

## U.S. Domestic Relocation Policy



### Introduction

Congratulations on your decision to relocate! We hope that your relocation will help advance your personal and professional growth. While it is an exciting time, it can also be a very stressful time. COMPANY X realizes that your decision affects your entire family. That is why we are going to assist you throughout the process.

While we are committed to helping you in any way possible, we are asking that you share the responsibility by making every effort to effectively manage expenses encountered during the process. This simply means that you strictly adhere to the relocation policy and communicate and cooperate with those who are helping you throughout this process.

We have contracted with ARC Relocation (ARC) to assist you throughout your relocation. ARC is a global relocation management and consulting company that has helped thousands of relocating families. You will be assigned an experienced Relocation Counselor to provide guidance and to act as your advocate throughout your relocation.

**\*Please remember to contact ARC before you do anything on your relocation.  
ARC can be reached toll free at 866-697-3561 Monday – Friday 8:30am – 5:30pm EST \***

### Eligibility

To be eligible for this relocation policy you must meet the following criteria:

- ✓ You must be a regular, full-time current or newly hired Associate of COMPANY X.
- ✓ You have received a request from COMPANY X to relocate. Associate-initiated relocations are NOT eligible for relocation benefits.
- ✓ You must be a full-time Associate in the new location for at least 39 weeks in the 12-month period immediately following the date of relocation.
- ✓ You must move within a reasonable distance of your new job site
- ✓ You must meet with a member of COMPANY X's HR team to review the relocation policy and program before accepting the move. At that time, you will need to sign your acceptance of the relocation.

Relocation assistance is provided to you and your family members who permanently reside with you and who will reside with you in the new location. If your spouse or domestic partner is also a COMPANY X Associate being transferred, only one set of relocation benefits will be provided.

### Repayment Agreement

The costs that COMPANY X will incur as a result of this move are extensive. For this reason and to be sure we have your commitment to the new position, we require that you sign a Repayment Agreement, which stipulates that you will repay all or a pro-rated portion of the costs should you voluntarily terminate employment with COMPANY X within a 1 (one) year period. The Repayment Agreement (attached as Appendix A) must be signed and returned to the Relocation Department prior to implementing any relocation services.

## Policy Administration

ARC Relocation will administer your relocation benefits. A qualified Relocation Counselor will contact you to review all aspects of the benefits and help to get the relocation started in a positive direction. Your ARC Relocation Counselor will serve as your advocate and “go to” person throughout the process.



**It is important to note that you are *required* to speak to your ARC Counselor PRIOR TO making any plans or talking to real estate agents, either in the old or new location. This will ensure that your best interests, as well as those of COMPANY X are met. ARC will issue all reimbursements and payments, and coordinate the services the Company has authorized.**

## Your Responsibilities

Your cooperation throughout the process will help ensure that your move is handled with the least inconvenience as possible. Specifically, we ask that you:

- ✓ Refrain from contacting a real estate broker or listing your home with an agent. ARC will recommend pre-qualified brokers who are trained and experienced in corporate relocation transactions. They will recommend brokers for both selling your current home and purchasing a home in the destination location.
- ✓ Sign and return the Relocation Payback Agreement.
- ✓ You should retain receipts and other documentation to verify relocation expenses and to support payments made to you by COMPANY X.
- ✓ Should you receive an offer on the sale of your home, DO NOT sign anything or accept any monies as this may affect the taxability of our reimbursements to you. Simply contact your ARC Relocation Counselor and he or she will instruct you on how to proceed. ARC ensures that you will have after-hours access to your Relocation Counselor or a designated representative at all times.
- ✓ Please comply with all timelines spelled out in this policy and in the instructions you receive from your ARC Relocation Counselor.
- ✓ Please prepare and submit expense reports within 30 days of incurred expense.

## Expense Reimbursement

Most ordinary expenses involved in relocation are covered under this policy either by a direct payment to a supplier or through the reimbursement of relocation expense reports that you submit. Because of potential tax implications, you must submit your covered out-of-pocket costs either through our expense portal or via e-mail. ***It is very important that the expenses on this report are strictly related to the relocation vs. other business expenses.*** Your ARC Counselor will provide you with instructions for completing these forms on-line at: <http://www.arcrelocation.com> and will also provide you with hard copy Relocation Expense Reports upon request. It is also important that you retain records of your receipts and expenses.

