



Employee Handbook

Revised March 2010

Welcome to PCS Edventures!.com, Inc.

Dear Employee:

We are very excited to welcome you to PCS Edventures!.com, Inc. (PCS). Thank you for joining us! We want you to feel that your association with PCS will be a mutually beneficial experience!

You have joined an organization that has established itself as a leader in the after-school and Pre-K through college educational curriculum development and hands-on learning environments. Credit for this goes to every one of our employees. We hope that you too will find satisfaction and take pride in your work here.

This Handbook provides answers to most of the questions you may have about PCS' benefit programs, as well as the Company's policies and procedures we abide by – our responsibilities to you and your responsibilities to PCS. If anything is unclear, please discuss the matter with your manager. You are responsible for reading and understanding this Employee Handbook and signing the form provided at the end of it. In addition, your performance evaluations will reflect your adherence to the PCS policies. In addition to clarifying responsibilities, we hope that this Handbook also gives you an indication of PCS' interest in the welfare of all that work here.

From time to time, the information included in our Handbook may change. Every effort will be made to keep you informed through suitable lines of communication. Any such changes will be posted within the Company's break room and made available to each employee.

Compensation and personal satisfaction gained from doing a job well are only two of the reasons most people work. Most likely, many other factors count among your reasons for working – pleasant relationships and working conditions, career development and promotion opportunities, and health benefits are just a few. PCS is committed to doing its part to assure you of a satisfying work experience.

I extend to you my personal best wishes for your success and happiness at PCS!

Sincerely,

/s/

Anthony A. Maher
Chairman and CEO
PCS Edventures!.com, Inc.

Table of Contents

	<u>Page</u>
Forward.....	1
Purpose of this Handbook.....	2
Notice.....	3
Compliance Coordinator.....	3
What You Can Expect from PCS.....	4
What PCS Expects from Each Employee.....	4
I. Employment.....	5
A. Personnel Administration -- Your Personnel File.....	5
B. Employment Classifications.....	5
1. Full-time Employees.....	5
2. Part-time Employees.....	6
3. Temporary/Contract Employees.....	6
4. Non-Exempt and Exempt Employees.....	6
5. Employment Policies.....	6
6. Anniversary Date.....	7
7. At Will Employment.....	7
8. Bonding Requirement.....	7
9. Business Hours.....	7
10. Confidential Information.....	7
11. Equal Employment Opportunity.....	8
12. Harassment Policy.....	9
13. Health Examinations.....	9
14. Non-Compete Agreement.....	9
15. Outside Employment.....	9
16. Proof of U.S. Citizenship and/or Right to Work.....	10
17. Salesperson Agreement.....	10
18. Standards of Conduct.....	10
19. Whistleblower Policy.....	15
20. Disciplinary Actions.....	15
21. Dismissal.....	18
C. Insider Trading Policy.....	18
D. Code of Ethics for Senior Financial Officers.....	18
II. Compensation & Performance.....	18
A. Wage & Salary Policies.....	18
1. Computing Pay.....	18
2. Deductions from Paycheck (Statutory).....	18
3. Error in Pay.....	19
4. Overtime Pay.....	19
5. Pay Cycle.....	19
6. Termination (Final) Pay.....	20
7. Time Records.....	20
8. Wage Garnishments.....	20
B. Performance & Compensation Reviews.....	20
C. Work Schedule.....	21

1. Absence or Lateness	21
2. Lunch Period	21
III. Benefits	21
A. The Benefits	21
1. Eligibility for Benefits	22
B. Paid Leaves of Absence	22
1. Holidays	22
2. Personal Time	23
3. Other Paid Leaves	24
C. Unpaid Leave of Absence	24
1. Family or Medical Leave of Absence	25
2. Disability Leave of Absence	26
3. Military Leave of Absence	26
4. Military Reserves or National Guard Leave of Absence	27
5. Personal Leave of Absence	27
D. Insurance Coverage	27
1. Group Insurance	27
2. Termination of Insurance	28
E. Government Required Coverage	28
1. Workers' Compensation (WC)	28
2. Unemployment Compensation	28
3. Social Security	29
IV. Other Policies	29
A. Computer Software (Unauthorized copying)	29
B. Conversion Privileges	29
C. Dress Code/Personal Appearance	29
D. Exit Interviews	30
E. Expense Reimbursement	30
F. First Aid	30
G. Grievances	30
H. Layoff & Recall	31
I. Outside Activities	31
J. Personal Phone Calls & Mail	31
K. Resignation	31
L. Return of Company Property	31
M. Smoking	32
N. Substance Abuse Policy	32
O. Theft	32
P. Violations of Policies	32
Appendix A Contact Information	1
Appendix B Whistleblower Policy	1
Appendix C Insider Trading Policy	1
Appendix D Disclosure Policy	1
Appendix E Code of Ethics for Senior Financial Officers	1
Receipt and Acknowledgement of PCS Employee Handbook	1

Forward

As a member of the PCS team, you will be expected to contribute your talents and energies to improve the environment and quality of our company, as well as the Company's products and services.

PCS is dedicated to four standards:

- ✓ To provide our customers with the highest quality educational products at the best prices with the best service and support;
- ✓ To provide our employees with favorable wages and benefits comparable to similar companies within our education industry within our geographic area;
- ✓ To promote high standards of ethical conduct within our Company as well as throughout the industry;
- ✓ To pursuing educational advancements in products through technology, as well as providing innovative approaches to creating, learning about, and using the latest in technological advancements.

At PCS, we always put safety first. We believe that it is our duty to provide you with a safe workplace environment. We have a substance abuse policy because you have a right to know you can depend on your coworkers.

The only things we require for employment, compensation, advancement, and benefits are performance and a good team attitude. However, all employees at PCS are "at will." This Handbook in no way constitutes or creates an employment contract between you and the Company.

