

Memo

To: Mallory & Evans Service Team

From: Bill Flynn

Date: 03/15/13

Re: New Cell Phone Policy

Mallory & Evans Service recently contracted with Schooley Mitchell Telecom Consultants, a Unified Group Partner, to reduce costs for our cell phone services. We will continue purchasing our cellular services (and phones) through Verizon, but through this agreement we will receive more services at lower costs. Specifically, we will receive **unlimited voice minutes, unlimited text messaging (including text, picture, and video messaging), and a reduced cost data package to be shared collectively among the smart phone and tablet users in the company. The new monthly rate per employee for this plan is \$50.00 for smart phone users, \$30.00 for basic phone users, and \$20.00 for tablet users...**a significant savings to the company. While we do not have any tablet users at present, it is our plan to use tablets when we implement our planned field automation. When we take that step, our field communication package will most likely consist of a basic phone & tablet combination.

Based on these new services and rates, our new cell phone policy is defined below. The option to purchase your own phone and get reimbursement from the company will still be available, but reimbursements will reflect our new monthly rate structure. As technology, services, and rates evolve, we will modify this plan to improve our competitiveness and value in the marketplace.

- 1) **Cell phone equipment reimbursement:** This part of our policy remains unchanged. Each employee will be allocated \$100 every two years to purchase a phone. Any cost over this amount (whether for purchasing an enhanced phone or replacing a damaged/lost phone) during the two year period will be the responsibility of the employee. Any of the \$100 allocation not used on an initial phone purchase will be available to offset the cost of replacing a lost or damaged phone during that period.
- 2) **Company Plan users:** Each employee will have an assigned usage plan (smart phone, basic phone, or basic phone & tablet) based on the functionality requirements of the employee's job responsibilities. The Company will cover the cost of usage services for those employees who enroll under their assigned usage plan. Employees may purchase services under the Company Plan above their assigned usage plan and have those costs deducted from their pay check. Example: if you are assigned the basic phone usage plan, you may upgrade to a smart phone by paying \$20.00 per month. Please note that employee family members are not eligible to enroll in the Company Plan.
- 3) **Personal plan users:** If an employee opts to purchase their usage services outside the Company Plan, the Company will reimburse the employee at their assigned usage plan monthly rate of \$30.00 for basic phone services, \$50.00 for smart phone services, and \$50.00 for basic phone & tablet services. To protect those employees enrolled in the old reimbursement plan, those employees will have two options: 1) the Company will pay for the cost of canceling their existing phone contract (must provide proof of cancellation fee), provide the standard \$100 phone

allocation for a new phone, and enroll them under their assigned usage plan; or 2) continue with their personal plan and be reimbursed at the new rates stated above. New reimbursement rates will be effective May 1, 2013.

For those who want a cell phone and cell phone services at the lowest possible cost, you should:

- 1) purchase the lowest cost phone that gives you the functionality the Company requires in your position,
- 2) take care of your phone to make it last two years,
- 3) enroll in the Company Plan, and
- 4) use only those services provided under your assigned usage plan.

If you follow the plan above, your cell phone and phone service will be no cost to you. If you decide to purchase an enhanced phone, or if you lose or damage your phone, or if you purchase enhanced usage services, you may incur costs greater than what the Company covers under this plan.

If you have any questions, please let me or Glenn know.

Bill