

Personnel Manual



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INTRODUCTION

bankcda (or “Bank”) opened for business on May 17, 2001. The idea for forming **bankcda** came from the belief that this area needed a true community bank. The goal was and is to provide the people of Northern Idaho and its surrounding area with a bank that is based in this area, a bank whose deposits and lending dollars generally stay in the community and a bank that is truly community owned and will offer superior customer service.

As summarized in our mission statement, **bankcda** is an independent community bank dedicated to

- Developing meaningful relationships with the people we serve;
- Recognizing employees as our most valuable asset;
- Being a catalyst for healthy economic growth in our community; and
- Generating a return for our shareholders.

You have been selected to join the efforts of your fellow employees in this mission. We have compiled this Personnel Manual (“Manual”) so you have a basic outline of the standards we expect of every employee as well as some of the Bank’s policies and benefits that are available.

The policies, rules, standards and benefits set forth in this Manual are subject to change. We reserve the right to modify, rescind, delete or add to this Manual as well as any other personnel policies and practices as we deem necessary or appropriate, and these changes may or may not be made with prior notice. This Manual supersedes any other Personnel Manual previously presented. It is our intent to keep your Manual current by advising you of changes in policies or practices through your supervisor, memorandums, employee meetings or periodic revisions to the Manual or other policy documents.

We ask that you read through this Manual and keep it throughout your employment. If you have any questions regarding the contents or need additional information, please feel free to talk to your supervisor or contact the Human Resource (HR) Department.

EMPLOYMENT AT WILL

This Manual is only an outline for your general information. It is not a contract and must not be construed as an employment contract. **Employment with bankcda is at-will**, which means that either the employee or the employer is free to terminate the employment relationship at any time with or without reason, advance notice or warning. No representative of **bankcda** has the authority to change this at-will relationship except in a specific written agreement declaring such intent and signed by the employee and the President.

While an employee’s performance will be reviewed approximately ninety (90) days after his/her hire date, the employee or the employer is free to terminate the employment relationship at any time with or without reason, advance notice or warning. Vacation taken during the ninety (90) day review period must be paid back if employment terminates during or at the end of the ninety (90) day review period. See the vacation policy for additional information.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of **bankcda** to give all applicants for employment equal consideration, regardless of their race, color, sex, gender identity, age, religious creed, national origin or physical disability. It is in the Bank’s interest to attract and employ the best-qualified personnel to fill our present and future needs, and employees are hired solely on the basis of their individual merit and qualifications to meet the requirements of the job.

It is also **bankcda’s** policy that employees are given equal opportunity for promotion, again regardless of race, color, sex, age, religious creed, national origin or physical disability. Each member of the Bank is entitled to be considered for advancement without discrimination. As in hiring, promotions are based solely on the ability of an individual to perform the duties of each available job opportunity.

Any violation of this Equal Employment Opportunity policy or any violation of a procedure devised to give this policy force and effect will be cause for appropriate corrective action.

CODE OF ETHICS

INTRODUCTION

GENERAL POLICIES AND GUIDELINES ON LEGAL AND ETHICAL STANDARDS

The maintenance of extremely high standards of honesty and integrity, impartiality and conduct is essential to assure the proper performance of **bankcda's** business and the maintenance of the public's trust. The preservation of that trust and the Bank's reputation requires close observance of these standards on the part of the Bank's directors, officers, employees and agents.

bankcda requires all of the Bank's directors, officers, employees and agents avoid possible misconduct and conflicts of interest through informed judgment and careful regard for the standards of conduct and responsibilities set forth in the policy statement which follows. In all situations, including those where there are no applicable legal principles or the law is unclear or in conflict, all such Bank representatives are expected to conduct themselves in a manner that can be supported by management and to exercise good judgment in the discharge of their responsibilities.

Compliance with the Code of Ethics (the Code) will be the responsibility of every representative of **bankcda**. Violations of the Code may result in the immediate termination of employment or directorship.

CONFIDENTIAL INFORMATION

The use of confidential information obtained through or as a consequence of employment in the Bank must be limited to the proper conduct of the Bank's business. The Employee hereby covenants and agrees that he or she will at no time, during or after the term of employment, use for his or her own benefit or the benefit of others, or disclose or divulge to others, any such confidential information.

As a condition of my employment by **bankcda**, I accept the principle that the welfare of the Bank depends upon the conduct, honesty and fair play of the staff members and the trust and confidence of the public. Our customers rightly expect honesty, security, fairness and confidentiality in their accounts and Bank business. Therefore,

- 1) I agree to give no unauthorized information relative to the accounts of this Bank or its relations with others, and to discuss no matters of a confidential nature relating to the Bank's affairs unless such discussion is in the necessary course of Bank business and in accordance with Bank policy.
- 2) I also agree to inform management of the Bank, without delay, of any fraud, false entry, substantial error, embezzlement or employee misconduct which I discover or know to have taken place in any records, property or funds of the Bank; and to report any transaction or matter that seems irregular or damaging to the Bank.
- 3) Further, I agree to do my best to conduct myself in accordance with the spirit and intent of the Code of Ethics.

I agree that violation of this pledge of responsibility and confidentiality is a violation of the Bank's trust in me and may result in termination of my employment.

CONFLICT OF INTEREST

CORPORATE POLICY

It is the policy of **bankcda** that all the Bank's directors, officers, employees and agents must avoid potential conflicts of interest. A potential conflict may exist whenever a representative of the Bank has an outside interest – direct or indirect – which conflicts with the individual duty to the Bank or adversely affects the individual's judgment in the discharge of his or her responsibilities at the Bank. Potential conflicts of interest include those in which a Bank representative has been inadvertently placed because of business or personal relationships with customers, suppliers, business associates or competitors of the Bank. The appearance of a conflict of interest may be just as damaging to the Bank's reputation as though it were real.

All Bank directors, officers, employees and agents are expected to objectively consider their actions and question whether or not a reasonable, disinterested observer – a customer, a supplier, a shareholder, an acquaintance or a government official – would have any grounds to believe

- The confidential nature of account relationships has been breached.
- Fiduciary responsibilities are handled in a less than prudent manner.
- Business is done with the Bank only on the basis of friendships, family ties, gift receiving or giving, or to curry favors with special interest groups or leverage the Bank's customer base to one's own arbitrary and exclusive financial advantage.

CODE OF CONDUCT

- The Bank's name is used as leverage by the Bank's directors, officers, employees, agents, attorneys or their family members to enhance their own opportunities when dealing with others in their political or personal activities.
- The needs of the public are not considered in making business decisions.

In the event a potential conflict of interest does arise involving an officer, employee or agent of the Bank, the nature and extent shall be fully disclosed in writing immediately to the Chief Executive Officer (CEO) of the Bank, who, after making a thorough review of the circumstances, will determine the appropriate action to be taken.

In the event a potential conflict of interest does arise involving a member of the Board of Directors, the nature and extent shall be fully disclosed to the Chairman of the Board, whose members, after making a thorough review of the circumstances, will determine the appropriate action to be taken.

FIDUCIARY APPOINTMENTS

Except for a member of an officer's or employee's immediate family, prior written approval by the CEO is required before acceptance by an officer or employee, or employee's spouse or child, of appointment as fiduciary or co-fiduciary (executor, administrator, guardian or trustee) of customers of the Bank, either with the Bank or with another person, firm or corporation. Immediate family is defined as spouses, parents, children and/or siblings.

To avoid the appearance of any impropriety, Bank directors and agents must exercise reasonable caution in accepting appointment as a fiduciary or co-fiduciary (executor, administrator, guardian or trustee) of customers of the Bank, either with the Bank or another person, firm or corporation.

BENEFICIARY (OR LEGACY) UNDER A WILL OR TRUST

All officers and non-officer employees must report in writing to the CEO any gift to them or to their spouse or children of a beneficial interest or legacy under wills or trusts of customers of the Bank, other than a relative, at such time as the employee, spouse or child learns of the designation. The objective of such a notification requirement is to allow for consideration of all the facts in each case to make certain that a reasonable, disinterested third party would not determine that a conflict of interest existed in connection with receipt of the benefits.

If this reporting requirement results in a decision that a real or apparent conflict exists or could exist, such employee, spouse or child will be expected to make every effort to be relieved of the expectation of benefit and will probably be required to renounce the gift should it come to him or her by operation of the law. If a beneficial interest or legacy from a non-relative customer of the Bank becomes payable to such employee, spouse or child and the early notification procedure set forth above has not been followed, ordinarily, such employee, spouse or child will be required to renounce the gift in the absence of other mitigating circumstances.

LENDING RELATIONSHIPS

It is the position of the Bank that lending services be available to serve the legitimate and deserving credit needs of all customers on an equal basis. Loan terms and conditions shall be based solely upon borrower's credit worthiness.

OUTSIDE EMPLOYMENT

Any outside employment, independent sales, or business ownership must receive approval from management.

CODE OF ETHICS

PROHIBITED LENDING PRACTICES

Lending officers are not permitted to process loan applications or extend credit to members of their immediate family. Immediate family is defined as spouses, parents, children and/or siblings. Any such loan applications shall be referred to the Chief Credit Officer (CCO) to process. Extending credit to companies in which the lending officer has an interest as a director, officer, controlling person or partner, or in which a member of the lending officer's immediate family has such an interest, is not permitted.

PARTICIPATION IN PUBLIC AFFAIRS

It is the philosophy of the Bank to encourage full awareness and interest in civic and political responsibility on the part of its officers and employees. Each officer and employee shall have the opportunity to support community activities or the political process as he or she desires.