PCS is an Equal Opportunity Employer. No one will be denied opportunities or benefits on the basis of age, sex, color, race, creed, national origin, religious persuasion, marital status, political beliefs or disability that does not prohibit performance of essential job functions; nor will anyone receive special treatment for those reasons.

Purpose of this Handbook

This Handbook has been prepared to inform you about PCS' history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee and the conduct expected from our employees.

No employee handbook can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is in our person-to-person conversations that we can better know each other, express our views, and work together in a harmonious relationship.

We hope that this Handbook will help you feel comfortable with us. Our success depends on you! Please do not hesitate to ask questions. Your manager will gladly answer or find out the answer to any questions you may have. We believe that you will enjoy your work and your fellow employees. We also believe that you will find PCS a great place to work and grow your knowledge!

We ask that you read the Employee Handbook carefully, refer to this Handbook if you have any questions, and ask any questions as they arise that are not answered herein.

PCS' policies, benefits, and rules as outlined herein may be changed from time to time as business, employment legislation, and economic conditions dictate. If and when a provision is changed, you will be given replacement pages for those pages that have become obsolete with such change. A copy will also be posted within the Company's break room.

Notice

The policies in this Handbook are to be considered as guidelines. PCS, at its option, may change, delete, suspend or discontinue any part of this Handbook at any time without prior written notice. Any such action shall apply to existing, as well as future employees, with continued employment being the consideration between PCS and the employee. Employees may not accrue eligibility for monetary benefits that they have not earned through actual time spent at work. Employees shall not accrue eligibility for any benefits, rights or privileges beyond the last day worked if such employment is terminated.

Only the President or Board of PCS may approve an alteration, modification or addition of any of the policies in this Handbook. No statement of promise by a supervisor, manager or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee.

Should any provision of this Handbook be found to be unenforceable and invalid, such finding does not invalidate the entire Handbook, but only the subject provision.

This Handbook, as revised March 2010, supersedes all previous PCS employee handbooks / manuals.

Compliance Coordinator

The Company has appointed a Compliance Coordinator to administer certain policies and procedures referenced in this Handbook. Contact information for the Compliance Coordinator is provided in Appendix A.

What You Can Expect from PCS

1. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, political beliefs or disability that does not prohibit performance of essential job functions.
2. Pay all employees according to their effort and contribution to the success of the Company.
3. Review wages, employee benefits, and working conditions with the objective of providing maximum benefits in these areas, which are consistent with sound business practices.
4. Provide paid vacations and holidays to all full-time and permanent employees.
5. Provide eligible employees with medical and other benefits.
6. Develop all employees to the highest levels of their potential.
7. Respect individual rights and treat all employees with courtesy, respect, and consideration.
8. Provides offices that are attractive, comfortable, orderly, and safe.
9. Promote employees on the basis of their ability and merit.
10. Make promotions or fill vacancies from within PCS whenever possible.

What PCS Expects from Each Employee

1. To know your own duties and how to do them properly, correctly, and pleasantly.
2. To cooperate with management and your coworkers with a positive, can-do team attitude.
3. To perform every task to the very best of your ability, even when that task might be outside your normal duties.
4. To grasp opportunities for personal development that are offered to you.
5. To communicate with management effectively and suggest ways for improvement of the Company.

I. Employment

A. Personnel Administration -- Your Personnel File

Keeping your personnel file up to date can be important to you with regard to pay, deductions, benefits, and other matters. If you have a change in any of the following items, please be sure to notify your manager and the human resource person as soon as possible:

- a. Legal name
- b. Home address
- c. Home telephone number
- d. Cellular telephone number
- e. Emergency contact information
- f. Number of dependents
- g. Military or draft status
- h. Exemptions on your W-4 tax form

Coverage or benefits that you and/or your family may receive under the PCS benefits package could be negatively affected if the information in your personnel file is incorrect.

You may see information that is kept in your own personnel file if you wish and you may request and receive copies of all documents you have signed. Please ask your manager to make arrangements for such actions.

B. Employment Classifications

At the time you were hired, you are classified as either a full-time, part-time, temporary, or contract employee. You are also told whether you qualify for overtime pay. Unless otherwise specified, the benefits described in this Handbook apply only to full-time employees. All other policies described herein and communicated by PCS apply to all employees, with the exception of certain wage, salary, and time off limitations applying only to non-exempt employees.

1. Full-time Employees

An employee who is scheduled to work thirty (30) hours or more per week is considered a full-time employee.

If you were a full-time employee and were laid off, and there is a recall, you will be offered full-time employment, provided that you were not on layoff for longer than one (1) year.

If you were a full-time employee and have been on an approved leave of absence, upon return you will be considered a full-time employee, provided you return to work as agreed in the provisions of your leave.

2. Part-time Employees

An employee who is scheduled to work less than thirty (30) hours per week is considered a part-time employee. As a part-time employee, you are not eligible for benefits described in this Handbook, except as granted on occasion or to the extent required by provisions of state and federal laws.

3. Temporary/Contract Employees

From time to time, PCS may hire temporary or contract employees. The job description, work schedule, and duration of employment will be described in a separate contract on an individual basis.

A temporary position will not normally exceed six (6) months in length, while a contract employee position will be determined in the separate contract. Each type of employee contract may be renewed in writing as agreed upon by both parties.

Temporary and contract employees are not eligible for benefits described in this Handbook, except as granted on occasion or to the extent required by provisions of state and federal laws. Those temporary employees that are classified as non-exempt employees who work more than forty (40) hours during any work week will receive overtime pay, while contract employee's pay will be specified in a separate contract.