## Relocation Benefits at-a-Glance

<b>Eligibility</b>	Regular, full-time current or newly hired COMPANY X Associates
<b>Home Marketing Assistance</b>	2 independent, relocation trained and certified, top producing agents will meet with you a tour home. Within 48-72 hours they will each provide a detailed report called a Broker Market Analysis. Your dedicated Counselor will review this with and assist with formulating list price and market strategy.
<b>Home Sale Program</b>	Buyer Value Option Home Sale Program (through ARC), which covers all reasonable and customary home selling costs. This program is a tax vehicle; the home sale closing costs will not be considered income to you (reducing the possibility of being pushed into the next tax bracket).
<b>Home Finding Trips</b>	Employee and spouse/domestic partner only. Renters -1 trip 4 days/ 3 nights Homeowners – 2 trips for a total of 7 days/6 nights Reasonable and actual meals, lodging, transportation, and rental car. Limitations apply.
<b>Home Search Assistance</b>	Whether renting or purchasing, a relocation trained real estate professional with local expertise will assist with finding and negotiating the perfect home.
<b>New Home Closing Costs</b>	Covered costs - Loan Origination Charge
<b>Rental Assistance</b>	Lease cancellation up to 2 months' rent. One day rental tour in destination location
<b>Temporary Housing</b>	Renters – up to 30 days Homeowners – Up to 90 days Rental car up to 14 days
<b>Return Trips in Temporary Housing</b>	1 return trip for employee to pack and load household goods
<b>Movement &amp; Storage of Household Goods</b>	Packing, loading, transporting, and insurance Reasonable and normal crating Appliance service and debris removal Shipment of up to 2 vehicles if over 500 miles Storage: Renter – up to 30 days, Homeowner – up to 90 days
<b>Final Move Costs</b>	Covered costs include transportation, meals and lodging for the Associate and household members (subject to daily maximums)
<b>Miscellaneous Relocation Allowance</b>	\$7,500 paid at outset of relocation (taxes will be withheld- see policy)
<b>Tax Gross-up Assistance</b>	Gross up will be calculated at the marginal rate.

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## DEPARTURE SERVICES

### Home Marketing Assistance Program



**In order to be eligible to receive certain benefits, and to ensure the highest level of service in the most cost effective manner, you must not enter into any binding agreements with brokers before contacting your ARC Relocation Counselor. Contact ARC at 866-697-3561.**

**COMPANY X** will provide you with professional assistance on how to market your home to ensure optimum success. **Do not contact a Realtor before talking to your ARC Relocation Counselor.** Your ARC Counselor will recommend a broker that is experienced in working on corporate relocation transactions and the specific requirements of these transactions. They recommend only those brokers who have a proven track record of market knowledge and sales success. Your ARC Relocation Counselor will recommend brokers who are familiar with the nuances of a corporate relocation transaction and who have been trained in ARC's service delivery expectations. In addition to ensuring top-of-the-line service delivery to you, ARC Relocation collects referral fees from these brokers, which offsets relocation costs for COMPANY X.

If you do not list with a company-approved real estate broker, your relocation benefits may be reduced to cover the additional cost to COMPANY X.

ARC requires its brokers to meet the following standards:

- ✓ Brokerage must have a Relocation Department or proven relocation-related experience.
- ✓ Real Estate firm must have no interest (actual or contemplated) in the company, departure property, or home to be purchased or sold, including any business or family relationship with the owners of the properties.
- ✓ Broker must have a proven track record in the selling community. ARC tracks list price to sales price ratio, number of current listings and number of recent sales.
- ✓ Broker will be required to provide a industry high-level of marketing for your home (internet, print and grass roots).Your counselor at ARC will provide more details.

