POLICY

It is the policy of Pike to ensure employee terminations are handled in a professional manner with minimal disruption to ongoing work functions. Employees of Pike are employed on an at-will basis, and the Company retains the right to terminate an employee at any time.

SCOPE

This policy applies to all full-time and part-time employees.

RESPONSIBILITIES

Supervisor

Supervisors are responsible for reporting to Human Resources an employee’s notification of termination and involuntary terminations. Supervisors are also required to collect any Company property (i.e. cell phones, fuel cards, purchasing cards, keys, computers, etc.) from employees and submit the employee’s last time sheet to the Payroll Department.

Employees

Employees who decide to voluntarily leave the Company are responsible for providing adequate notice to their Supervisor. Employees also have continuing obligations, as provided under law and in agreements executed by the employee prior to and during their employment with Pike and its predecessors, including but not limited to adherence to the Company’s Code of Conduct and Confidentiality policies, and employee’s obligation not to disclose confidential information (“Confidential and Sensitive Information”) of the Company. More specifically employees have obligations to maintain the confidentiality of any and all materials, documents, policies, procedures, work tools, practices and other information to which employees were exposed or to which employees gained access during employment with Pike; an obligation to assign and transfer complete title to any documents, materials, computer programs, enhancements, improvements, know-how and inventions developed, conceived or first reduced to practice during or as a result of employment with Pike; and an obligation not to use any such information or inventions other than in support of employee’s continuing obligations to Pike.
Employees who leave the Company have the responsibility of notifying the Human Resources Department at 1-800-343-7453, Ext: 4458 of any address changes.

**Human Resources**

The Human Resources Department is responsible for maintaining employee records in the Human Resources Information System (HRIS). Human Resources also has the responsibility to notify other departments of employee terminations when required to ensure system access has been closed and Company property is collected. Separation notices will be sent to employees, where required by state law.

**Payroll Department**

The Payroll Department is responsible for final payment to employees and for adherence to any federal and/or states laws pertaining to an employee’s final pay check.

**SPECIFIC GUIDELINES**

There are three types of terminations:

- Voluntary
- Involuntary
- Death

**Voluntary Termination**

Voluntary termination of employment occurs when an employee informs their Supervisor of resignation, or termination is deemed to have occurred when an employee is absent from work for three consecutive workdays and fails to contact his or her Supervisor (job abandonment).

Employees are expected to provide a minimum of two weeks’ notice of their intention to terminate employment in order to allow a reasonable amount of time to transfer ongoing work. It is expected that verbal or written notification be provided by the employee to the employee's Supervisor.

Upon receipt of an employee's resignation, the Supervisor must notify Human Resources by sending a completed and signed Employee Status Form.
Retirement

Employees who wish to retire are required to notify their Supervisor and the Human Resources Department at least one (1) month before the planned retirement date.

Involuntary Termination

An involuntary termination of employment is a management-initiated dismissal. The inability of an employee to perform the essential functions of the job with or without a reasonable accommodation may also result in an involuntary termination.

Discharge may be for any legal reason such as misconduct, tardiness, absenteeism, unsatisfactory performance, inability to perform. In some cases progressive discipline may be used, prior to termination, to correct a performance problem. However, certain types of employee misconduct are so severe that one incident of misconduct will result in immediate dismissal without prior use of progressive discipline.

Any employee on leave of absence, regardless of the reason, for six (6) months or more will be terminated.

Employees on layoff status for 90 continuous days will be terminated.

Reinstatement

Employees who were terminated because work was not available but are rehired within six (6) months of their termination date will have holiday pay, insurance and 401 (k) benefits reinstated on their first day back at work. Vacation and PTO benefits will be reinstated according to the following:

- Employees who are in a vacation and holiday plan will have their years of service with the Company reinstated and eligible to receive paid vacation after they have crossed over their last anniversary date.
- Employees who have been grandfathered into a vacation and holiday plan will be reinstated to the plan and begin accruing immediately.
- Employees who are in a PTO plan will be reinstated according to the policy.

Deceased Employees

A termination due to the death of an employee will be made effective as of the date of death.
Upon receiving notification of the death of an employee, the Supervisor must notify Human Resources using an Employee Status Form.

**Final Pay**

An employee who resigns or is discharged will be paid through the last day of work, less outstanding loans, advances or other agreements the employee may have with the Company.