4. Non-Exempt and Exempt Employees

At the time you are hired, all employees are classified as either "exempt" or "non-exempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of forty (40) hours per week. These employees are referred to as "non-exempt" in this Handbook. This means that they will receive overtime pay.

Exempt employees are executives, managers, professional staff, technical staff, outside sales representatives, officers, directors, owners, and others whose duties and responsibilities qualify them as "exempt" from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired or promoted.

5. Employment Policies

Whether you are a new hire or a former employee returning to PCS, you may feel a little strange in your new surroundings. This is a normal feeling and is to be expected. Your coworkers and manager want to help you get off to a great start. Feel free to ask them for help concerning anything that you do not understand.

One of the first things that you should do is carefully read this Handbook. It is designed to answer many of your questions about the way the Company's policies and procedures work, what to expect from PCS, and what PCS expects from you.

6. Anniversary Date

The first day that you report to work is your anniversary date. This date is used to compute various conditions and benefits described in this Handbook.

7. At Will Employment

All employment and compensation with PCS is “at will,” which means that your employment can be terminated with or without cause, and with or without notice, at any time, at the option of either PCS or yourself, except as otherwise provided by state or federal law.

8. Bonding Requirement

At certain times and under certain circumstances, PCS may require that you be bonded. It is your responsibility to assure that you are bondable. PCS will pay the cost of bonding. Should you fail to maintain these qualifications, you will be subject to transfer to another position, if available, or dismissal.

9. Business Hours

Our regular operation hours are 8:30 A.M. to 5 P.M. Monday through Friday. However, some departments and/or jobs may require different hours, days, and/or extended work days or weeks.

Your particular hours of work and the schedule of your lunch period will be determined and assigned by your manager. Most employees are assigned to work a forty (40) hour work week. You are required to take a one (1) hour unpaid lunch period daily. Working through lunch to offset late arrival or early dismissal must be cleared by your manager upon request.

10. Confidential Information

Our customers and suppliers entrust PCS with important information relating to their business. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, PCS earns the respect and further trust of our customers and suppliers.

Your employment with PCS assumes an obligation to maintain confidentiality, even after you leave employment of PCS.

Any violation of confidentiality seriously injures PCS’ reputation and effectiveness. Therefore, do not discuss PCS business with anyone who does not work for the Company; and never discuss business transactions with anyone who does not have a direct association with the transaction. Even casual remarks can be misinterpreted and repeated, so develop the personal discipline necessary to maintain confidentiality. Violations of confidential information are to be reported to management immediately.

If you are questioned by someone outside the Company or your department and you are concerned about the appropriateness of giving them certain information, remember that you are not required to answer, and that we do not wish you to do so. Instead, as politely as possible, refer the request to your manager or to the President of PCS.

No one is permitted to remove or make copies of any PCS records, reports or documents without prior managerial approval.

Because of its seriousness, disclosure of confidential information could lead to dismissal.

11. Equal Employment Opportunity

PCS has a long standing record of nondiscrimination in employment and opportunity because of race, color, religion, creed, national origin, ancestry, disability, sex or age. The President has issued the following policy stating the Company's views on this matter:

It is the policy of PCS to:

- a. Strictly follow personnel procedures that will ensure equal opportunity for all people without regard to race, color, religion, creed, national origin, sex, age, ancestry, marital status, disability or veteran or draft status;
- b. Comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). PCS will not discriminate against any qualified employee or job applicant with respect to any terms, privileges or conditions of employment because of a person's physical or mental disability;
- c. Make reasonable accommodations wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified and capable to safely perform the duties and assignments connected with the job and provided that any accommodations made do not require significant difficulty or expense;
- d. Achieve understanding and acceptance of PCS' policy on EEO by all employees and by the communities in which the Company operates;
- e. Thoroughly investigate instances of alleged discrimination and take corrective action if warranted;
- f. Be continually alert to identify and correct any practices by individuals that are at variance with the intent of the EEO Policy.

12. Harassment Policy

PCS provides a work environment that is pleasant, healthful, comfortable, and free from intimidation, hostility or other offenses. Harassment of any sort, whether verbal, physical, visual or otherwise, will not be tolerated. Any type of harassment is grounds for disciplinary action or termination.

Harassment can take many forms. It may be, but is not limited to, words, signs, jokes, pranks, intimidation, physical conduct, violence, etc. Harassment is not necessarily sexual in nature.

Sexually harassing conduct may include unwelcome sexual advances, request for sexual favors or any other verbal or physical contact of a sexual nature that prevents an individual from effectively performing the duties of his/her position or creates an intimidating, hostile or offensive working environment or when such conduct is made a condition of employment or compensation, whether implicitly or explicitly.

All PCS employees are responsible for keeping our work environment free of harassment. Management is obligated by law to take prompt and appropriate action.

Any incidents of harassment must be immediately reported to a manager or human resource personnel. Appropriate investigation and possible disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any employee found to have harassed a fellow employee or subordinate will be subject to severe disciplinary action or dismissal. PCS will also take any additional action necessary to appropriately remedy the situation. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

13. Health Examinations

The Company reserves the right to require an employee to participate in a health examination or random drug testing to determine the employee's fitness to perform his/her essential job functions. The Company will pay for all such examinations.

14. Non-Compete Agreement

Certain new employees, such as outside/in-house sales people and others, may be required to sign a Non-Compete Agreement as a condition of employment.

15. Outside Employment

What you do on your free time is your business. However, if you are employed by PCS in a full-time capacity, PCS expects that your position here is your primary employment. Any outside activity must not interfere with your ability to properly perform your job duties at PCS

You are required to discuss any second job possibilities with your manager to ensure that there is not a conflict of interest or job interference.

16. Proof of U.S. Citizenship and/or Right to Work

Federal regulations require that 1) before becoming employed, all applicants must complete and sign a Federal Form I-9 – Employment Eligibility Verification Form and 2) all applicants who are hired need to present documents of identify and eligibility to work in the United States.