Your Counselor will contact two qualified brokers in your area and ask them to complete a Broker's Market Analysis (BMA) on your home, which will include suggested marketing tips, competing listing information and recent sales in the neighborhood. Based on the data they gather and their knowledge of the marketplace, they will provide a most probable sales price range. Your ARC Counselor will review and analyze the market data contained in the BMA's to help you formulate a competitive list price and marketing strategy to achieve the highest possible sales price within a reasonable timeframe. If the recommended list price indicated by the BMA's are not within 5% of each other, a third BMA will be ordered and the two closest will be used to formulate listing and marketing strategies. You and your ARC Counselor will work with the agent you select to list and market your home and identify potential buyers. You will receive continuous feedback and updates on marketing activity throughout the process. To assist with a successful sale, COMPANY X requires that you:

- ✓ Use an agent or broker who has been qualified by ARC. If you have a preferred agent, please submit the name of that agent for qualification and consideration, realizing that you cannot list the house with a relative or friend as this may cause a conflict of interest.
- ✓ List the home for sale at a price that does not exceed 5% of the most probable sales price based on the average of the 2 Broker Market Analyses (BMA).
- ✓ Allow reasonable showings and allow open houses as suggested and maintain the home in marketing condition

## DISCLOSURE

Real estate transactions are governed by laws and regulations designed to protect the interests of both sellers and buyers. Every home seller has certain duties and obligations to a buyer, including full disclosure of all pertinent information about the condition of the home and its surroundings. In this regard, you can protect both yourself and COMPANY X from potential litigation by the timely and thorough completion of all forms and documents pertaining to the

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condition of the property. It is not the intent of COMPANY X to relieve you of your duties and obligations including completing all necessary repairs and full disclosure. You will be asked to complete property disclosure forms for the real estate agent and for ARC. You must complete and return these forms at the beginning of the listing period.

### **Listing Your Home**



**An Exclusion Clause must be included in the listing agreement. Failure to include the clause in the listing agreement will jeopardize your participation in the Buyer Value Option Program. The following language must be in your listing agreement with the real estate broker:**

***This listing agreement is subject to the following provisions:***

***It is understood and agreed that regardless of whether or not an offer is presented by a ready, willing and able buyer:***

- 1. No commission or compensation shall be earned by, or due and payable to, broker until the sale of the property has been consummated between seller and buyer, the deed delivered to the buyer and the purchase price delivered to the seller, and***
- 2. The seller reserves the right to sell this property to ARC Relocation, LLC ("ARC"), or its nominee, or any company or Partner at any other time. Upon the execution by ARC and me (us) of a contract of sale with respect to the property, this listing agreement shall immediately terminate without obligation on my (our) part or on the part of ARC to either pay a commission or to continue this listing.***
- 3. A referral fee is due and payable at closing from the listing real estate brokerage to ARC Relocation, LLC.***

### **Buyer Value Option (BVO) Home Sale Program Overview**

The sale of your home at the best possible price and within the shortest amount of time is probably one of your main concerns. COMPANY X wants to help accomplish this goal since it benefits us as well as you because it expedites your relocation and keeps costs to a minimum.

If you are a homeowner, COMPANY X offers a comprehensive program through ARC to assist in marketing and coordinating the sale of your residence to a qualified outside buyer. COMPANY X will pay all reasonable and customary expenses associated with selling and closing your home.

### **Homes Eligible for the BVO Program**

To qualify for the Home sale Program, the home must be:

- ✓ Your primary residence and the title must be in your name (or held jointly with your spouse/partner) when the relocation is authorized
- ✓ Zoned residential
- ✓ A one or two family residence
- ✓ Structurally sound and not have excessive levels of radon, asbestos, lead paint, mold or other toxic substances, including urea formaldehyde, polybutylene piping, synthetic stucco (External Insulated Finish Systems – or EIFS)
- ✓ Able to qualify for mortgage financing

The following are examples of homes that are excluded from the BVO Home Sale Program. Please speak to the Relocation Counselor immediately if your home falls into the category of an excludable property.

