military member is on covered active duty or call to covered active duty status and the dates of the military member's covered active duty service; and 2) a certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of qualifying exigencies arising out of a different covered active duty or call to covered active duty status of the same or a different military member.

When leave is taken to care for a covered servicemember with a serious injury or illness, the Company may require employees to obtain certifications completed by an authorized health care provider of the covered servicemember. In addition, and in accordance with the FMLA regulations, the Company may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered servicemember confirming entitlement to such leave.

E. Substitute Paid Leave for Unpaid FMLA Leave

Employees must use any accrued paid time while taking unpaid FMLA leave.

The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA leave and the paid time will run concurrently with the employee's FMLA entitlement.

Leaves of absence taken in connection with a disability leave plan or workers' compensation injury/illness shall run concurrently with any FMLA leave entitlement. Upon written request, the Company will allow employees to use accrued paid time to supplement any paid disability benefits.

F. Pay Employee's Share of Health Insurance Premiums

During FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the Company notifies employees of other arrangements, whenever employees are receiving pay from the Company during FMLA leave, the Company will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working.

If FMLA leave is unpaid, employees must pay their portion of the group health premium through a method determined by the Company upon leave.

The Company's obligation to maintain health care coverage ceases if the employee's premium payment is more than 30 days late. If the employee's payment is more than 15 days late, the Company will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work within 30 calendar days at the end of the leave period (unless employees cannot return to work because of a serious health condition or other circumstances beyond their control), they will be required to reimburse the Company for the cost of the premiums the Company paid for maintaining coverage during their unpaid FMLA leave.

IV. Questions and/or Complaints about FMLA Leave

If you have questions regarding this FMLA policy, please contact the Head of Human Resources. The Company is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with the FMLA.

The FMLA makes it unlawful for employers to: 1) interfere with, restrain or deny the exercise of any right provided under FMLA; or 2) discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact the Head of Human Resources immediately. The Company will investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. Employees also may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.

V. Coordination of FMLA Leave with Other Leave Policies

The FMLA does not affect any federal, state or local law prohibiting discrimination, or supersede any State or local law that provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA leave is either not available or exhausted, please consult the Company's other leave policies in this handbook or contact the Head of Human Resources.

A Few Closing Words

This handbook is intended to give employees a broad summary of things they should know about Black Star Energy Services, LLC. The information in this handbook is general in nature and, should questions arise, any member of management should be consulted for complete details. While we intend to continue the policies, rules and benefits described in this handbook, Black Star Energy Services, LLC, in its sole discretion, may always amend, add to, delete from or modify the provisions of this handbook and/or change its interpretation of any provision set forth in this handbook. Employees are encouraged to speak to management if they have any questions about the Company or its personnel policies and practices.

General Handbook Acknowledgment

This Employee handbook is an important document intended to help employees become acquainted with Black Star Energy Services, LLC. This document is intended to provide guidelines and general descriptions only; it is not the final word in all cases. Individual circumstances may call for individual attention.

Because the Company's operations may change, the contents of this handbook may be changed at any time, with or without notice, in an individual case or generally, at the sole discretion of management.

Please read the following statements and sign below to indicate your receipt and acknowledgment of this handbook.

I have received and read a copy of Black Star Energy Services, LLC's Employees handbook. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of the Company at any time.

I further understand that my employment is terminable at will, either by myself or the Company, with or without cause or notice, regardless of the length of my employment or the granting of benefits of any kind.

I understand that no representative of Black Star Energy Services, LLC other than the CEO may alter "at will" status and any such modification must be in a signed writing.

I understand that my signature below indicates that I have read and understand the above statements and that I have received a copy of the Company's Employee handbook.

Employee's Printed Name: _____

Employee's Signature: _____

Position: _____

Date: _____

The signed original copy of this acknowledgment should be given to management - it will be filed in your personnel file.

Receipt of Non-Harassment Policy

It is Black Star Energy Services, LLC's policy to prohibit intentional and unintentional harassment of any individual by another person on the basis of any protected classification including, but not limited to, race, color, national origin, disability, religion, marital status, veteran status, sexual orientation or age. The purpose of this policy is not to regulate our employees' personal morality, but to ensure that in the workplace, no one harasses another individual.

If the employee feels that he or she has been subjected to conduct which violates this policy, he or she should immediately report the matter to the Head of Human Resources. If the employee is unable for any reason to contact this person, or if the employee has not received a satisfactory response within five (5) business days after reporting any incident of what the employee perceives to be harassment, the employee should contact the CEO. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in his or her reporting hierarchy. Every report of perceived harassment will be fully investigated, and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If the employee feels he or she has been subjected to any such retaliation, he or she should report it in the same manner in which the employee would report a claim of perceived harassment under this policy. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

I have read and I understand Black Star Energy Services, LLC's Non-Harassment Policy.

Employee's Printed Name: _____

Employee's Signature: _____

Position: _____

Date: _____

The signed original copy of this receipt should be given to management - it will be filed in your personnel file.

Receipt of Sexual Harassment Policy

It is Black Star Energy Services, LLC's policy to prohibit harassment of any employee by any supervisor, employee, customer or vendor on the basis of sex or gender. The purpose of this policy is not to regulate personal morality within the Company. It is to ensure that at the Company all employees are free from sexual harassment. While it is not easy to define precisely what types of conduct could constitute sexual harassment, examples of prohibited behavior include unwelcome sexual advances, requests for sexual favors, obscene gestures, displaying sexually graphic magazines, calendars or posters, sending sexually explicit e-mails, text messages and other verbal or physical conduct of a sexual nature, such as uninvited touching of a sexual nature or sexually related comments. Depending upon the circumstances, improper conduct also can include sexual joking, vulgar or offensive conversation or jokes, commenting about the employee's physical appearance, conversation about one's own or someone else's sex life, or teasing or other conduct directed toward a person because of their gender which is sufficiently severe or pervasive to create an unprofessional and hostile working environment.

If the employees feel they have been subjected to conduct which violates this policy, they should immediately report the matter to the Head of Human Resources. If unable for any reason to contact this person, or if the employee has not received a satisfactory response within five (5) business days after reporting any incident of perceived harassment, the employee should contact the CEO. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in their reporting hierarchy. Every report of perceived harassment will be fully investigated, and corrective action will be taken where appropriate. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management or who cooperate in the investigations of such reports in accordance with this policy. If the employees feel they have been subjected to any such retaliation, they should report it in the same manner in which a claim of perceived harassment would be reported under this policy. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

I have read and I understand Black Star Energy Services, LLC's Sexual Harassment Policy.

Employee's Printed Name: _____

Employee's Signature: _____

Position: _____

Date: _____

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