17. Salesperson Agreement

If you are hired in or promoted to the position of a salesperson, you will be required to sign an agreement that states certain terms and conditions regarding your position as a salesperson. The purpose of this agreement, among other things, is to clearly establish the terms for commission payment, territory assignment, etc. In no way does this agreement form a contract for guaranteed employment; you are still employed at-will.

18. Standards of Conduct

By accepting employment with PCS, you have a responsibility to the Company and to your coworkers to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend on coworkers to follow the rules of conduct, then our company will be a better place for every worker. This Section 18 of the Handbook describes the conduct expected of all employees and non-employee Directors. It is general and not intended to be all-inclusive.

a. Applicable Laws

The conduct of the Company and its employees is to be in compliance with the laws and regulations relating to the Company's business.

Any employee, officer or director involved in court or other similar proceedings arising out of his or her employment with, or service to, the Company is expected to abide by the rules, cooperate with the orders of, such court or other governmental authority and not in any way commit perjury or participate in obstruction of justice. All Company employees must, at a minimum, comply with all applicable laws that relate to the conduct of our business in the relevant jurisdiction.

b. International Business Laws

All employees are expected to comply with the applicable laws in all countries to which they travel and where we do business, including laws prohibiting bribery, corruption or the conduct of business with individuals, companies or countries.

The fact that in some countries certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for noncompliance. All employees must also comply strictly with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S. These U.S. laws, rules and regulations, which extend to all our activities outside the U.S., include:

- The Foreign Corrupt Practices Act, which prohibits directly or indirectly giving anything of value to a government official to obtain or retain business or favorable treatment, and requires the maintenance of accurate books of account, with all company transactions being properly recorded;
- U.S. Embargoes, which restrict or, in some cases, prohibit companies, their subsidiaries and their employees from doing business with certain other countries identified on a list that changes periodically (including, for example, Angola (partial), Burma (partial), Cuba, Iran, Iraq, Libya, North Korea, Sudan and Syria) or specific companies or individuals;
- Export Controls, which restrict travel to designated countries or prohibit or restrict the export of goods, services and technology to designated countries, denied persons or denied entities from the U.S., or the re-export of U.S. origin goods from the country of original destination to such designated countries, denied companies or denied entities; and
- Antiboycott Compliance, which prohibits U.S. companies from taking any action that has the effect of furthering or supporting a restrictive trade practice or boycott that is fostered or imposed by a foreign country against a country friendly to the U.S. or against any U.S. person.

If you have a question as to whether an activity is restricted or prohibited, seek appropriate counsel before taking any action.

c. Public Disclosures

Employees are expected to comply with the PCS Disclosure Policy when making public statements that concern PCS. The Disclosure Policy is included as Appendix D to this Manual.

d. Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles are accounting principles that are considered to have substantial authoritative support. Pronouncements made by the Financial Accounting Standards Board (FASB) are considered GAAP. You can learn more about GAAP and FASB at <http://www.fasb.org>. All company records are to be prepared and maintained in compliance with Generally Accepted Accounting Principles and Securities and Exchange Commission laws and regulations.

Employees are expected to maintain accurate and reliable corporate records that comply with GAAP, SEC regulations, and Company policies and procedures.

The Company's CEO, CFO, Controller and others identified by the CEO have specific legal obligations to ensure the Company provides full, fair, accurate, timely, and understandable financial reports and internal controls.

e. Pressure to Recognize Revenue

No employee, other than the CEO, CFO, Controller or other accounting department personnel, may (i) request of a member of the accounting department that revenue be recognized by PCS, (ii) suggest to a member of the accounting department when or whether revenue will be recognized by the company, or (iii) otherwise exert pressure on a member of the accounting department to book or recognize revenue to achieve revenue targets.

It is not a violation of this Ethics Policy for an employee to (i) supply information at the request of the accounting department, the audit committee of the Board of Directors, or the independent auditors or (ii) request an understanding from a member of the accounting department of the revenue recognition implications of potential or actual transactions with a customer.

f. Moral and Ethical Standards

All employees are expected to adhere to sound moral and ethical standards.

g. Loyalty

Management directors, officers and other employees and non-management directors have a duty of loyalty to the Company and may not take personal advantage of any opportunity that properly belongs to the Company.

h. Entertainment, Kickbacks and Gratuities

The Company considers it to be unethical and illegal for any employee to accept or offer payment, gift, gratuity, or employment to or from vendors, contractors, or government officials as an inducement for preferential treatment. All offers for kickback and gratuity shall be reported to the Compliance Coordinator.

Business entertainment and gifts are meant to create goodwill and sound working relationships and never to gain unfair advantage with customers or facilitate approvals from government officials. Unless express permission is received from a supervisor, the Compliance Coordinator or the Audit Committee, entertainment and gifts cannot be offered, provided or accepted by any employee or family member of an employee unless consistent with customary business practices and not (a) excessive in value, (b) in cash, (c) susceptible of being construed as a bribe

or kickback or (d) in violation of any laws. This principle applies to our transactions everywhere in the world, even where the practice is widely considered “a way of doing business.” Under some statutes, such as the U.S. Foreign Corrupt Practices Act, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution.

The Company does not consider the giving or acceptance of a ball cap, tee shirt, jacket, an occasional lunch, game of golf, or the like with non government officials to be a kickback, gift or gratuity for the purpose of this policy.

i. Conflicts of Interest

The best interests of the Company are expected to be foremost in the minds of our employees, officers, and directors as they perform their duties. No employee shall be, potentially be, or appear to be, subject to influences, interests, or relationships, which conflict with the best interests of the Company.