- ✓ Cooperative apartment units
- ✓ Some condominiums having restrictive by-laws which prevent a sale to COMPANY X
- ✓ Mobile homes located on leased ground
- ✓ Homes with defects which may affect the marketability, insurability, or ability to secure a mortgage (defects include, but are not limited to, synthetic stucco, LP siding and septic system defects)
- ✓ Zoned for non-residential purposes

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- ✓ Built with hazardous materials or on a hazardous site/location (e.g., radon gas, asbestos, urea formaldehyde, underground oil tanks that have not been properly contained)
- ✓ Properties with excessive acreage for the area
- ✓ Properties valued in excess of \$750,000 without COMPANY X approval
- ✓ Any home in which all, or a portion of, is incomplete or in need of excessive repairs (excessive repairs are estimated at 5% or more of the home's total value)
- ✓ Any home which could be rendered as unmarketable as a result of the employee/owner misrepresenting information about defects
- ✓ Income-producing properties
- ✓ Multi-family residences/homes with more than two residences
- ✓ Vacant land, farms or ranches
- ✓ Houseboat or watercraft
- ✓ House with mold or conducive conditions
- ✓ Homes with cesspools or unconventional waste systems
- ✓ Homes where clear and marketable title cannot be obtained
- ✓ Homes that are uninsurable or the cost to insure would be prohibitive to a buyer
- ✓ Homes where traditional financing cannot be obtained

Home sale eligibility is subject to various inspections, including, but not limited to: moisture, septic tank and drain field inspection, water availability, water quality test, radon and other toxic substance inspection, structural and pest inspections. Should COMPANY X, in its sole discretion, determine through professional consultation that a problem exists in any of the aforementioned areas, or any other areas, COMPANY X reserves the right to exclude the property from the Home Sale Program. Excluded primary homes are eligible for direct reimbursement of reasonable and actual home sale costs. These reimbursements apply only to your principal residence at the time you were asked to relocate. The direct reimbursement to the Associate of home selling expenses is taxable and will be grossed up.



**CONTACT YOUR ARC RELOCATION COUNSELOR TO DISCUSS ALL OFFERS. DO NOT ACCEPT ANY OFFERS, ANY DEPOSIT MONIES, OR SIGN ANYTHING WITHOUT FIRST CONTACTING YOUR ARC RELOCATION COUNSELOR.**

Your ARC Relocation Counselor will review all offers to ensure they are bona fide and in the best interest of you and COMPANY X.

### **BVO Home Sale Program**

**REMEMBER: DO NOT SIGN ANY CONTRACT OR ACCEPT ANY DEPOSIT MONIES. CONTACT YOUR ARC RELOCATION COUNSELOR TO DISCUSS ALL OFFERS.**

The agent must immediately contact and fax or scan a copy of the offer to your Relocation Counselor for review. Your Counselor will review the offer and make appropriate suggestions to the terms that will be to your advantage.

After your Counselor has reviewed the buyer's offer, ARC will prepare a separate contract with you to purchase the home at the same negotiated price and terms. You will need to sign and return all necessary paperwork to your Counselor and the title company. ARC will sign the contract with the buyers. ARC will execute its contract with you after the offer has been determined to be bona fide. Your Counselor will review the criteria with you that is used to establish when an offer is considered bona fide.

You will be asked to complete property disclosure forms for the real estate agent and for ARC. You will be responsible for any negotiated repairs or repairs required due to code, safety or health issues. Proper disclosure and code/safety repairs help protect COMPANY X, ARC and you from unwarranted claims from buyers. All recent inspections done on the property must be fully disclosed to prospective purchasers of the home.

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## Acquisition of the Home

Once ARC has executed its contract with you, ARC assumes responsibility for the sale of the home. You will remain responsible for maintaining the home if your vacate date is after the date ARC purchases the home from you. Repairs must be completed before the ARC contract can be fully executed.

You will be relieved of the necessity of attending the closing, as all documents will be pre-signed. ARC's representative will attend the closing and finalize the sale documents with the buyers. The usual and customary one-time closing costs for the sale of the home to the buyer will be paid by ARC and subsequently billed to COMPANY X. These costs are not taxable or reportable for you.

Upon receipt of the documents, ARC will compute your net equity based on the date ARC executed its contract with you or the actual vacate date, whichever is later. The equity will be disbursed and an equity statement and copy of the ARC contract will be mailed to you. You will not need reimbursement, as all eligible costs are billed to ARC.