Voluntary efforts for civic activities normally take place outside of regular business hours. If voluntary work requires Bank time, prior approval should be obtained from the employee's supervisor.

Due to legal prohibitions against political activity by banks and business corporations, approval will be denied for the use of normal working time in connection with activities related to a primary or general election for political office or to a political convention or caucus.

In all cases, officers and employees participating in civic or political activities do so as individuals and not as representatives of the Bank.

CORPORATE DIRECTORSHIPS, PUBLIC OFFICES AND COMMISSIONS

Officers and employees must be constantly concerned when considering election or appointment to corporate boards, public offices, commissions or service as an officer or director of a nonprofit organization that serving in such capacity will not place them in a position where a potential conflict of interest may arise or exist. Any questions concerning the propriety of participation in such activities should be brought to the attention of the CEO.

Unless specifically approved in writing by the CEO and/or Executive Committee, no director, officer or employee shall serve on the board of directors of any nonprofit entity which

- Competes with the Bank; or
- Is in substantial default to the Bank on any loan contract or other obligation; or
- Is involved in a substantial controversy or litigation with the Bank.

IMPROPER USE OF CORPORATE POSITION OR PROPERTY

PURCHASE OF BANK ASSETS

A director, officer, employee or agent of the Bank shall not purchase, or be interested in the purchase, directly or indirectly, of any of its assets without the previous consent of the majority of disinterested directors of the Bank.

CODE OF ETHICS

GIFTS AND PREFERENTIAL TREATMENT

Unless permitted to do so pursuant to one of the exceptions listed below, no Bank director, officer, employee or agent may (a) solicit for themselves or any third party (other than the Bank itself) anything of value from anyone in return for business, service or confidential information of the Bank; or (b) accept anything of value from anyone in connection with the business of the Bank, either before or after a transaction is discussed or consummated.

The Bank expects employees to render efficient and courteous service to its customers at all times without expectation of reward for such service. To avoid even the implication of impropriety, it is important that each employee and employee's spouse or child decline any gifts or preferential treatment, the acceptance of which would raise even the slightest doubt of improper influence.

The Bank does recognize that situations do occur when it would be appropriate for a Bank director, officer, employee or agent to make exceptions to the general prohibition and to accept items of value or preferential treatment. Such exceptions are limited to:

- Acceptance of a bona fide salary, wages, fees or other compensation paid in the usual course of business, so long as not prohibited by another portion of this Code of Ethics.
- Acceptance of gifts, gratuities, amenities or favors based on obvious family or personal relationships (such as those with the parents, children or spouse of the Bank representative), when the circumstances make it clear that it is those relationships, rather than Bank business, which are motivating factors
- Acceptance of meals, refreshments, travel arrangements, accommodations or entertainment, all of less than \$200.00 in value, in the course of a meeting or other bona fide business discussion or to foster better business relations provided that the business expense would be paid for by the Bank as a reasonable expense if not paid for by another party.
- Acceptance of loans from other banks or financial institutions on customary terms to finance proper and usual activities of bank representatives, such as home mortgage loans, except where otherwise prohibited by law.
- Acceptance of advertising or promotional material of reasonable value, such as pens, pencils, note pads, key chains, calendars and similar items.
- Acceptance of discounts or rebates on merchandise or services that do not exceed those available to other customers.
- Acceptance of gifts of no more than \$100.00 in value related to commonly recognized events or occasions, including, but not limited to, a promotion, new job, wedding, retirement, Christmas or Bar Mitzvah.
- Acceptance of civic, charitable, educational or religious organizational awards of no more than \$100.00 in value for recognition of service and accomplishment.

On a case-by-case basis, the Bank may provide written approval of other circumstances, not identified or beyond what is authorized above, in which a Bank official is offered or receives something of value in connection with Bank business. The Bank official must provide a full written disclosure of all relevant facts to the Bank's Executive Committee and/or Board of Directors. The Executive Committee and/or Board will review the disclosure and determine if what is offered or received is reasonable and does not pose a threat to the integrity of the Bank.

CODE OF ETHICS

In addition to the foregoing, reference is made to State and Federal regulations which limit the acceptance of gifts, commissions, gratuities or bonuses.

COMMUNITY INVOLVEMENT

Federal and state laws prohibit or restrict participation in certain political processes by the Bank, including the use of its property, equipment, supplies and facilities. It is not acceptable to use Bank funds for the purpose of making contributions or expenditures in connection with elections to any state, local or federal office unless approved by senior management.

Laws regarding bank political contributions are not intended to discourage staff members from making personal contributions to candidates or political parties of their choice. No pressure, either direct or indirect, will be used by the Bank which infringes on an employee's right to decide to whom political contributions will be made.

IMPROPER TRANSACTION AND PAYMENTS

It is commonly recognized that there is a direct correlation between illegal or improper payments and inaccurate records. To guarantee the accuracy of the Bank's books and records, the following principles shall be observed:

- All transactions or conduct of Bank business must be properly reflected in the Bank's books.
- No secret or unrecorded funds of Bank money or other assets may be established or maintained.
- Any payment is prohibited if no record of its disbursement is entered into the Bank's accounting records.
- Making false or fictitious entries in the books or records of the Bank or issuing false or misleading documents is prohibited and in most circumstances will constitute a criminal offense.
- No items may be taken for safekeeping unless they are fully and completely identified, of a legal nature and that written evidence of title is provided prior to acceptance.

ANTITRUST COMPLIANCE

RELATIONSHIP WITH COMPETITORS

The antitrust laws are intended to preserve and foster the American economic system of free enterprise by assuring energetic but fair competition among business firms and to prevent business activity that results in undue or unfair restraint on competition, the formations of monopolies and various undesirable business practices.

In providing its full range of financial services, the Bank engages in vigorous, yet fair and open competition. All directors, officers and employees are expected to observe the highest standards of ethical conduct in relationships with competitors. It is the Bank's policy to emphasize the quality and competence of services and staff rather than to criticize those of competitors.

CODE OF ETHICS

Directors, officers, employees and agents of the Bank are prohibited from entering into arrangements with competitors for the purpose of setting or controlling prices, rates, trade practices, marketing policies or disclosing to competitors future plans of the Bank which have not been disclosed generally to the public.

TIE - INS AND EXECUTIVE DEALINGS

Antitrust laws require that the Bank may not in any manner extend credit, lease or sell property of any kind, furnish any services or fix or vary the consideration of any of the foregoing, on the condition or requirement that

- The customer obtain some additional credit, property or service other than those banking services normally provided; or
- The customer obtain any additional service from the Bank; or
- The customer provide some additional service to the Bank; or
- The customer not obtain some service from a competitor of the Bank.

The Bank's personnel must be alert to recognize situations, transactions and activities actually or potentially affected by antitrust laws.

Individuals should refer promptly any questionable matters for guidance and resolution to the CEO or Executive Committee.

ADMINISTRATION OF THE CODE OF ETHICS

The Board of Directors has adopted this Code of Ethics and delegated the responsibility for its administration to its Executive Committee and the CEO.

It is the responsibility of each Bank representative to be familiar with the Bank's Code of Ethics and to abide by the letter and spirit of its provisions at all times. All directors and employees will be provided with a copy of the code at the time of their orientation. All representatives must acknowledge the code in writing as well as any future material changes made to it. Periodically, officers and other personnel in administrative or otherwise sensitive positions may be required to submit a statement of personal interest as evidence of their continued compliance with the code. The Board of Directors, management and supervisors are expected to make every effort to ensure compliance with the provisions of the code.

This Code of Ethics and subsequent revisions have been approved and adopted by the Board of Directors of **bankcda**.

CODE OF CONDUCT

INTRODUCTION

bankcda has set high standards of conduct necessary for the operation and integrity of its business. All directors, officers and employees of **bankcda** are expected to maintain and foster these standards.

The following pages contain policies and procedures that make-up **bankcda's** Code of Conduct. Failure to comply with the policies in the Code of Conduct will result in disciplinary action, which may result in termination.

GENERAL RULES OF CONDUCT

Following is a partial list of activities that represent unacceptable conduct, which will result in appropriate disciplinary action up to and including termination:

1. Dishonesty; misappropriation of funds of the Bank or other persons.
2. Gambling to excess that may affect a customer's perception of **bankcda**.
3. Falsely reporting injury or illness.
4. Leaving the workplace without permission or proper replacement.
5. Unbecoming conduct which brings a negative reflection on the Bank. This includes the use of inappropriate language (e.g. swearing) in the workplace, over the phone and when representing the Bank in public.
6. Smoking – there will be no smoking inside Bank buildings; Smoking is only allowed in designated smoking areas on Bank premises, currently the stairwell on the north side of the Coeur d'Alene branch, by the dumpster at the Hayden branch, by the dumpster at the Post Falls branch, and on the northwest side of the branch in Kellogg.
7. Derogatory comments of any kind relating to ethnic, racial or religious origin or sexual orientation.
8. Excessive absenteeism, tardiness or job abandonment.
9. Excessive use of land line or cell phone for personal use.
10. Failure to comply with a directive of a supervisor.
11. Any physical or verbal abuse.
12. Discussion of compensation with fellow employees.

SOLICITATIONS

The following policies are made for the safety and security of all employees and shall be strictly enforced. The purpose of this policy is to maintain an orderly workplace, to avoid intrusion upon employees at their work and to preserve employee safety and security throughout the facility as to funds, supplies, records and confidential information. Accordingly, all employees are to observe the following rules and report violations to their supervisors:

1. Except for legitimate business purposes and with prior authorization, individuals not employed by **bankcda** may not at any time solicit, survey, petition or distribute literature on any **bankcda** property. This policy includes charity solicitors, salespersons, questionnaire surveyors, union organizers or any other solicitor or distributor.
2. Employees may not solicit, including the distribution of literature, for any purpose during work time or in work areas. Work time includes that time for which the employee is paid and expected to be performing services for the employer. Work time includes both the soliciting and/or the solicited employee's work time. The employee lunchroom and bulletin board are non-work areas. Reasonable forms of solicitation are permitted during non-work time, such as before or after work or during meal or break periods. For the purpose of making employees aware of a solicitation, employees may send a bank-wide e-mail and post corresponding literature on the lunchroom bulletin board during non-work time.

CODE OF CONDUCT

MEMBERSHIP IN CIVIC, TRADE AND COMMUNITY ASSOCIATIONS

All employees are encouraged to join non-profit organizations such as educational, religious, health or welfare institutions. Officers are encouraged to accept appointments as trustees, directors or officers in such institutions. They are also encouraged to serve our community on school committees, finance committees, planning boards and other community offices.

If participation in any civic or community association would be in conflict with the Bank's Code of Ethics, the question should immediately be brought to the CEO's attention and the guidelines of the Code of Ethics followed.

POLICY AGAINST HARASSMENT

It is the policy of **bankcda** to provide our employees a working environment in which their individual dignity is respected. The harassment of employees because of their race, sex, sexual orientation, gender identity, national origin, age, religion, disability or health condition, or veteran status is strictly prohibited. This applies to any employee, lead person, supervisor, manager, director or outside third party with whom employees must deal in performing their work.

Prohibited harassing conduct may consist of, but is not limited to

- Sexual advances or teasing;
- Telling of sexually-oriented jokes or stories;
- Requests for sexual activity or dates;
- Display or distribution of suggestive jokes, pictures or other materials;
- Using electronic mail for romantic or suggestive communication;
- Suggestive or obscene gestures, including physical posturing or contact; and/or
- Any abusive language or conduct directed at someone because of the person's sex.

Other prohibited conduct may include any of the following actions when such action involves reference to, or is directed at, someone's race, ethnic background, national origin, sexual orientation, gender, age, religion, disability or medical condition:

- Telling jokes, teasing or making derogatory remarks;
- Circulating writings, printed material or cartoons; and/or
- Displaying offensive objects or symbols.

Such activity, especially if severe or repeated and unwelcome, is a violation of anti-discrimination laws and perhaps other laws which can result in lawsuits against the employee as well as the Bank. Therefore, it is the Bank's policy that any of this conduct, engaged in at any time or at any place by any employee, whether on or off the Bank's premises, can result in prompt disciplinary action against the employee, up to and including immediate termination of employment.

Supervisors and lead employees are held to a higher standard than non-supervisory employees because of their position of influence or authority and the potential for abuse thereof. In addition, they are required to act immediately to stop any such behavior observed or reported to them and to report it to management as soon as possible.

If you feel that a violation of this policy has occurred, use the Bank's complaint process promptly and in a confidential manner. You may skip steps in the process if you feel that the person responsible for that step is involved in the offensive conduct or would not be responsive to your complaint. We assure you that whatever method you choose, your complaint will be dealt with promptly.

An investigation of all complaints will be undertaken immediately. Complaints will be kept confidential to the extent possible, while allowing the investigation to proceed. The employee who filed the complaint will be

- Kept informed of the progress of any investigation;

- Kept informed of any disciplinary action taken; and
- Protected from any retaliation.

He or she will be asked to refrain from discussing the complaint with other employees or those outside the investigative process so as to avoid any possibility of defamation charges.

Any corrective action taken will be sufficient to immediately stop the conduct and prevent any future harassment.

Any form of retaliation, including but not limited to derogatory comments, against individuals making harassment complaints, witnesses or any other involved employees, is against the Bank's policy and is strictly prohibited. Retaliatory activities will be treated as a separate violation of this policy and will subject the individual to discipline, up to and including immediate termination of employment.

COMPLAINT PROCEDURE

It is our intent to provide a reasonable hearing and resolution of employee concerns that may arise, without fear of reprisal for calling inappropriate behavior to the attention of the organization. If you have a complaint or need a problem solved, we encourage you to bring it up as soon as possible with those who can solve it. We want to find a solution that helps us all concentrate on the reason we are here, TO SERVE OUR CUSTOMERS. Sometimes we learn something from you that helps us perform our job better. We are happy to catch a problem early and have a chance to fix it, so please don't hold it in out of fear.

CODE OF CONDUCT

Step 1 - Most concerns about safety, wages, hours, supervision, discipline, application of policy or other working conditions can be solved by talking with your immediate supervisor. However, we recognize that certain problems could involve your immediate supervisor in a way that makes you reluctant to discuss it with that person. In that case, please contact the HR Manager.

Your immediate supervisor or the alternate named above will try to get back to you with a response within five (5) business days of the date you brought your concern to his/her attention.

Step 2 - If you are not satisfied with the response in Step 1, within ten (10) business days you should present to that person a written statement of your view of the problem, why you disagree with his/her response and what you would like to see as a solution. That person will respond in writing and meet with you within five (5) business days.

Step 3 - If you are not satisfied with that response, within five (5) business days call to make an appointment with the HR Manager who will investigate your written complaint and discuss it with you. A final decision will be given to you within ten (10) business days.

This complaint procedure is available to employees with harassment concerns or complaints. However, employees should feel free to bring harassment complaints directly to the Bank's Board of Directors. They would arrange for third party intervention for investigation and resolution. Sometimes a problem is so serious that skipping a step is appropriate. If you think this is the case, please talk with any member of management for guidance or the Chairman of the Personnel Committee.

USE OF BANK PROPERTY

We ask that all personal calls be made during breaks or lunch whenever possible, and that the calls be limited in frequency and duration.

You may not use **bankcda** stationary for personal use. The postage meter, fax machine, copy machine and all other office equipment is intended for business use as well and should not be used for personal purposes.

Computers are to be used only for approved training and work production. Personal use of computers or playing computer games during business hours or on work time is not allowed.

ELECTRONIC MAIL/INTERNET ACCEPTABLE USE POLICY

Consult **bankcda's** Technology and Internet Usage Policy.

CELL PHONE POLICY

Use of cell phones can be a distraction to others in the workplace. Use of cell phones is prohibited in the lobby and customer service areas of the bank, whether personally owned or company supplied and whether the purpose of such use is business or personal. If cell phone use is necessary it should be conducted in an office or break room, away from customer contact areas. Employees should also leave cell phones at their desk or workstation while attending meetings conducted at the workplace. However, in case of an anticipated emergency or some company business that may require immediate attention, cell phones may be brought to a meeting at the workplace if placed on vibrate mode. Personal cell phone usage should be kept to a minimum.

All employees who can access the bank's electronic resources, via a mobile device, must adhere to the Bring Your Own Device Policy.

Violation of this policy can result in disciplinary action, up to and including termination of employment.

PHOTO RELEASE

Employees, now and forever, give consent for **bankcda**, its employees, and/or representatives to use my photographs, videotape, and/or digital recordings and likeness of employees and/or members of an employee's family with or without the employee's name(s) in print and/or electronically. Purposes include but not limited to publicity, illustration, advertising, and online content.

Use of photos pursuant to this section will include no financial or other remuneration of any kind.

BANK SERVICES

*DOES THE BANK PROVIDE ANY
SPECIAL SERVICES FOR
EMPLOYEES?*

Yes.

- The Bank provides one checking account and one savings account to every employee with no monthly service charge.
- Employees receive free personalized checks on the above-mentioned employee checking account.
- The fees on stop payments and wires are waived for employees.
- Employees may purchase Cashier's Checks at no cost.
- Employees will receive Surcharge Fee reimbursement for the use of ATM's not owned by bankcda.
- Employees will receive a \$10 monthly allowance towards the ID TheftSmart suite of products. If additional coverage is desired, it will be at the employee's cost.

*DOES THE BANK MAKE LOANS
TO EMPLOYEES?*

Loans will be made to employees under the same credit terms and qualifications that are used for other applicants. Loan requests by employees should be submitted for approval to the Chief Credit Officer or a senior loan officer. The Bank may require that an employee have at least six months continuous and satisfactory employment with **bankcda**. Exceptions to the six-month employment requirement will be considered on a case-by-case basis.

Consumer Loans

Loan fees are waived on consumer loans for employees.

Corporate officer loan requests will be approved subject to the Regulation O policy.

NEW HIRE ORIENTATION

*WHAT IS THE PROCEDURE
FOR ORIENTATING A NEW
EMPLOYEE?*

New employees will normally go through the orientation process on their first day of employment. The HR Department will conduct orientation. Employees will be given the necessary employment forms to complete and all relevant benefits will be explained to them. Employees will also be given a copy of the **bankcda** Personnel Manual.

New employees will be provided the necessary information to be aware of compliance with bank regulations including the Bank's ongoing comprehensive training processes and procedures.

WORKWEEK / PAYROLL / TIMECARDS

*WHAT IS THE BANK'S
PROCEDURE FOR
RECORDING HOURS
WORKED?*

All non-exempt (hourly) employees are required to maintain a record of hours worked via ADP's Time and Attendance website. Your supervisor will approve these hours and they will be uploaded into payroll.

WHEN IS PAYDAY?

We are paid on the 15th and the last day of the month. In the event that these dates fall on a weekend or a holiday, employees will be paid the preceding workday.

You will receive a pay stub via ADP's online portal detailing your compensation and deductions and your net pay will be deposited directly into a designated account.

*WHAT DEDUCTIONS WILL BE
TAKEN OUT OF MY PAY?*

The only deductions that will be made from your paycheck are ones that are required by law or requested and authorized by you in writing. Some examples of each are

THOSE REQUIRED BY LAW

- FICA (Federal Insurance Contribution Act or Social Security & Medicare)
- Federal Withholding Tax
- State Withholding Tax
- Garnishment or other legal requirement

In these instances, the Bank is merely acting as a tax collector for the government and remits payment to the government on your behalf.

THOSE AUTHORIZED BY EMPLOYEE IN WRITING

- Medical insurance premium
- Charitable contribution (for example, United Way)
- 401K contribution
- Other deductions authorized by employee

*WHAT TAXES DOES THE BANK
PAY FOR EMPLOYEES?*

The Bank pays a matching amount of FICA. The Bank also contributes to the State Unemployment Fund and the Federal Unemployment Fund as required by law. The latter two taxes are paid entirely by the Bank and are not withheld from your paycheck.

WORKWEEK / PAYROLL / TIMECARDS

HOW ARE MY HOURS RECORDED? Hours are recorded via ADP's Time and Attendance website. Employees will log in to the website upon arrival at work and "clock in". Employees will "clock out" when leaving for lunch, and "clock in" upon your return. You will then "clock out" at the end of the day. Your supervisor will review your input daily.

Only the employee or the employee's supervisor may complete the employee's time. Employees are not allowed to record time for other employees!

WHEN DOES THE WORK WEEK BEGIN AND END? Each workweek begins at 12:01 a.m. Monday and ends at midnight Sunday. It is very important that time is recorded daily.

FOR WHAT PERIOD OF TIME AM I PAID FOR EACH PAYDAY? Exempt employees are paid through payday. That means that on the 15th you are paid for your normally scheduled hours from the 1st through the 15th of the month. It is assumed that you worked a normal forty (40) hour week. In the event that you had sick time, vacation or some other variance from your normal hours it may not show up on your pay stub until the next pay period because information is not always received by payroll in time to include them in the current pay period.

Non-exempt employees are paid for hours actually worked as time and attendance records are received by payroll. Generally, this means that employees will be paid for the previous two (2) full weeks worked prior to payday. However, four times throughout the year, there will be three weeks included in a pay period. There is no specific date that these three-week pay periods occur, it simply depends upon how the weeks happen to fall in conjunction with when payroll is prepared and sent to our processor.

HOW IS OVERTIME PAY CALCULATED? Overtime* is paid for actual time worked over forty (40) hours on a weekly basis. Vacation, holiday and sick time do not count as actual time worked. If you have more than forty (40) hours in a week that includes sick, vacation or holiday time, you would be paid straight time up to the total of sick, holiday or vacation time recorded and time and a half for overtime beyond that point.

Example:

Hours worked: 42.0
Sick: 8.0
Total hours for week: 50.0
Total Overtime: 2.0

Your overtime would be paid as follows:

- 8.0 hours at straight time
- 2.0 hours at time and a half

Overtime is to be avoided whenever possible. Supervisors are strongly encouraged to have employees leave early or come in late, whenever practical, to avoid overtime.

*Exempt employees do not qualify for overtime.

*All non-exempt employees must have approval **prior** to working overtime.*

WORKWEEK / PAYROLL / TIMECARDS

WHAT IS THE DIFFERENCE BETWEEN AN EXEMPT AND A NON-EXEMPT EMPLOYEE?

Generally, if you are in a professional, executive or administrative position as defined by federal law with a fixed salary you are considered exempt. An exempt (salaried) employee does not receive overtime pay for hours worked beyond forty (40) per week.

Non-exempt (hourly) employees are paid an hourly wage and are eligible for overtime.

HOW SHOULD HOURLY EMPLOYEES RECORD THEIR TIME IF THE BANK IS CLOSED DURING REGULAR WORKING HOURS DUE TO A DISASTER OR SOME OTHER UNFORESEEN EVENT?

Generally, if **bankcda** is not in operation or operations are curtailed, hourly employees are not compensated for the time the Bank is closed. Time sheets should reflect only the hours worked. On an incident-by-incident basis, the Bank may opt to pay hourly employees for brief closures. In such cases, hourly employees will be advised accordingly by their supervisor.

HOW SHOULD HOURLY EMPLOYEES RECORD THEIR TIME IF THE BANK IS OPEN BUT A DISASTER OR SOME OTHER UNFORESEEN EVENT (SUCH AS A SNOWSTORM) KEEPS THE EMPLOYEE FROM GETTING TO WORK?

If an hourly employee is not able to get to work due to severe weather conditions or other unforeseen event as approved by the employee's supervisor, the employee can use accrued vacation (if available) to make up for the hours missed. Time sheets should reflect both the actual hours worked and the hours of vacation time used to make up for the hours not worked.

If an employee does not have, or does not wish to use, accrued vacation time, the employee will not be paid for the missed time. In this case, time sheets should reflect only the actual hours worked.

BREAKS & LUNCHES

HOW LONG IS LUNCH AND AM I ELIGIBLE FOR PAID BREAKS? The following table reflects what breaks and lunches are effective for every period of time worked. Breaks must be scheduled and approved by your supervisor.

<u>HOURS WORKED</u>	<u>LUNCH (unpaid)</u>	<u>BREAKS (paid)</u>
8 hours	60 minutes	(2) 15 minutes*
Over 5 hr. less than 8 hr.	30 minutes	(1) 15 minutes
4 - 5 hours	No Lunch	(1) 15 minutes
Less than 4 hours	No Lunch	No Break

**One break is to be taken in the morning and one in the afternoon.*

DRESS CODE

WHAT IS THE BANK'S REASONING BEHIND THE DRESS CODE POLICY?

We feel it is important to convey to our customers that we are professional, neat and competent at what we do. The customer's initial impression begins with the way we look. Therefore, our dress and grooming must show good taste and always be reflective of what we are at the Bank to do, which is conduct business. Our objective in establishing the semi-casual business dress code outlined below is two-fold. We want employees to be comfortable in the workplace while still projecting a professional image to our customers, potential employees and community visitors.

WHAT IS THE BANK'S DRESS CODE?

The specifics are outlined below:

ALL EMPLOYEES:

- All clothing should be neatly pressed, cleaned and coordinated. Clothing should not appear "worn out".
- Hair must be clean and maintained in a professional manner. For men: facial hair must be trimmed and maintained in a professional manner.
- No visible body piercings, or excessive ear piercings.
- Cologne or body fragrance should be subtle.
- Name tag should be worn at all times while on premises.

Unacceptable Attire: The items listed below are unacceptable to wear to work during normal business hours.

Denim of any color (except on approved days)

Cargo Pants

Tee shirts

Sweatshirts

Sweaters with hoods

Hats

Shoes: Sneakers, Flip Flops, Sandals, Boots (work, hiking, cowboy)

Bank Casual Day

The last Friday of each month "Jeans Day" at which time Denim is acceptable to wear. All Jeans are expected to be in good condition without excessive wear or holes/rips. Cowboy boots may be worn with jeans on casual Friday.

MALE EMPLOYEES**Shirts/Sweaters: *All shirts are to be tucked in***

- Button-down long-sleeve or short sleeve
- Sweaters
- Golf shirts with bank logo
- ¼ zip pullover with bank logo

Pants: *Belts are expected to be worn*

- Dress pants or suit pants of synthetic material or wool
- Chino style (cotton)

5 pocket pants, no matter the material, are only acceptable on casual day.

*WHAT IS THE BANK'S DRESS
CODE?*

FEMALE EMPLOYEES**Unacceptable Attire:**

- No exercise pants, to include sweatpants, spandex, lycra
- No tank tops, halter tops, midriff tops

Acceptable Attire

- Dress pants, suit pants, or capri pants of cotton, synthetic material or wool. Capri pants must be worn with professional dress shoes. Nice leggings may be worn with tunics (must be long enough to hit mid-thigh).
- Professional dresses or skirts no higher than four inches above the kneecap. Nylons are not required, however feet and toenails should be manicured and well-kept if not covered by nylons or socks.
- Professional tops, blouses, and sweaters are appropriate. Professional looking sleeveless tops may be worn in the summer.
- Sandals with a minimum 1" heel may be worn in the summer.

TATTOO POLICY bankcda permits employees to display tattoos at the workplace within the following guidelines. Factors that management will consider to determine whether tattoos may pose a conflict with the employee's job or work environment include:

- Creates a distraction
- Offensiveness to co-workers, customers, vendors or others in the workplace based on racial, sexual, religious, ethnic, or other characteristics or attributes of a sensitive or legally protected nature
- Customer complaints

If management determines an employee's tattoos may present such a conflict, the employee will be encouraged to identify appropriate options, such as covering of tattoos, or other reasonable means to resolve the conflict.

An environment of mutual cooperation, respect, and fair and consistent treatment for all employees is the company's goal. Nonetheless, the company is legally responsible for ensuring that no employees are subject to harassment or a hostile work environment. As an initial step toward resolution of any complaint or offense under this policy, supervisors and managers will be responsible for explaining the policy and answering employee questions. If an agreeable solution cannot be reached at that stage, the human resource manager will follow company procedures to resolve the issue.

This list is not all-inclusive and is subject to change. No dress code can cover all contingencies so employees must exert a certain amount of judgment in their choice of clothing to wear to work. If you question the appropriateness of the attire, it probably isn't appropriate. Please see your supervisor if additional guidance is needed.

*WHAT HAPPENS IF I COME TO
WORK IN VIOLATION OF THE
DRESS CODE?*

Your supervisor will inform you of the violation and you may be asked to go home, unpaid, and change.

HOLIDAYS

WHAT HOLIDAYS DOES THE BANK OBSERVE?

The Bank follows the Federal Reserve Bank calendar of observed holidays. For those holidays the bank remains open, employees will receive a floating holiday to be used within one year following the holiday.

If the observed holiday falls on a weekend or a day that you are not normally scheduled to work, then you will not receive compensation for the holiday.

In addition, all eligible employees receive a paid day off for their birthday, which must be used on the employee's actual birthday or within a month of his/her birthday.

WHAT HAPPENS IF THE BANK IS OPEN ON ONE OF OUR SCHEDULED HOLIDAYS?

If you are a non-exempt (hourly) employee who is eligible for holiday pay and work on one of the above-mentioned holidays, you will receive the following:

- ✓ Work at your normal rate of pay on the holiday and receive a day off with pay at a later, mutually agreed upon time.

SICK OR EMERGENCY LEAVE

<i>WHAT IS CONSIDERED SICK OR EMERGENCY LEAVE?</i>	Any absences from work that result from illness, injury or personal emergency.
<i>WILL I BE PAID IF I AM ABSENT FROM WORK TO TAKE CARE OF MY SICK CHILD?</i>	This is considered a personal emergency and is covered under the sick or emergency leave policy.
<i>A MEMBER OF MY FAMILY HAS PASSED AWAY. IS THIS CONSIDERED EMERGENCY LEAVE?</i>	Yes. Employees who experience a death in their immediate family (parents, spouses, siblings, children, grandparents) are granted emergency leave. This would also include time to plan and attend the funeral. Of course, you must have sick/emergency days accrued and unused in order to be paid for the time you are absent from work.
<i>WHO QUALIFIES FOR PAID SICK OR EMERGENCY LEAVE?</i>	All employees who are scheduled to work 30 hours or more per week qualify for paid sick or emergency leave.
<i>HOW MANY DAYS OF SICK OR EMERGENCY LEAVE DO I HAVE?</i>	Full time employees accrue .8333 days per month not to exceed 10 days per year. Employees that work less than 40 hours per week accrue days based on the number of hours worked.
<i>I WAKE UP TO GO TO WORK AND REALIZE I AM TOO SICK TO COME IN. WHAT DO I DO?</i>	Obviously, every employee is needed at work so when you are unable to come in it is very important that you notify your immediate supervisor as soon as possible. The Bank requires that you notify your immediate supervisor, or a Bank officer if your supervisor is not available, within one hour of your normal starting time. Failure to notify the Bank may result in denial of payment for the absence.
<i>IF I AM GOING TO BE ABSENT FOR MORE THAN ONE DAY, DO I NEED TO CALL MY SUPERVISOR EACH MORNING?</i>	We do require that you remain in contact with your supervisor (daily unless prior arrangements have been made) and communicate how long you will be gone and when you plan on returning to work. If you are absent for several days, the Bank may require you to obtain a doctor's note confirming your condition and ability to return to normal work duties.
<i>WHAT HAPPENS TO UNUSED SICK OR EMERGENCY LEAVE?</i>	We do keep track of every employee's earned and unused sick leave and accumulate it to a maximum of 720 hours. <u>We do not pay out unused sick leave in wages.</u> However, we do carry it over from year to year (to a maximum of 720 hours) so it can be used in certain situations. These include Family Medical Leave, a medical illness that qualifies for disability leave, or an illness of more than five (5) consecutive days duration which prevents you from working. A signed work restriction and/or release to return to work from your doctor may be required.

SICK OR EMERGENCY LEAVE

<i>I AM AN EXEMPT EMPLOYEE. IF I GO HOME SICK AFTER PART OF THE DAY, HOW IS MY ACCRUED SICK TIME AFFECTED?</i>	<p>Exempt (salaried) employees must work a minimum of four (4) hours to prevent a deduction from their accrued sick time. If you come into work and work less than four (4) hours on any given day, your sick leave will be reduced to reflect the time you were absent, but we will not deduct the time from your salary.</p> <p>All employees are hired to fulfill a need within the Bank. Excessive or abusive absenteeism may result in a deterioration of job performance, which would be cause for disciplinary action.</p>
<i>IF I LEAVE THE BANK'S EMPLOYMENT, WILL I BE PAID FOR ANY EARNED AND UNUSED LEAVE?</i>	<p>No. The Bank does not pay continuing or departing employees for unused sick or emergency leave. However, if you have used more sick or emergency leave than you have earned, your last paycheck will be adjusted to correct the overpayment.</p>
<i>WHAT HAPPENS IF I DO NOT HAVE SICK LEAVE AVAILABLE AND IT IS NECESSARY THAT I AM OUT?</i>	<p>If you are sick, and you have no available sick days, vacation days must be used. If you have no available vacation days, the sick leave will be unpaid.</p>

VACATIONS

HOW MUCH VACATION DO I GET? In general, the amount of vacation time you earn depends upon the length of time you have been employed by the Bank.

<u>Length of Employment</u>	<u>Vacation Time per year</u>
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<i>FULL-TIME EMPLOYEE:</i>	0 - 5 years	10 days
	5 - 15 years	15 days
	16 years and up	20 days

In some circumstances, when an individual is recruited by **bankcda** to fill certain positions (officer or non-officer), he/she may be granted credit for previous employment when calculating vacation time. All such exceptions must be approved in advance and in writing by the President of the Bank.

PART-TIME EMPLOYEE: Vacation time will be calculated based on the hours you are scheduled to work each week as compared to a full-time 40-hour per week employee.

I HAVE BEEN EMPLOYED AT You would receive 5 vacation days.

*BANKCDA FOR 3 YEARS AND
WORK 20 HOURS A WEEK.
HOW MUCH VACATION TIME
DO I GET?*

Since you worked 50% of what a full-time employee works you would receive 50% of the vacation time a full-time employee would receive.

*WHEN CAN I TAKE MY
VACATION?*

Generally, you may take your vacation after the ninety (90) day review period. You may take vacation during your ninety (90) day review period with your manager's approval, but it must be paid back if your employment terminates during or at the end of the ninety (90) day review period.

*HOW DOES MY VACATION
ALLOWANCE ACCRUE?*

You will accrue 1/12 of your annual vacation per month.

*HOW MUCH VACATION WILL I
RECEIVE IN THE FIRST
CALENDAR YEAR IN WHICH I
AM HIRED?*

You will receive your annual allowance pro-rated for the percentage of the calendar year from your hire date until year end. For example, if you were hired on October 1, you would receive 25% of your annual allowance.

*HOW MUCH VACATION WILL I
RECEIVE DURING A YEAR
WHEN MY ANNUAL
ALLOWANCE AMOUNT
CHANGES BECAUSE OF MY
LENGTH OF EMPLOYMENT?*

During a year when you have reached an anniversary on which your allowance changes, you will receive your current allowance prorated for the portion of the year until your anniversary date and then your new allowance prorated from your anniversary date until the end of the year. For example, if you are a full-time employee and your 5th anniversary occurs on July 1, you will receive half a year at 15 days (which equals 7.5 days) and half a year at 20 days (which equals 10 days) for a total allowance that year of 17.5 days.

VACATIONS

*DO I GET PAID FOR
ACCUMULATED VACATION
NOT TAKEN IF I LEAVE THE
BANK?*

If you have been employed by the Bank for at least six (6) continuous months before your employment with the Bank comes to an end, we will calculate the accrued amount of your annual vacation time and pay it to you on your last paycheck less vacation already taken for the year. If you have taken more vacation than your accrued amount, the difference will be deducted from your last paycheck.

If you are terminated for a violation of Bank policy, procedure, Code of Ethics or Code of Conduct **or** if you do not give two (2) weeks written notice of your intent to leave the Bank, you are subject to losing your vacation time. Therefore, you may **not** be paid for vacation time not yet taken.

*TWO EMPLOYEES WANT THE
SAME VACATION AND THEY
CANNOT BE GONE AT THE
SAME TIME. WHO GETS THE
PREFERRED TIME?*

In the event of a conflict that cannot be resolved in other ways, seniority will generally rule. Management does not believe that a handful of employees should continually be allowed to select the same “prime vacation weeks” each year simply because they happen to have seniority. It is the Bank’s intent to ascertain the needs of other employees as well.

*MY CHOSEN VACATION TIME
FALLS DURING A BANK
OBSERVED HOLIDAY. DOES
THAT COUNT AS ONE OF MY
VACATION DAYS?*

No, it does not. The extra day of vacation can be taken at a later date that is approved by your supervisor.

*CAN I CHOOSE TO BE PAID IN
LIEU OF TAKING VACATION?*

No. As an employee of the Bank you are required to take your vacation. The Bank expects that you take one consecutive week of vacation; exception to this requires an explanation to and approval from your supervisor.

*IF I DON'T TAKE MY VACATION
THIS YEAR, CAN I TAKE IT NEXT
YEAR?*

Yes. You may accrue up to 240 hours of vacation maximum.

*HOW MUCH NOTICE MUST I
GIVE FOR VACATION
REQUEST?*

Forty-eight (48) hour notice must be given for a vacation request of one (1) or two (2) days. A request for three (3) or more days must be at least two (2) weeks in advance.

*In approving the vacation schedule,
every department supervisor is
required to ascertain that they have
adequate coverage in his/her
department.*

GROUP MEDICAL / DENTAL / VISION

*WHAT INSURANCE DOES THE
BANK OFFER TO EMPLOYEES?*

Currently the Bank offers medical, dental and vision. We have a variety of options in medical/dental plans. Information on the various plans is available from the HR Department.

*WHO IS ELIGIBLE FOR
COVERAGE?*

All employees who work thirty (30) hours or more per week as their normally scheduled hours after meeting the effective eligibility date explained below and their dependents. (If you do not enroll when you are first eligible, you may be subject to other eligibility requirements prior to being accepted to the plan).

*WHEN CAN I ENROLL AND
WHAT IS MY EFFECTIVE DATE
FOR COVERAGE?*

You become eligible either when you are hired to work a minimum of thirty (30) hours per week or if your hours increase to at least 30 scheduled hours per week. Your effective date for coverage is the first day of the month following thirty (30) days of employment or the date your hours increase to thirty (30). For example:

If you were hired on March 15, your effective date for coverage would be May 1.

*IF I DON'T ENROLL NOW, CAN I
DO IT LATER?*

Only during open enrollment, which, for us, is in November and December of every year. At that point, our insurance provider may ask you to complete a statement of good health prior to allowing enrollment. This is not required if you enroll when you first become eligible.

There is an exception to this. If you have a qualifying event, then you will be given an opportunity to enroll in the plan at that time. Qualifying events include marriages, deaths, divorces, births, etc. The HR Department can answer any questions about your particular situation and whether or not it would be considered a qualifying event.

*I WANT TO CANCEL MY
INSURANCE, WHAT DO I DO?*

Unless you have a qualifying event (see above) you cannot withdraw from the plan until the next open enrollment period. At that time, you must complete an online enrollment form indicating the coverage you would like to cancel.

*I WANT TO CHANGE FROM ONE
MEDICAL PLAN TO ANOTHER.
WHAT DO I NEED TO DO?*

Once again, you cannot leave one plan or enroll in a new one until open enrollment. At that time, you must complete a new online enrollment form indicating which plan you are withdrawing from and which plan you wish to enroll in.

GROUP LIFE & DISABILITY INSURANCE and FLEXIBLE BENEFITS

WHAT LIFE INSURANCE COVERAGE DOES THE BANK PROVIDE TO EMPLOYEES? The Bank provides life insurance to eligible employees at an amount that is equal to 2 1/2 times their annual salary* to a maximum of \$400,000.

*An employee's annual salary is as reported by the Bank for work performed for the Bank as of the date the covered loss occurs. It also includes contributions made through a salary reduction agreement with the Bank to an IRC Section 401(k), 403(b), 408(k), and/or 457 deferred compensation agreement or an executive nonqualified deferred compensation arrangement. It includes earnings received as commissions, but not bonuses, overtime pay or other extra compensation. Commissions will be averaged for the 12 months just prior to the date the covered loss occurs, or the months employed if less than 12 months.

HOW DOES OUR DISABILITY INSURANCE WORK? The Bank provides Long-Term Disability Insurance to eligible employees after ninety (90) days of continuous disability at 60% of base pay. The monthly payout has a cap of \$5000. Specific details as to what constitutes a disability and the duration of your compensation can be obtained from the HR Department.

WHAT ARE FLEXIBLE BENEFITS? Flexible benefits enable you to have medical premium costs deducted from your pay on a pre-tax basis.

WHAT DETERMINES EMPLOYEES ELIGIBILITY? The eligibility requirements are the same as those discussed in the medical/dental/vision section. You must be normally scheduled to work at least thirty (30) hours per week. Your coverage begins on the first day of the month following thirty (30) days of employment or when your scheduled hours increase to a minimum of thirty (30) per week.

CAN WE PURCHASE ADDITIONAL LIFE OR DISABILITY INSURANCE? The Bank does provide additional life insurance and disability insurance that can be purchased at your expense for you and your dependents. The premium for this additional insurance will be deducted from your pay after all applicable taxes.

401K

*DOES **BANKCDA** OFFER ANY TYPE OF RETIREMENT PLAN?*

bankcda offers a 401K plan to all employees on the first day of the quarter following employment. Employees who have met the minimum requirement may enroll during the Bank's next open enrollment period. You will be contacted when you become eligible to participate.

WHAT IS A 401K?

The 401K plan gives employees the opportunity to have pre-tax or post-tax dollars taken out of their paycheck automatically and put into an investment of their choice to be used for retirement.

*HOW DOES **BANKCDA'S** 401K PLAN WORK?*

You can contribute into the plan up to a maximum amount of your pay as defined by the IRS based on your age. **bankcda** will contribute 3.00% of your salary. All contributions are fully vested. Employees select from a pool of funds, each with varying risk and return potential. You can select one fund or diversify and have a specified percentage go into several different funds. You can change the type of fund that your contribution goes into at any time as well as the amount that is deducted from your pay.

CAN I WITHDRAW MONEY FROM MY 401K

You may be entitled to receive an in-service distribution. Withdrawals from your 401K will reduce the value of the benefits you will receive at retirement. Certain tax consequences may apply, please consult your tax advisor.

FOR ANY REASON?

IS IT POSSIBLE TO BORROW MONEY FROM MY 401K PLAN?

Yes. Once your money is contributed to the plan, participants shall be entitled to a loan up to one-half (1/2) of the present value of the non-forfeitable accrued benefit in your individual plan. The minimum loan amount is \$1,000.00, and no more than one loan allowed to a Participant at any given time.

*I WANT TO TRANSFER FUNDS FROM ANOTHER RETIREMENT PLAN INTO THE **BANKCDA** PLAN. CAN I DO THAT?*

As long as the money you contribute comes from a tax-qualified retirement plan you can transfer the funds into **bankcda's** plan. Keep in mind that money transferred into the plan is subject to the same rules of withdrawal as funds contributed through payroll deduction.

CAN I TRANSFER FUNDS FROM ANOTHER PLAN PRIOR TO MY CONTRIBUTION ELIGIBILITY DATE?

Yes. You can transfer funds from another plan, but you cannot contribute new money through payroll deduction until you meet the above eligibility requirements.

HOW OFTEN DO I RECEIVE STATEMENTS ON MY ACCOUNT?

You will receive quarterly statements outlining your account activity and investment return information. You will also have 24/7 access to your investment information through the Plan Sponsor website.

LEAVE OF ABSENCE - General

*UNDER WHAT
CIRCUMSTANCES CAN I TAKE A
LEAVE OF ABSENCE?*

Although the Bank expects continuous service from all its employees, we do realize that there are times when circumstances entirely or largely out of your control may require you to take a leave of absence. The Bank has two policies to cover such situations. They are Family or Medical, and Military and are covered in detail on the following pages.

In the event your absence will be for the amount of earned vacation time due to you, the leave will be treated as vacation. If your leave will extend beyond the vacation time due to you, one or more of the leave policies will be enacted.

LEAVE OF ABSENCE - Family or Medical

*UNDER WHAT
CIRCUMSTANCES IS A FAMILY
OR MEDICAL LEAVE OF
ABSENCE GRANTED?*

Employees with one or more years of service with **bankcda** who have worked at least 1,250 hours in the past twelve (12) months may apply for up to twelve (12) weeks of job-protected leave during any twelve (12) month period for one or more of the following reasons:

1. For the birth and care of the newborn child of an employee;
2. For placement with the employee of a child for adoption or foster care;
3. To care for an immediate family member (spouse, child, or parent) with a serious health condition; or
4. To take medical leave when the employee is unable to work because of a serious health condition.

A health condition is serious if it requires inpatient care or continued treatment of incapacity of three days or more and subsequent recovery involving two (2) or more treatments by health providers or at least one (1) treatment which results in a regimen of continuing treatment or incapacity due to pregnancy or chronic disease or permanent or long-term disability. Occasional illness such as colds, flu, upset stomach or headaches are not by themselves covered. Salaried employees in the highest 10 percent of all employees may not be eligible for reinstatement rights if it would cause a material adverse event to **bankcda**.

*HOW WILL MY BENEFITS BE
AFFECTED BY FAMILY OR
MEDICAL LEAVE?*

Your vacation privileges stop if your leave stretches beyond the twelve (12) weeks in a rolling twelve-month period allowed under this policy. While on a family or medical leave of absence, if you are eligible to receive medical benefits, they will remain the same as if you were working.

*WILL I BE PAID FOR THE TIME
THAT I AM GONE ON FAMILY
OR MEDICAL LEAVE?*

We require you to take any earned vacation time at the beginning of your leave and you will be paid normal vacation pay for that time. We also allow you to use any earned sick time, up to a maximum of 720 hours.

*WHAT STEPS NEED TO BE
TAKEN TO GET A FAMILY OR
MEDICAL LEAVE OF ABSENCE
APPROVED?*

A written request must be submitted to your supervisor and forwarded to the HR Department for approval. Thirty days notice is required under this policy unless it is impossible, given the circumstances, to do so. Prior to granting leave, a physician's certificate of disability will be required; a release from a physician will also be required before allowing you to return to work.

LEAVE OF ABSENCE – Military

*UNDER WHAT
CIRCUMSTANCES IS A
MILITARY LEAVE OF ABSENCE
GRANTED?*

All full-time permanent employees that are absent for the purpose of peacetime training, not to exceed fifteen (15) calendar days, are covered under this policy. Leave for military training for the Reserves of the Army, Navy, Marine Corps., Coast Guard and National Guard are covered.

*DOES THE BANK COMPENSATE
ME FOR TIME SPENT ON A
MILITARY LEAVE OF ABSENCE?*

If taken during an earned vacation period, you will be compensated by the Bank in the form of vacation pay as well as by the government for your service. If leave is not taken during an earned vacation and you receive pay from the government, but it is less than what you would have received from the Bank for the same period of time had you been working for the Bank, the Bank will make up the difference.

*WILL MY BENEFITS BE
AFFECTED BY THE MILITARY
LEAVE?*

Not if the leave is completed within the fifteen (15) day period allotted.

*WHAT STEPS NEED TO BE
TAKEN TO GET A MILITARY
LEAVE OF ABSENCE
APPROVED?*

A copy of your orders needs to be given to your supervisor and forwarded to the HR Department as soon as possible.

*WHAT IF MY MILITARY LEAVE
IS FOR MORE THAN 15 DAYS?*

If a military leave of absence extends beyond the fifteen (15) day limit, you must contact the HR Department for authorization. Every effort will be made to reinstate you to your former or comparable position as required by federal law.

JURY DUTY

*IF I AM CALLED FOR JURY
DUTY, WHAT DO I NEED TO
DO?*

Immediately after you receive notice, you need to notify your supervisor. Under normal circumstances, the Bank believes all employees should serve on jury duty when they are called. Occasionally, the timing of being called for jury duty does conflict with an employee's job responsibilities. If that applies, the Bank may request that your jury duty be postponed until a more convenient time.

*DO I GET PAID WHILE
SERVING ON JURY DUTY?*

Yes. The Bank will continue to pay your normal wages for the first two (2) weeks of jury duty. If you serve beyond two (2) weeks time, the Bank will expect you use any accrued vacation time. If you are out for an extended period of time and it is necessary for the bank to hire a replacement for your position, the bank will hold a "like" position for you upon your return.

*AM I REQUIRED TO COME TO
WORK IF I AM RELEASED
FROM COURT BEFORE THE
END OF THE DAY?*

Yes. If you are released prior to the end of your normally scheduled hours at the Bank, you must return to the Bank and finish the day.

SECURITY

<i>WHAT KIND OF SECURITY PROCEDURES DOES BANKCDA HAVE IN PLACE TO PROTECT ITS EMPLOYEES?</i>	<p>We take bank security and the safety of our employees very seriously. Many procedures are in place to ensure that bankcda is a safe place to conduct business for not only our employees but for our customers as well. Some of the precautions include the following:</p> <ul style="list-style-type: none">✓ Annual security meetings to update, inform and train employees on a variety of security issues✓ Surveillance systems at all of our locations <p>Above all, we believe our employees are our best defense against robbery and fraud. It is so important for everyone to be aware of what is going on around them. Stay alert, make eye contact, greet every customer who walks through our doors and trust your instincts. If something doesn't seem right, it probably isn't.</p>
<i>WHAT DO WE DO IN THE EVENT THAT WE ARE ROBBED?</i>	<p>New employees are issued a robbery packet with all of the necessary information inside. If you do not have a robbery packet, please contact the HR Department.</p> <p>Your training will include a section on security that will provide you with information on the Bank's security procedures.</p>

SAFETY, ACCIDENTS & ACCIDENT REPORTS

<i>WHAT TYPE OF SAFETY PRECAUTIONS ARE IN PLACE TO HELP PREVENT ACCIDENTS IN THE WORKPLACE?</i>	<p>The Bank makes every effort to ensure that employees have a safe environment in which to perform their responsibilities. Some of these include the following:</p> <ul style="list-style-type: none">✓ Having fire extinguishers available at every branch✓ Keeping work areas neat and orderly✓ No smoking inside Bank buildings; Smoking is only allowed in designated smoking areas on Bank premises – currently the stairwell on the north side of the Coeur d’Alene branch, by the dumpster at the Hayden branch, by the dumpster at the Post Falls branch, and on the northwest side of the branch in Kellogg.✓ We ask that when lifting heavy objects, you follow the proper procedures and use the appropriate number of persons to assist you✓ We ask that any unsafe or potentially hazardous conditions be reported to your supervisor immediately (wet and/or slippery floors, exposed wiring, defective equipment, etc.)
<i>I HAVE INJURED MYSELF WHILE WORKING. WHAT DO I NEED TO DO?</i>	<p>We ask that you notify the nearest available supervisor immediately. The supervisor will arrange appropriate first aid and/or arrange for transportation to a medical facility as necessary.</p>
<i>DO I NEED TO COMPLETE AN ACCIDENT REPORT?</i>	<p>Yes, you do. An accident report can be obtained from your supervisor or the HR Department. The report should be completed within two (2) business days of the accident and returned to the HR Department.</p>

DRUGS AND ALCOHOL

IF AN EMPLOYEE REPORTS FOR WORK UNDER THE INFLUENCE OF ALCOHOL, WHAT ACTION WILL BE TAKEN?

bankcda intends to provide a healthy work environment free of the harmful effects of drugs or substance abuse through our Drug-Free Workplace Policy. This policy requires the compliance of all employees with the following rules:

- ✓ Employees shall not manufacture, distribute, transfer, dispense, purchase, possess, use or be under the influence of any illegal drug while working, while on our property, while operating Bank vehicles or at any event we sponsor.
- ✓ Employees shall not distribute, possess, use or be under the influence of alcohol while working, while on our property, while operating our vehicles or at any event we sponsor where alcohol is prohibited.
- ✓ If the employee is convicted of violating a criminal drug law for acts committed while engaged in the employer's business, he/she must report this to **bankcda** management no later than five (5) days after the conviction.

Violation of these rules will result in disciplinary action up to and including immediate termination due to misconduct and may have additional legal consequences for the individual. In addition, **bankcda** may use the results of a drug or alcohol test conducted by a third party, including, but not limited to, law enforcement agencies, hospitals, etc., as the basis for determining whether an employee has committed misconduct. Where an employee is found to have consumed or is under the influence of alcohol or drugs at work, we reserve the right to require assessment, testing, and compliance with prescribed treatment and performance standards as a condition of employment or re-employment, in keeping with state and federal law. Voluntary efforts by the employee to seek professional help for a problem are encouraged. Please check the description of the Medical Plan for current benefits available for substance abuse treatment.

DOES BANKCDA DO RANDOM DRUG TESTING?

Applicants may be subject to alcohol and drug testing prior to employment. Employees may be subject to alcohol and drug testing for the following:

- ✓ Random
- ✓ Post-accident
- ✓ Return to duty
- ✓ Follow-up
- ✓ Reasonable suspicion.

When a **bankcda** supervisor, manager or other designated Bank official has reasonable suspicion to believe that a covered employee is in violation of one or more prohibitions set forth in this policy, then such employee will be notified that s/he must undergo a test to determine the presence of drugs and/or alcohol. Upon notification of such testing, such employee shall make himself/herself available to proceed to the nearest specimen collection site as soon as possible. An employee who tests positive for drug or alcohol, refuses to be tested, and/or adulterates or attempts to adulterate a test sample may be terminated for misconduct.

PERSONAL FINANCES

WHAT HAPPENS IF I OVERDRAW MY ACCOUNT AT BANKCDA?

The Bank expects our customers to meet their financial obligations and employees are no exception. Any employee that overdraws their account will be required to complete an “Employee Overdraft” form, which will be signed by the employee and their supervisor and forwarded to the HR Manager who will keep the memo in the employee’s personnel file. Employees **will be** charged the Bank’s standard overdraft fee. Employees who have an ongoing problem with overdrawing their account may be required to close their account at **bankcda**. If an employee overdraws their checking account three (3) times in a calendar year, it will automatically result in their account being closed.

Any employee that knowingly overdraws their account is guilty of a felony under the State Banking Law and may be subject to termination.

BUSINESS EXPENSE – TRAVEL, MEALS & ENTERTAINMENT

HOW DO I GET REIMBURSED FOR EXPENSES THAT I INCUR WHILE WORKING?

You will be reimbursed for business expenses that are incurred while performing your work if your supervisor approves the expense in advance¹. If you are required to travel in your personal vehicle for Bank business, you will be reimbursed at the current IRS mileage rate. Travel between home and work is not considered reimbursable.

To receive reimbursement for your business expenses you must complete an “Expense Report” form, via BankTel. You will be assigned a login and receive an instructional video to guide you through the process. In most instances, this process should be completed monthly and must be turned in, with supporting receipts² or other information attached, to your supervisor for approval. Supervisors need to ensure the expenses are valid prior to approval. Documentation on the Expense Report should include a brief comment on the purpose of the expense (i.e., How the expense contributes to further the business goals of the Bank). In the case of mileage, you would not have any receipt or bill, but must record your travels and the accompanying miles for each trip on the expense form. Once approved, it will automatically be forwarded to Accounts Payable and you will be reimbursed.

¹Expenditures must be allotted for in the annual budget unless otherwise approved. All expenditures of \$500 or more are to be discussed at the executive level prior to incurring the expense. Travel, meal and entertainment expenses for an employee’s spouse are not usually reimbursed. Spouse expenses require pre-approval of the Bank’s Executive Committee or Board of Directors’ Compensation Committee.

²All requests for expense reimbursement over \$50.00 **MUST** be accompanied by a receipt or no reimbursement will be given.

DONATIONS

HOW DO I HANDLE REQUESTS FOR DONATIONS?

The Bank is often asked to contribute to the community. Annually, the Bank plans for and allocates a certain dollar amount for such contributions. Typically, the Bank's business group leaders submit a projected amount. Once a contribution has been pre-approved, it does not need to be reapproved at the time of the request; however, the date the request was pre-approved should be noted on any submitted check request or invoice. Expenditures of \$250 or more are to be discussed at the donation committee level. To avoid duplication and ensure contributions are consistent with the Bank's goals, all donation requests should be routed through the Bank's donation committee which is led by the CFO.

To generate a check to the person/organization to whom a donation is being made (once the expense has been pre-approved), you must complete a "Check Request" form found in the Forms folder in the **bankcda** Library on the Bank's shared drive. The request must be turned in, with supporting documents¹, to your supervisor for approval. Once approved, the request should be forwarded to Accounts Payable.

With regards to donations of goods (e.g., gift baskets) that have been pre-approved, employees must document who will receive the goods, what will be included in the donation, the cost and how the donation contributes to further the business goals of the Bank. Once approved, the documentation should be forwarded to Accounts Payable.

¹Supporting documents include letters/promotional material from the individual/organization requesting the donation and a brief comment on how the donation contributes to further the business goals of the Bank (can be designated under "Reason for Request" on the "Check Request" form).

JOB POSTINGS

*WHAT IS **BANKCDA'S** POLICY
ON POSTING JOBS WITHIN
THE BANK?*

A major objective of **bankcda** is to provide a work environment for you that promotes career growth and opportunity for advancement. Job postings are intended to communicate information about job openings to all employees and provide the means to transfer employees laterally or to promote them to positions which are suited to their interests, abilities and personal career goals.

ARE ALL JOBS POSTED?

Most positions will be posted; however, exempt positions may not be posted.

*ARE THERE ANY
RESTRICTIONS ON WHO CAN
APPLY FOR A JOB?*

Every job posting will have both an explanation of job duties and a list of requirements. We ask that you be able to fulfill the requirements that are posted prior to applying for the job. We require that you be in good standing in your current position; therefore, persons on probation are not eligible to apply. You must also have been in your current position for a minimum of six (6) months. In the event that no qualified internal applications are received, **bankcda** may elect to open the posting to individuals that have been in their current position less than six (6) months.

*WHAT IS THE PROCEDURE
FOR JOB POSTINGS?*

1. The supervisor with an opening first must submit a request to the HR Department.
2. If a qualified replacement is not available within the department, the HR Department will post the position internally for five (5) working days. Job postings will be posted on the bank's Intranet Site for all employees to see. Employees interested in applying should contact their immediate supervisor and the supervisor of the new position.
3. The supervisor of the new position will review the applicant's records and qualifications. If deemed suitable, the employee will be interviewed by the supervisor of the new position.
4. The supervisor of the new position will make the hiring decision and, if an internal applicant is chosen, notify the employee, the employee's current supervisor and the HR Department. A mutually acceptable transfer date will be arranged.
5. If no suitable candidate can be found internally, we will look outside the Bank for a replacement.
6. The supervisor of the new position will notify candidates not selected.

REHIRING FORMER EMPLOYEES

*I PREVIOUSLY WORKED FOR
BANKCDA AND WOULD LIKE
TO BE CONSIDERED FOR
EMPLOYMENT AGAIN. DO
YOU REHIRE FORMER
EMPLOYEES?*

Employees who voluntarily resign may be eligible for re-employment. All applications will be reviewed and considered on an individual basis.

For purposes of benefits and seniority, former employees that return to **bankcda** are considered new employees, except where required by law.

EMPLOYMENT OF MINORS

*I AM NOT YET 18 AND WISH
TO BE EMPLOYED BY
BANKCDA. DOES **BANKCDA**
EMPLOY INDIVIDUALS UNDER
THE AGE OF 18?*

The Bank will consider employment of individuals under the age of 18 provided all State and Federal legal requirements are met.

EMPLOYMENT OF RELATIVES

*I AM CURRENTLY EMPLOYED
AT **BANKCDA** AND THERE IS
AN OPENING THAT MY
COUSIN WOULD LIKE TO
APPLY FOR. CAN WE BOTH
WORK AT **BANKCDA**?*

To avoid real or perceived favoritism or conflicts of interest, and to promote a professional merit work environment, it is our intent to prohibit the employment of relatives where legally permissible, and restrict it to the fullest extent otherwise.

- ✓ No spouse or relative may be employed without written approval of the President.
- ✓ No spouse or relative may be employed in a management position without the written approval of the Board of Directors.
- ✓ Where the status of a relative or spouse arises post-employment, the parties will be given ten (10) business days to decide which one will seek other employment conforming to the applicable policy. If unable to resolve the situation in that time, the employer may make a determination to terminate based on valid business necessity considerations and not on gender or other prohibited discriminatory reasons.

Nothing in this policy shall be construed so as to discriminate against any person due to that person being of single, divorced, married or unmarried status.

LAY OFFS

*I WAS RECENTLY LAID OFF.
WHAT CRITERIA WERE USED
IN DETERMINING THIS?*

Many different reasons could cause the Bank to lay off an employee. These may include, but are not limited to the following:

- ✓ Lack of work
- ✓ Disruption of work due to mechanical failure or an act of nature

In determining the order for lay offs, many factors may be considered including the following:

- ✓ Position
- ✓ Qualifications needed by the Bank
- ✓ Performance
- ✓ Length of service

*HOW ARE MY BENEFITS
AFFECTED BY MY LAY OFF?*

VACATION: You will be paid for time earned and not yet taken.

LIFE INSURANCE: Continues through the last day of the current month.

DISABILITY INSURANCE: Ends on last day of employment.

MEDICAL / DENTAL / VISION INSURANCE: Continues through the last day of the current month.

EXIT PROCESS

*I AM LEAVING THE BANK'S
EMPLOYMENT. WHAT DO I
NEED TO DO PRIOR TO
LEAVING?*

To give notice of your intent to leave the Bank's employment we ask that you submit your resignation in writing to your supervisor as soon as possible. It is customary for employees to give two (2) weeks notice and we would ask that officers provide three (3) weeks notice.

On your last day of work your supervisor will sit down with you and go through a checklist of items which may include the following:

- ✓ Returning any keys or equipment to the Bank's premises
- ✓ Obtaining a current mailing address for purposes of mailing your W-2 at the end of the year
- ✓ Information concerning your employee checking account and how to transfer it to a regular account
- ✓ Returning Bank credit cards and other Bank property

In addition, you will be given an "Exit Interview" form and asked to complete it. We use the information you provide on this form to help make improvements on policies and procedures and to give you an open forum to discuss your reason(s) for leaving the Bank. We ask that you be honest and fair in your assessments. To help ensure confidentiality, you will be given a postage-paid envelope in which to return your form to the HR Department or a supervisor, manager or officer of **bankcda**.

If you received benefits while employed at **bankcda**, you will also receive either at your exit interview or shortly thereafter a letter with information regarding your benefits. You will be told when your current coverage ceases and the steps necessary to continue your coverage beyond that date and the associated costs.

PERFORMANCE PROBLEMS

IN THE EVENT THAT THERE ARE PERFORMANCE PROBLEMS, WHOSE RESPONSIBILITY IS IT TO ADDRESS THE PROBLEMS?

It is the responsibility of **bankcda's** management to identify performance problems and take appropriate steps to assist employees in correcting the performance deficiency. Questions or problems pertaining to work in a specific department should normally be handled within that department. There are some instances when the HR Department should be involved; the HR Department will be available to assist in those instances at either the employee's or the supervisor's request.

WHEN A PROBLEM HAS BEEN RECOGNIZED, WHAT SHOULD OCCUR?

Unacceptable performance and/or behavior should be addressed immediately and in a constructive manner. Observations of poor performance should not be stored up and administered all at once. Instead, corrective action should address individual problems as they occur in a direct and constructive manner.

WHAT STANDARDS OF PERFORMANCE IS AN EMPLOYEE EXPECTED TO MEET?

Adherence to all policies discussed in this Manual and the other policy and procedure manuals of the Bank as well as job descriptions and other specific job expectations communicated to you.

Violation of the Bank's Code of Ethics, Statement of Confidentiality, or Code of Conduct will be treated as separate issues, which may result in immediate termination.

UPON REALIZING THAT AN EMPLOYEE IS NOT MEETING THE ABOVE-MENTIONED STANDARDS WHAT STEPS SHOULD BE TAKEN?

The following steps should be taken to address performance problems:

1. The department supervisor should verbally warn the employee that a problem exists and must be corrected immediately or further disciplinary action may be taken.
2. If an employee continues to fail to meet the standards, the supervisor will issue a written warning. **All written warnings must be submitted to the HR Department prior to being given to the employee.** The written warning should state that the employee was verbally warned and include dates and specifics concerning the verbal warning as well as the facts involved in the second incident. This written warning should include the following statement: **There must be immediate and sustained improvement in the employee's performance or further disciplinary action may be taken.** Both the supervisor and the employee must sign the form. The employee should understand that by signing the form they are not necessarily agreeing with the information contained in the warning, only that the contents have been reviewed. If the employee refuses to sign the written warning, the supervisor will write "Employee refuses to sign" at the bottom and sign and date the statement. The original copy of the written warning must be forwarded to the HR Department.
3. If the employee continues to fail to meet the standard, the supervisor and HR Department will meet to discuss the problems resulting from the employee's inability to meet the standard on an individual basis to determine if termination is appropriate.

ACKNOWLEDGEMENT

Acknowledgement of Receipt and Understanding of Personnel Manual

My signature below shall acknowledge and certify that I have received, read and understand the Personnel Manual ("Manual") as approved by the Board of Directors on the date indicated above, a copy of which has been provided to me. I also understand that the Manual contains important information on **bankcda's** general personnel policies and on my privileges and obligations as an employee. I have familiarized myself with the material in the Manual, I understand that statements contained in the Manual are not a contract and that my employment with **bankcda** is at-will. Finally, I clearly recognize and understand that the Manual may be changed by **bankcda** at its sole and absolute discretion at any time with or without prior notice. I have been informed that this Manual supersedes any and all prior Manuals issued.

Employee Signature

Print Name

Date