Employees, without prior approval of the CEO, may not serve as an officer, director, manager, employee or agent of any company that is a competitor, supplier, or customer of the Company.

Employees should not engage in outside interests that divert time and attention from properly attending to Company affairs.

The Company does not make loans to or guarantee obligations of Company Officers and Directors.

j. Improper Influence on Conduct of Audits

No officer or director, or any other person acting under the direction thereof, shall take any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company for the purpose of rendering such financial statements materially misleading. Examples of such behavior include, but are not limited to:

Offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services.

Providing an auditor with an inaccurate or misleading legal analysis.

Threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the Company’s accounting.

Seeking to have a partner removed from the audit engagement because the partner objects to the Company’s accounting.

Blackmailing, or making physical threats.

k. Confidential Information

Employees and Directors may not divulge confidential or proprietary information except as authorized by the Chief Executive Officer.

l. Employee Privacy

The Company is committed to protecting the privacy of its employees. This includes employee data maintained by the company. Employee data will primarily be used to support Company operations, provide employee benefits, and comply with laws and regulations. The Company and all employees are expected to comply with all data protection laws, regulations, and Company policies.

m. Computing Resources, Email, and the Internet

All Internet related services are intended to be used for company business. All information on company computer systems, including electronic mail, is the property of the Company. To ensure that computing resources are used in accordance with expectations, management may inspect and disclose the contents of electronic messages if such inspection and disclosure is made for legitimate business purposes or as necessary to protect the rights and property of the Company.

Use of computing resources to offend or harass others is not acceptable and is prohibited. Employees who use the Internet to access sites that contain offensive materials related to sex, race, or other protected categories, or who otherwise violate these prohibitions will be subject to termination.

n. Political Activities

The Company considers itself an apolitical organization. As such, no Company funds or assets will be contributed or used for the purpose of influencing any election without the approval of the Company Board of Directors. This policy does not prohibit Company participation in trade or special interest organizations.

o. Safety and the Environment

The Company is committed to full compliance with all safety and environmental laws and regulations. All employees are expected to comply with these laws, regulations and Company policies.

p. Anti-Trust

Any planning or acting together with competitors about the nature, extent, or means of competition is a violation of Company policy and anti trust laws. This

includes, but is not limited to, price fixing, sales or production quotas, geographic competition, and boycotts.

q. Timeliness

All employees are expected to carry out their assigned duties in a timely manner.

19. Whistleblower Policy

This policy is included as Appendix B to this Handbook.

20. Disciplinary Actions

Generally speaking, we expect each person to act in a mature and responsible manner at all times. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below, which are not all-inclusive and, notwithstanding this listing, all employees remain employed “at will.” Your avoidance of these activities will be to your benefit, as well as to the benefit of PCS. If you have any questions concerning any rule or unacceptable activities listed, please see your manager for a detailed explanation.

Occurrences of any of the following violations may result in immediate termination without warning due to the seriousness of such a violation:

- Willful violation of any company rule; any deliberate action that is extreme in nature and is obviously detrimental to PCS’ efforts to operate profitably;
- Willful violation of security or safety rules or failure to observe safety rules or PCS’ safety practices; failure to wear required safety equipment; tampering with any PCS equipment;
- Negligence or any careless action that endangers the life or safety of another person;
- Being intoxicated or under the influence of controlled substance drugs while at work; use or possession or sale of controlled substance drugs in any quantity while on company premises except medications prescribed by a physician that do not impair work performance;
- Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty;
- Engaging in criminal conduct or acts of violence or making threats of violence toward anyone on company premises or when representing PCS; fighting, horseplay or provoking a fight on company property or negligent damage of property;

- Insubordination or refusing to obey instructions properly issued by your manager pertaining to your work; refusal to help out on a special assignment;
- Threatening, intimidating or coercing coworkers on or off the premises – at any time for any purpose;
- Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers or visitors in any manner;
- Theft of company property or the property of coworkers; unauthorized possession or removal of any company property, including documents, from the premises; unauthorized use of company equipment or property for personal reasons; using company equipment for profit;
- Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for leave of absence or other data requested by PCS; alteration of company records or other company documents;
- Violating the non-disclosure agreement; giving confidential or proprietary PCS information to competitors or other organizations or to unauthorized PCS employees; working for a competing business while employed by PCS; breach of confidentiality of personnel information;
- Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same; or
- Immoral conduct or indecency on company property.

Occurrences of any of the following violations may be subject to disciplinary action, including possible immediate termination, without warning due to the seriousness of such a violation:

- Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your manager; mistakes due to carelessness or failure to get necessary instructions;
- Any act of harassment, sexual, racial or other; telling sexist or racial-type jokes; making racial or ethnic slurs;
- Excessive use of company telephone for personal calls;
- Excessive use of cellular telephones during working hours for personal calls;
- Smoking in any area of the company premises;

- Creating or contributing to unsanitary or unsafe conditions;
- Posting, removing or altering notices on any bulletin board on company property without permission of an Officer;
- Failure to report an absence or late arrival; excessive absence or lateness;
- Buying company merchandise for personal or competitive resale;
- Obscene or abusive language toward any manager, coworker, supplier, or customer; indifference or rudeness towards a customer or coworker; any disorderly or antagonistic conduct on company premises;
- Failure to immediately report damage to or accident involving company equipment;
- Failure to maintain a neat and clean appearance in terms of the standards established by your manager; any departure from accepted conventional modes of dress or personal grooming; wearing improper or safe clothing; or
- Failure to use your timesheet; alteration of your timesheet or another employee's timesheet.

Disciplinary Actions for the above listed offenses or violation of any rules or policies that do not lead to immediate dismissal may be dealt with as follows and applies to all employees:

- Verbal warning
- Written warning
- Dismissal

Written warnings will include the reasons for the manager's dissatisfaction and any supporting evidence. You will have the opportunity to defend your actions and rebut the opinion of your manager at the time the warning is issued. Disciplinary actions may also include fines, suspension or other measures deemed appropriate to the circumstances.