## Closing Costs

In the BVO process, COMPANY X will pay for all normal and customary seller closing costs on the sale of your home. These typically include:

- ✓ Real Estate Commissions
- ✓ Attorney fees
- ✓ Title search and title insurance (in areas it is normal and customary that the seller pay)
- ✓ Government Recording fees and transfer charges
- ✓ Survey and inspection costs
- ✓ State transfer and escrow fees
- ✓ Document preparation fees

COMPANY X does not cover:

- ✓ Mortgage interest
- ✓ Hazard insurance premiums
- ✓ Flood insurance premiums
- ✓ Real estate taxes
- ✓ Mortgage Insurance premiums
- ✓ Conventional, FHA or VA points
- ✓ Escrow accruals
- ✓ Assessments
- ✓ Closing costs/concessions paid on behalf of the buyer
- ✓ School taxes
- ✓ Personal Property Taxes

## DESTINATION SERVICES

### Home Finding Trips



**Reminder: You are required to contact your ARC Relocation Counselor prior to beginning the new home search with any real estate agent.**

Finding a home in the new location that will meet the needs of you and your family members is an important step to making the relocation a successful experience. Your ARC Relocation Counselor will first conduct a needs assessment and develop a preference profile including type of housing, commuting requirements, schools, amenities, lifestyle, etc. Once the profile is developed, the Counselor will have a company-approved broker contact you to begin your home search. This representative will accompany you to preview specific homes and assist you in preparing an offer once you have found a home.

## House Hunting Trips

If you are a homeowner at origin, COMPANY X will cover up to 2 trips for a total of 7 days/6 nights. You will be reimbursed for reasonable and actual meals, lodging, transportation, and rental car. Limitations may apply. The IRS requires that all trips must take place and conclude before a reimbursement is issued. Receipts must accompany all expense report submissions. Your designated ARC Counselor will provide you with log-in credentials where you can upload receipts and complete expense reports directly through our online portal. You also have the option to e-mail a copy of receipts (as pdf files) along with an expense report form directly to your Counselor. If you choose to e-mail your expense reports please ask your Counselor for an expense report form.

## Miscellaneous Allowance

COMPANY X will provide you with a miscellaneous relocation allowance equal to \$7,500. This allowance is provided to help offset those expenses that are not specifically reimbursed under this policy. These expenses may include costs like driver's license and car registration fees, pet kennel costs, installation of new appliances, which are not covered under this policy. No receipts are required. The miscellaneous allowance will be paid at the outset of the relocation.

The miscellaneous allowance is not tax assisted.

## Home Purchase Assistance

To help you find a home in the new location that is suitable for your family's needs, COMPANY X provides you with assistance from ARC Relocation. If you currently own a home, COMPANY X will assist by covering up to 3% of the purchase price of the home in non-reoccurring closing costs. You must purchase a home within one year of your effective start date in your new position in order to be eligible.

Covered closing costs include, but are not limited to:

- ✓ Title insurance or fees for examination of title, as required by lender
- ✓ Normal and customary escrow or closing fees charged by the Title Company and/or lender to close the sale. (Excluding items like taxes and insurance that must be paid in advance into escrow accounts.)
- ✓ Normal and customary attorney's fees
- ✓ Normal and customary recording fees
- ✓ Mortgage application fees
- ✓ Appraisal and/or survey of the new home, if required by the lender.
- ✓ Credit report charges
- ✓ origination charges

Closing costs that are not reimbursed may include, but are not limited to, the following:

- ✓ Escrow pro-rations (tax and insurance pre-pays)
- ✓ Private mortgage insurance
- ✓ Home warranties
- ✓ Mortgage broker fees
- ✓ Loan discount points
- ✓ Any other fees deemed as "junk fees" and special assessments

The new home closing costs are taxable and will be grossed up at individual's tax rate.

If you select a lender who does not have a direct bill contract with ARC (see Mortgage Assistance), you will need to complete a relocation expense report immediately after closing and submit a copy of the TRID Closing Disclosure for reimbursement.

Building a new home versus buying an existing property can be a frustrating and expensive proposition. It is a personal decision, but you are encouraged to purchase an existing home to avoid the added costs (**which are your responsibility**) and risks involved in purchasing new construction.

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Some of the added costs you may incur include:

- ✓ Extensions in temporary living due to construction delays.
- ✓ Reimbursement of purchase closing costs related to the builder or construction loan
- ✓ Duplicate housing costs
- ✓ Household Goods storage costs

### **Affinity Rebate Program**

ARC Relocation is proud to offer one of the industry's highest affinity programs.

The rebate program can be used on a home purchase as a way for you to save money on your next real estate transaction. The rebate amount is based on the sale and/or purchase price of the home. Unlike other rebate programs, ARC's has no cap on the rebate amount.

ARC Relocation will utilize our national database of over 80,000 Realtors to match you up with the Realtor that best suits your needs.

The Rebate is based on the purchase price of the home you are selling and/or buying, and is based on a minimum of 3% commission, as set out in the chart below:

Price Range	Rebate Amount
\$50,000 to \$99,999	\$375
\$100,000 to \$149,999	\$675
\$150,000 to \$199,999	\$975
\$200,000 to \$249,999	\$1,100
\$250,000 to \$299,999	\$1,300
\$300,000 to \$349,999	\$1,500
\$350,000 to \$399,999	\$1,750
\$400,000 to \$449,999	\$2,000
\$450,000 to \$499,999	\$2,250
\$500,000 to \$549,999	\$2,500
\$550,000 to \$599,999	\$2,750
\$600,000 to \$649,999	\$3,000
\$650,000 to \$699,999	\$3,250
\$700,000 to \$749,999	\$3,500
\$750,000 to \$799,999	\$3,750
\$800,000 to \$849,999	\$4,000
\$850,000 to \$899,999	\$4,250
\$900,000 to \$949,999	\$4,500
\$950,000 to \$999,999	\$4,750
\$1,000,000 +	\$5,000

\*There are restrictions on rebates in Kansas, Louisiana, Mississippi, Oklahoma, Oregon, Alaska, Alabama, Tennessee, and Missouri. In New Jersey rebate is only allowed on buyer side. Rebates are only prohibited in Iowa when more than one broker assists a client to buy or sell property.

**If for any reason you do not feel comfortable with your assigned agent, notify your ARC representative immediately. You will be assigned another agent. The purpose of this program is to assist you.**

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## **Mortgage Assistance**

ARC has agreements with several national lenders, which will allow reimbursable closing costs to be billed directly to the company. This eliminates the need to obtain an advance to pay closing costs and/or submit a relocation expense report for these costs. While you are under no obligation to use any of these companies, you may find their rates competitive and their processes and products conducive to corporate relocation situations.

The following are the purchase closing costs that are eligible for payment:

- ✓ Title insurance or fees for examination of title, as required by lender
- ✓ Normal and customary escrow or closing fees charged by the Title Company and/or lender to close the sale. (Excluding items like taxes and insurance that must be paid in advance into escrow accounts.)
- ✓ Normal and customary attorney's fees
- ✓ Normal and customary recording fees
- ✓ Mortgage application fees
- ✓ Appraisal and/or survey of the new home, if required by the lender.
- ✓ Credit report charges
- ✓ origination charges

## **Lease Cancellation**

If you are presently renting a home or apartment, you should read and become familiar with the provisions for canceling/terminating your lease. COMPANY X reimburses up to a maximum of two months' rent for lease termination. Please submit your request to your ARC Relocation counselor with a copy of your lease and proof of payment.

## **Rental Assistance**

Your Relocation Counselor will assist you with information, and with the selection of a qualified real estate agent or rental specialist in the new location. You are permitted a full one day rental tour in the destination area. Your Counselor will discuss your needs, help formulate search criteria, provide options in the new area, schedule area tours and viewings of rental properties during the house hunting trip. When you locate a property to rent, the rental specialist will assist with the negotiation of the lease. It is also recommended that you request a "Rental Contingency Clause" be inserted into the new lease to protect yourself, should you be relocated prior to the lease expiration. Your dedicated Counselor can provide a copy of the contingency clause.

## **Temporary Housing**

COMPANY X realizes that the current real estate market may present its challenges. That is why the company offers up to 30 days for renters and up to 90 for homeowners of corporate temporary housing.

Temporary housing options are turn-key pet friendly (breed/location restrictions may apply), apartment or condo style, one to two bedroom units (three bedroom units maybe available based on location). All units are fully furnished (down to the kitchen utensils), are equipped with cable and internet, and have a full kitchen.

*Temporary housing* - If you must move to the new location before your home in the departure location is sold, COMPANY X will provide assistance for temporary accommodations for the COMPANY X Associate only. Expenses covered during temporary living include:

- ✓ Lodging in corporate housing (arranged through ARC Relocation).
- ✓ A rental car up to 14 days
- ✓ One return trip for you to pack and load household goods

Temporary living assistance is taxable and will be grossed up at individual's tax rate.

## **Transportation of Your Household Goods**

Your ARC Relocation Counselor will help you with the arrangements for moving your household goods to the new location. The Counselor will explain the process and put you in touch with a professional mover. It is important that you or an adult family member arrange to be present to supervise the move and that you provide a telephone number where the moving company can reach you prior to your move date.

### **Authorized Charges**

COMPANY X will pay the following charges in connection with your professional move by an approved van line:

- ✓ Charges for normal containers and standard packing of your household items. (Note: The van line agent will not accept responsibility for breakage of articles that the Associate has packed. Therefore, it is recommended that the van line personnel be allowed to pack all goods, and the Associate must indicate any items which should receive special attention or care)
- ✓ Charges for transporting the household goods to the new location.
- ✓ Normal appliance services, including wiring and plumbing modifications required within the house for disconnection and reconnection of appliances.
- ✓ Storage (if necessary) for renters up to 30 days, for homeowners up to 90 days at the new location site.
- ✓ Warehouse handling
- ✓ Delivery to the new home. Weekend or holiday delivery will not be covered.
- ✓ Normal unpacking and removal of packing materials.

Items of value such as deeds, coin collections, jewelry and precious stones should not be shipped with the carrier. The Associate should make special arrangements for these items to be shipped by private means during the move.

The driver will prepare a complete inventory list of the household goods describing the condition of each item (nicks, scratches, dents, etc.) Review the inventory list carefully to make sure you agree with the driver's description before signing the inventory. The inventory list is an important document in the settlement of claims for loss and damage.

### **COMPANY X will not pay for the following:**

- ✓ Exclusive use of the van, expedited service or extra drop off/pick up stops.
- ✓ Housecleaning or maid service at either the old or new home.
- ✓ Removal or installation of wall-to-wall carpeting, draperies and/or rods, electrical fixtures, water softeners, or similar items.
- ✓ Packing or transportation of car collections, boats over 16 feet, RVs, quads, motorcycles, trailers over 10 feet, airplanes, household pets, plants, building materials, wood, or any perishable item.
- ✓ Disassembly or reassembly of playhouses or swing sets, portable swimming pools, waterbeds, utility sheds, fencing, or items of similar nature.
- ✓ Gratuities for the movers

### **Insuring Your Household Goods**

COMPANY X protects the full value of your shipment based on its weight for up to \$100,000. High value items must be listed on a separate inventory form and are not covered by the Company. The Company cannot replace (nor will shippers agree to handle) high value items like securities, cash, art, heirlooms or precious jewelry. We recommend you pack and transport these items yourself.

### **Automobile Shipping**

Your automobile will be handled by the same carrier who handles your household goods or, in some cases, a dedicated automobile carrier. COMPANY X will pay the cost of moving two (2) automobiles, provided the distance of your move is greater than 500 miles.

If the distance of your move is less than 500 miles, your mileage (at the current mileage reimbursement rate) for two vehicles will be reimbursed. Travel will be based on the most direct route.

## **Moving Day**

COMPANY X will reimburse you for actual travel and lodging expenses incurred for you, your spouse/partner, and family members for your final move to the new location. Expenses include:

- ✓ Mileage based on the current reimbursement rate using the most direct route (based on 400 miles/day) will be paid for up to two vehicles and lodging while en route.
- ✓ If you are shipping your automobiles, you will be reimbursed for airfare for all family members at the coach class rate for one-way tickets purchased seven days in advance.
- ✓ Reasonable and actual meals and lodging, limitations apply.

## **Gratuity and tips for movers is not covered under the policy and will not be reimbursed.**

Transportation of Household Goods is taxable and will be grossed up at individual's tax rate.

## **TAXES**

The current tax law and Internal Revenue Service (IRS) regulations require that we report as income all relocation expense reimbursements made to you, or paid on your behalf. It is important that you talk to a tax professional to find out how certain kinds of assistance may affect your own tax situation. Keep in mind that COMPANY X will not reimburse tax preparation or tax counseling expenses.

Based on IRS and state requirements, COMPANY X will include reimbursed relocation expenses on your W-2 form in the year in which they are paid.

When you receive your W-2 form, you will also receive a statement detailing the relocation expenses related to your move, including money paid to you to help offset tax liability from this additional income. This money paid to help offset the tax liability is called a tax gross-up. Appropriate withholding for Federal, State, local, Social Security and/or Medicare taxes will be made and deposited with your regular withholdings. The gross up of certain payments is not intended to cover all taxes due to governmental agencies but is being made to reduce the negative tax impact associated with receiving the payment. Transferees' should consider these consequences and consult with their person tax advisor prior to accepting a relocation offer.

The tax gross-up calculation will be based on individual's tax rate.

You will be responsible for all local taxes applicable in either the departure or destination location. Nothing in this policy should be construed as providing, directly or indirectly, Income Tax Advice. For more information about moving expenses, we suggest that you obtain IRS Publication 521 "Moving Expenses" and that you retain the services of a professional tax advisor/preparer.

The Company's tax provision for the various "relocation expense" items is outlined below. The actual gross up decision is based on the deductibility of the item according to current IRS tax laws.

<b>Relocation Expense</b>	<b>Gross-Up</b>	<b>Tax Calculation</b>
Home Sale Through Relocation Company (BVO)	No	None - Not included in Associate income
Home Finding Trip	Yes	Marginal Rate
New Home Loan Origination Charges	Yes	Marginal Rate
Rental Assistance/ Lease Break	Yes	Marginal Rate
Temporary Living	Yes	Marginal Rate
Return Travel During Temp Living	Yes	Marginal Rate
Transportation of Household Goods	Yes	Marginal Rate
Storage of Household Goods	Yes	Marginal Rate
Final Move Costs- Meals/Lodging/Transportation	Yes	Marginal Rate
Miscellaneous Allowance	No	Associate responsible for tax liability

COMPANY X reserves sole authority to interpret and change this policy, including determining eligibility for benefits and assistance. This policy is not intended to create any promises or contractual rights of employment. Employment with COMPANY X is "at will".  
This policy is proprietary and confidential.

Appendix A

**RELOCATION PAYBACK AGREEMENT**

I attest that I have read and fully understand the COMPANY X Relocation Policy as set forth in this guide. The Company's relocation compensation and benefits programs have been fully explained to me by both COMPANY X's HR Representative and my ARC Relocation Counselor. I understand that should I elect to voluntarily resign or terminate my employment with the Company within twelve (12) months of my job start date, I will be expected to reimburse COMPANY X, on a pro-rated basis as set forth in the pay schedule listed below, for any relocation reimbursements made to me. The reimbursement must be repaid within thirty (30) days of termination.

Because of the great amount of time and money COMPANY X has spent or will spend in connection with my relocation, I hereby expressly authorize the Company to withhold to the maximum extent allowed by law any money that might be owed by me to the Company if I should voluntarily resign or otherwise voluntarily terminate my employment with the Company within twelve (12) months of my job start date. Should the amount withheld not cover the entire amount to fully recompense the amount owed, I also agree to authorize the Company to calculate a repayment schedule that I will adhere to in order to fulfill my monetary obligation toward COMPANY X.

Therefore, I agree to abide by all the terms and conditions of the relocation package.

0 months to 3 months	100% of relocation expenses reimbursed to Associate or paid by Company
3 months to 6 months	75% of relocation expenses reimbursed to Associate or paid by Company
6 months to 9 months	50% of relocation expenses reimbursed to Associate or paid by Company
9 months to 12 months	25% of relocation expenses reimbursed to Associate or paid by Company

**Associate's Full Name:** \_\_\_\_\_

\_\_\_\_\_  
Associate Signature Date

\_\_\_\_\_  
Authorized HR Representative Signature Date

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