Final pay due, upon the death of an employee, will be paid to the deceased employee’s estate.

**Status of Benefits**

All benefit coverage ceases upon termination of employment. The following benefits do not contain any continuation provision:

- Short Term Disability
- Long Term Disability
- Accidental Death & Dismemberment

**Flexible Spending Account**

If an employee has been contributing to the Flexible Spending Account (FSA), their contributions will stop when employment ends. Employees may collect reimbursement only for expenses incurred while the employee was contributing to the plan. Employees have the opportunity to continue contributions on an after-tax basis through COBRA until the end of the current plan year. The rates for continuing FSA will be included in the COBRA mailing that is sent out to the employee when a termination occurs.

**Employee Life and Dependent Life Insurance**

Coverage under these plans will cease at midnight on an employee’s last day worked. Employees may continue these plans by contacting Pike’s Human Resources Department directly and requesting portability. Employees must request portability within 31 days after termination. Premium for the coverage must also be paid within 31 days after termination. If an employee is interested in porting these coverages, call Pike’s Human Resources Department directly at 866-621-2504.

**Accident, Critical Illness and Whole Life Insurance**

Coverage under these plans will cease at midnight of the employee's last day worked. Employees may continue these plans by contacting the carriers and requesting appropriate forms:
The Pike Electric, Inc. 401(k) Plan

The value of an employee’s contributions, including any interest and gains, is always the employee’s. The value of the Company match “vests” according to an employee’s years of service. After employees have attained three (3) years of service (based on an employee’s anniversary date), they are considered fully vested.

Prudential Retirement holds the employee’s account and will provide an informational letter approximately two weeks following the last paycheck from Pike. Withdrawal options include the following:

1. Full distribution paid directly to employee.
2. Direct rollover into a qualified plan with another employer or financial institution.
3. Leave the account balance with Prudential if the account balance is $1,000 or more.

Prudential will also provide the potential impact of federal and state taxes, including any potential early withdrawal penalties, according to the withdrawal method.

Outstanding loan balances from the Pike Electric, Inc. 401(k) Plan are due and payable upon 90 days following an employee’s last day of employment. If the loan is not paid within the 90 days, the loan becomes taxable. Taxes are applied according to the requested withdrawal method.

Employees who have questions regarding their options may call Prudential Retirement toll free at 877-778-2100 or access their account at www.prudential.com.

Employee Stock Purchase Plan

Participation in the Employee Stock Purchase Plan will automatically discontinue upon termination from Pike. Employees will be refunded any dollars contributed that have accumulated during the current quarter that have not been used to purchase shares. Any shares purchased in previous quarters are held with Smith Barney. Employees may sell those shares at any time by contacting Smith Barney directly at 800-367-4777.
Vacation

Employees, with two week’s notice may be entitled to receive pay in lieu of any unused accrued vacation, in accordance with the Company’s vacation policy, through the date of the employee’s separation. The Payroll Department, in accordance with applicable state laws, will make payment for such unused vacation. Accrued vacation, if applicable, may be withheld pending settlement of the employee’s personal account except where prohibited by state or local law.

COBRA

Shortly after an employee’s termination date, the employee will receive COBRA information advising of their right to continue plans, and the monthly cost. Although employees have 60 days to respond to the mailing, the employee’s coverage will not be in effect until their COBRA premiums have been received. A Certificate of Group Health Plan Coverage will be included in the mailing. This should be used as evidence for future health insurance carriers of prior coverage to reduce or eliminate pre-existing conditions. COBRA will not be available if the termination was a result of gross misconduct.

Unemployment Compensation

Unemployment Compensation benefits provide temporary and partial wage replacement to employees who become unemployed through no fault of their own.

Unemployment Compensation benefits are paid, for a limited time, to individuals who are able and available for suitable work, and are actively seeking new employment. The award of Unemployment Compensation benefits is decided by authorities in your state based on the information the employee supplies when they file for benefits, and information collected from Pike. The award of these benefits is not decided by Pike.

Unemployment Compensation benefits are state rendered and state laws have certain criteria for determining eligibility and procedures to follow with regard to filing for unemployment benefits.

Employees should reference their state’s guidelines for unemployment compensation regarding specific details and provisions surrounding application, eligibility and collection of benefits. For assistance in applying for unemployment benefits, please reference the state(s) in which you worked via www.dol.gov or by calling 1-866-4-USA-DOL.