All pertinent facts will be carefully reviewed and the employee will be given a full opportunity to explain his/her conduct before any decision is reached. The President or another member of senior management will give a second opinion concerning the unacceptable behavior before dismissal occurs.

21. Dismissal

Employment and compensation with PCS is “at will” in that employees may be terminated with or without cause and with or without notice, at any time, at the option of either PCS or the employee, except as otherwise provided by law.

If your performance is unsatisfactory due to lack of ability, failure to abide by PCS rules or failure to fulfill the requirements of your job, you will be notified of the problem. If satisfactory change does not occur, you may be dismissed. Some incidents may result in immediate dismissal.

C. Insider Trading Policy

This policy is included as Appendix C to this Handbook.

D. Code of Ethics for Senior Financial Officers.

This code of ethics is included in Appendix E to this Handbook.

II. Compensation & Performance

A. Wage & Salary Policies

It is PCS’ desire to pay wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair, equitable, variable with individual and company performance, and in compliance will all applicable statutory requirements. The Company applies the same principles of fairness and external comparability to all employees, regardless of organizational level, sex, religion, national origin, age or race.

Pay is influenced by the nature and scope of your job; what other employers pay their employees for comparable jobs; and individual performance. Individual performance will depend on performance over time, as evaluated in the annual employee review conducted by the employee’s manager. The evaluation will influence the wage/salary adjustment.

1. Computing Pay

Should a salaried employee be changed to an hourly employee, his/her pay will be computed by taking the annual salary rate divided by 2,080 hours per year.

2. Deductions from Paycheck (Statutory)

PCS is required by law to make certain deductions from your paycheck. Among these are federal, state, and local income taxes, social security, and Medicare. These deductions will be itemized on your check stub. The amount of the deductions may depend on your earnings and on the information you furnish on your W-4 form regarding the number of dependents/exemptions that you claim. Any change in

name, address, telephone number, marital status or number of exemptions must be report to human resource personnel immediately. The W-2 form you receive for each year indicates precisely how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court ordered assignments, will be explained whenever PCS is ordered to make such deductions.

3. Error in Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell your manager immediately. He or she will take the necessary steps to research the problem and to assure that any necessary correction is made properly and promptly.

4. Overtime Pay

From time to time, it may be necessary for non-exempt employees to perform overtime work in order to complete a job on time. All overtime must be approved in advance by your manager. When it is necessary to work overtime, you are expected to cooperate as a condition of your employment. There are two types of overtime work:

- a. Scheduled Overtime is announced in advance and generally will involve an entire department. This type of overtime becomes part of the required work week of the employees of that department. If you need to be excused from performing scheduled overtime, it must be discussed with your manager. The manager will consider your situation and the requirements of the department in deciding whether you may be excused from performing the scheduled overtime.
- b. Incidental Overtime is not scheduled and it becomes necessary in response to extenuating circumstances. It is extra time needed to complete work normally completed during regular hours. It may require you to return to the premises to complete emergency work. The opportunity for incidental overtime will first be given to the employee who normally performs the work and thereafter to another suitably qualified person.

Non-exempt employees are paid one and one-half (1.5) times the regular hourly wage for any overtime work that you perform. In determining overtime worked, time off due to job-related injury, company designated holidays, jury duty, and vacation are considered hours worked. Overtime is computed for the pay period (i.e. 1st-15th or 16th-31st) of the month. The overtime would be the excess hours worked as compared to the standard work week hours based on an eight (8) hour day.

5. Pay Cycle

The Company has 24 pay periods per year. Employees will be paid on the 15th and 31st (30th) of each month. Should these dates fall on a Saturday, the paychecks will

be given out on the Friday before the pay date. Should these dates fall on a Sunday, the paychecks will be given out on the Monday following the pay date.

6. Termination (Final) Pay

PCS hopes and expects that you will give at least two weeks notice in the event that you intend to leave our employ. Any unused vacation time will expire upon notice of departure. Final paychecks will be mailed on the regularly scheduled pay date, unless other arrangements are made prior to termination.

7. Time Records

The Company is required by law to keep accurate and written records of time worked by non-exempt employees. Thus, it is imperative that non-exempt employees turn in their timesheets before 10 A.M. on the pay date.

Exempt employees must also turn in timesheets before 10 A.M. on the pay date in order to ensure accurate vacation accrual records.

8. Wage Garnishments

As directed and required by law, the Company will deduct wage assignments, garnishments, and/or tax levies. The extent allowed by law for these deductions will be charged to the employee.

B. Performance & Compensation Reviews

Your manager is continuously evaluating your job performance. However, to avoid incomplete evaluations, PCS requires that each employee have a formal review conducted by his/her manager once a year. These will be conducted based on or about the employee's anniversary date. A review may also be conducted in the event of a promotion or change in duties and responsibilities or at the discretion of the employee's manager.

During the evaluation, your manager will consider the following items, as well as others that may arise:

1. Attendance, initiative, effort
2. Knowledge of your work
3. Attitude and willingness
4. The quality and quantity of your work

The primary reason for performance reviews is to identify your strengths and weaknesses in order to reinforce your good habits and develop ways to improve upon your

weaknesses. Your manager is interested in helping you to progress and grow in order to achieve personal, as well as work related goals.

Wage and salary increases are based on merit and length of service with PCS. Having your evaluation does not necessarily mean that you will be given an increase. Any wage or salary increase will appear in the pay period ending after the evaluation has been completed. Wage and salary increases may be retroactive in the case of late reviews, but must first be approved through the finance/accounting department.

C. Work Schedule

The normal work week consists of five (5) days, each day being eight (8) hours long, Monday through Friday. Your manager will discuss with you the hours with which you will work. You will be notified promptly whenever a change is necessary. Should you have any questions concerning your work schedule, please ask your manager.

1. Absence or Lateness

We understand that it may be necessary for you to be absent from work. PCS is aware of illnesses, emergencies or pressing personal business that arise and cannot be scheduled outside your normal work hours. Personal days have been provided to you for this purpose.

If you are unable to report to work or if you will arrive late, please contact your manager or someone readily available immediately. Give him/her as much notice as possible. If you know in advance that you will need to be absent, you are required to request this time off directly from your manager. He/she will determine when will be the most suitable time for you to be absent and either grant or deny your request.

Absence from work for two (2) or more consecutive days without notifying your manager will be considered a voluntary resignation.

2. Lunch Period

If you work longer than four (4) hours, you will be given an unpaid lunch period. The time when lunch periods are scheduled varies among departments, depending on the needs of each department. Your manager can discuss with you the appropriate times in which to take your lunch.

III. Benefits

A. The Benefits

As a full-time employee, you may be eligible for certain additional benefits other than working for a great company and receiving an equitable salary. These benefits are a solid investment by PCS in its employees. The benefits package is designed to insure loyalty of long-term capable employees, as well as assist in the recruitment of future employees. PCS will periodically review the benefits package and make modifications as necessary.

Any changes to the benefits package will be communicated through posting in the break room and written communication.

1. Eligibility for Benefits

If you are a full-time employee, you will enjoy all of the benefits described in this Handbook once you have met the eligibility requirements for each benefit.

If you are a part-time employee, you will only be eligible for those benefits that are required by law.

If you are a temporary or contract employee, you will not be eligible for benefits.

Most of the benefits described herein are available for you have been employed by PCS for ninety (90) consecutive calendar days on a full-time basis.

B. Paid Leaves of Absence

Time off for any reason first counts against your allotted personal days in hourly increments. Once you have used all of your personal days, the time will be without pay.

1. Holidays

Only full-time employees are eligible for paid holidays.

a. Recognized Holidays

Memorial Day	New Year's Day
Christmas Day	Thanksgiving Day (and the Friday after)
Independence Day	Labor Day
½ Day for Christmas Eve	½ Day for New Year's Eve

b. Holiday Policies

A holiday that falls on a Saturday will generally be observed on the day preceding, while a holiday that falls on a Sunday will generally be observed on the day following. If a holiday occurs during a scheduled time off, you are permitted to take an additional day off.

Time off will be granted for other religious holidays, but will be taken from the employee's personal days. If no personal days are available, then the time off will be given without pay.

All national holidays are scheduled by common business practices.

2. Personal Time

PCS offers the flexible benefit of Paid Time Off (PTO) to all regular full-time employees. Part-time employees do not receive PTO. PTO accruals may be used for whatever reasons an employee may have for being absent from the work place. PTO begins to accrue upon an employee's successful completion of three (3) months of employment with PCS. Employees will accrue PTO at the accrual rate indicated in the table below, based upon the number of full calendar years of employment completed with PCS as of January 1 of each calendar year.

Overtime pay will not be paid to an employee within the same work week that he or she has used PTO. PTO must be accrued before it can be used. Employees may not take leave without pay except in cases where a supervisor and the Human Resources Manager has determined leave without pay is appropriate. This decision is made at the discretion of PCS management.

PTO accruals are as follows:

Total Years of Employment with PCS as of January 1	Maximum Annual Time Allowed (based on 8 hour day)	Accrual Per Pay Period
0-1 Year	10 days	3.33 hours
2 Years	11 days	3.66 hours
3 Years	12 days	4.00 hours
4 Years	13 days	4.33 hours
5 Years	14 days	4.66 hours
6 Years	15 days	5.00 hours
7 Years	16 days	5.33 hours
8 Years	17 days	5.66 hours
9 Years	18 days	6.00 hours
10 Years	19 days	6.33 hours
11 Years	20 days	6.66 hours
12 Years	21 days	7.00 hours
13 Years	22 days	7.33 hours

14 Years	23 days	7.66 hours
15 Years	24 days	8.00 hours
16 Years	25 days	8.33 hours
17 Years	26 days	8.66 hours
18 Years	27 days	9.00 hours
19 Years	28 days	9.33 hours
20 Years	29 days	9.66 hours
21 Years and more	30 days	10.00 hours

It is the intent of PCS to encourage employees to use their PTO. With the exception of the PTO accrued during the last pay period of the calendar year, PTO must be used in the year in which it is accrued. Absent written authorization from PCS management, and with the exception of the PTO accrued during the last pay period of the calendar year, PTO will not carry over from year to year. Unless otherwise authorized by PCS management, PTO accrued during the last pay period of the calendar year and carried over to the following calendar year, must be used by January 31 of the following calendar year. Employees will not be paid for any unused PTO at the end of the calendar year.

3. Other Paid Leaves

We understand that it is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, we will permit you to take the necessary time off with full pay. You must notify your manager within forty-eight (48) hours of being selected as a potential juror.

C. Unpaid Leave of Absence

Occasionally, for medical, personal or other reasons, you may have to be temporarily released from your job duties, but may not wish to terminate your employment. Under certain circumstances, you may be eligible for unpaid leave of absence.

In general, a leave of absence is an official authorization to be absent from work without pay for a specified period of time. Eligible employees may be entitled to job protected family or medical leaves of absence if they are unable to come to work due to pressing family or medical concerns (see below).

1. Family or Medical Leave of Absence

The Family or Medical Leave Absence policy will be administered in accordance with applicable state and federal laws. For purposes of this policy, a child is defined as a natural, adopted, foster or step child or legal ward. If the child is over 18, he/she must be unable to care for himself or herself due to a serious illness. For purposes of this policy, a parent is defined as the employee's or employee's spouse's natural, adopted, step-, or foster parent or legal guardian. For purposes of this policy, a serious illness is defined as a disabling physical or mental illness, injury, impairment or condition involving inpatient care in a hospital, nursing home or hospice; or outpatient care requiring continued treatment or supervision from a healthcare professional.

The policy is as follows:

- a. Employees are eligible if they have been actively employed for twelve (12) months and worked at least 1,250 hours during those twelve (12) months. Salary continuation during any leave period shall depend upon the employee's qualifying for disability pay under our Disability Leave of Absence policy (see below).
- b. Under the circumstances set forth below, each eligible employee shall have up to a total of twelve (12) weeks leave during any one year period.
- c. A family leave shall be granted upon the birth or adoption of a child of the employee or upon the serious illness of the employee's child, spouse or parents.
- d. A medical leave shall be granted upon the employee's own serious illness.
- e. Whenever possible, and subject to your healthcare provider's approval, absences for planned medical treatment should be scheduled so as not to unduly disrupt company operations.
- f. In appropriate circumstances, we may require you to be examined by physician designated by the Company, for which the Company will pay the expenses related thereto.
- g. In the event of a serious illness to the employee or his/her child, spouse or parent, creating a need for unforeseeable family or medical leave, the employee should provide us with notice, as soon as practicable, of any needed time off and a written doctor's certificate indicating the expected duration and nature of the illness, particularly as it relates to the employee's ability to return to work or the need for the employee's presence at home to care for a seriously ill family member.
- h. Employees shall be required to give thirty (30) days advance notice in the event of a foreseeable medical treatment. To assist us in arranging work assignments during your absence, we ask that you give us prior notice, to the extent possible,

of an expected birth or adoptions, as well as an indication of your expected return date. To facilitate your return, we also ask that you provide us with two weeks advance notice of your intended return date. Failure to do so may delay your return date.

- i. Upon completion of a leave granted under this policy, you shall be reinstated to your original position, or an equivalent one.
- j. If, due to your own medical circumstances, you are no longer able to perform your original job, we will attempt to transfer you to another position within the Company. Should your leave extend beyond that provided for in this policy, we will attempt to return you to a suitable position, but cannot guarantee that one will be available.
- k. While on a leave of absence provided for under this policy, we will continue your group health insurance benefits under the same terms as provided to other employees, for up to a maximum of twelve (12) weeks during any one year period. If your leave extends beyond twelve (12) weeks, you shall be offered the opportunity to purchase continuing coverage under state and federal COBRA continuation rules.
- l. Other accumulated fringe benefits shall be preserved at the level earned as of commencement of the leave, but shall not accrue further during any such leave period.

2. Disability Leave of Absence

PCS classifies pregnancy as a disabling condition, and will provide reasonable leave for all employees for the period of disability as determined by the employee and her physician. When ready to return to work, the employee will be reinstated to her original job or a similar level position. At all times, PCS' maternity leave policy will be in compliance with state and federal regulations.

Should an employee require additional time after all personal leave and short term disability is utilized, allowances may be made at the discretion of PCS on an individual basis. The deciding factor will be the ability of the Company to cover the position described in the employee's job description, without interpretation.

If your disability, other than pregnancy, prevents you from working for longer than six (6) weeks, when you are ready to return to work we will do our best to reinstate you to your position or similar position, but we cannot guarantee that your job or any job will be available at that time.

3. Military Leave of Absence

If you are a full-time employee and are inducted into the U.S. Armed Forces, you will be eligible for reemployment after completing military service, provided:

- a. You show orders to your manager as soon as you receive them;
- b. You satisfactorily complete your active duty service;
- c. You enter the military service directly from your employment with PCS;
- d. You request reemployment within ninety (90) days of discharge from active duty.

4. Military Reserves or National Guard Leave of Absence

Employees who serve in U.S. military organizations or state militia groups may take the necessary time off without pay to fulfill obligations and will retain all of their legal rights for continued employment under existing laws. These employees may apply personal time to their leave if they wish; however they are not obligated to do so.

You are expected to notify your manager as soon as you are aware of the dates you will be on duty so that proper arrangements can be made.

5. Personal Leave of Absence

Under special circumstances, PCS may grant a leave for personal reasons. You should request unpaid personal leave of absence from your manager. A personal leave of absence must not interfere with the operations of your department. This request may be granted for up to thirty (30) days. If your leave is extended past thirty (30) days, benefits, including personal time, will no longer be available. You should consult the group insurance booklet to determine the insurance coverage available to you during your leave of absence. Failure to return from a leave at the agreed upon time will result in termination of your employment.

D. Insurance Coverage

1. Group Insurance

A comprehensive health and dental program are available to all full-time employees of PCS. We provide group insurance underwritten by national insurance carriers for both health and dental coverage. After completion of ninety (90) days of employment, you will become eligible for coverage. At that time, you may choose to accept or decline the insurance coverage.

If you choose coverage, the Company will provide a booklet and estimate of your payments upon joining the plans. The Company will pay 70% of the premiums to cover you and any eligible dependents. The amount of your portion (30%) of the premium will be deducted proportionately from your paycheck in advance of the premium payment date.

2. Termination of Insurance

Your insurance will terminate when the insurance policy terminates, when you fail to make agreed upon contribution to premiums when due, when you cease to be eligible for coverage under the terms of our insurance program or when you cease to be employed as a regular, full-time employee eligible for insurance. PCS may, by continuing to pay the premium, keep your insurance in effect for a brief period if you cease to be an eligible employee for any reason other than resignation, dismissal or failure to meet the terms of eligibility of our insurance program.

E. