

Termination

1.0 Policy

It is the company's objective to make the separation from employment (both voluntary and involuntary) as amicable as possible for both the employee and Ultra Tech. It is preferred that the terminating employee take with him/her into the community a feeling of goodwill toward the Company regardless of how satisfactory or unsatisfactory his/her performance may have been. Company-initiated actions will ensure fair and consistent treatment of all employees without regard to race, color, religion, sex, age, national origin, or disability.

2.0 Scope

All employees.

3.0 Guidelines

Termination is either employee-initiated (voluntary) or Company-initiated (involuntary) and generally will be classified by Ultra Technologies, Inc. as one of the following types:

Resignation is a permanent voluntary separation initiated by the employee. Employees are requested to provide their supervisors with advance, written notification of their intent to resign. Exempt employees who have completed probationary periods are expected to give three to four weeks of notice, and non-exempt employees two weeks of notice. Supervisors must forward written resignations to the Human Resources Department, whereupon exit interviews will be scheduled.

Dismissal is a permanent involuntary separation initiated by Ultra Tech because of the employee's inability to meet acceptable job performance or workplace standards. Except for employees who have not completed probation, dismissal should occur only after efforts have been made to obtain improved work performance. (Reference [Progressive Discipline](#) policy.) Supervisors are responsible for keeping the Human Resources Department aware of situations which may lead to dismissal. Supervisors, with the approval of the Human Resources Manager, are also responsible for advising employees of dismissal.

Layoff is a separation from Ultra Tech through no fault of the employee. Employees may be dismissed when a position is abolished or because of economic constraints, such as budget deficits or a lack of federal contracts. Ultra Tech will provide as much notice as possible, but generally at least two weeks of notice of impending layoff to support staff and four weeks to professional staff will be given. Employees may be transferred within Ultra Tech to appropriate positions commensurate with their skills and qualifications. Employees may choose to fill temporarily an available position or lower salary until such time as an appropriate opening occurs.

Should no appropriate position become available or should the employee choose not to fill temporarily a position at a lower salary, the employee will be given notice of last day of employment. During this time, the Human Resources Department staff will counsel the employee regarding job alternatives and assist the employee in organizing a job search when possible.

Discharge for misconduct is a permanent immediate separation by Ultra Tech for employee conduct detrimental to the Company, including, but not limited to: theft of personal or Company property; vandalism of Company property; deliberate falsification of records; insubordination; intoxication; the possession, use, or dispensing of illegal drugs; unexcused or excessive absences from work; and negligence of duties.

4.0 Exit Interview

The immediate supervisor, in conjunction with the Human Resources Department, will schedule exit interviews for employees terminating employment and will arrange for the debriefing of employees who hold government clearances. Exit interviews will be used to inform employees of the status of their benefits, final paycheck, possible eligibility for unemployment compensation, and to clarify reasons for termination. In addition, Ultra Technologies, Inc. always is interested in receiving information which may be helpful in the future to improve working conditions.

5.0 Status of Benefits

Final paychecks will be provided in the normal payroll cycle except where prohibited by state law. Accrued annual leave may be paid in a lump sum not more than two weeks after termination. Accrued sick leave will not be paid upon termination of employment.

Short- and long-term disability insurance cease on the last day worked.

Health, life and dental insurance cease on the last day worked. Life insurance may be converted to a private policy within 31 days of the date of termination. In addition, as a result of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), if employment terminates for any reason other than "gross misconduct", the employee and/or eligible dependents may continue group coverage for an extended (18 month) period of time. The terminating employee and/or eligible dependent is responsible for paying the monthly premium for the extended benefit.

Travel accident insurance ceases on the last day of work.

6.0 Severance Pay

Severance pay is designed to provide those employees who are terminated, through no fault of their own, with some assistance during their initial financial hardship of joblessness.

Examples of situations under which severance benefits will not be paid include: voluntary resignation, discharge for poor performance, discharge for misconduct, and termination at the conclusion of a disability leave of absence.

Situations which may warrant payment of severance benefits include: permanent layoff for economic reasons, elimination of a position, or payment in lieu of notice (special circumstance).

In order to receive severance pay employees must complete their probationary period. Generally, severance benefits will be paid according to the employee's length of service:

- ?? One but less than two years of service -- one week of severance pay;
- ?? Two or more years of service - two weeks of severance pay.

Special circumstances, such as termination/cancellation of a contract with an Ultra Tech customer, may warrant payment of up to two weeks of severance benefits. Payment of all severance benefits is at the discretion of management.

7.0 Rehire

Former employees who apply for reemployment after voluntary separation will be considered on the same basis as any other applicant. Employees who are discharged for just cause are not ordinarily eligible for rehire. Employees who have been laid off from Ultra Tech will be given special consideration for rehire should positions become available for which they are qualified. If the period of prior employment is greater than the period of time that has elapsed since termination, prior service will be reinstated with past service credit.

An employee laid off because of reduction in staff, if rehired within 90 days, will retain the original employment date.

In all cases, Ultra Technologies reviews an employee's prior work performance, tenure, and adaptability for rehire consideration without regard to race, color, religion, sex, age, national origin, or qualified disability.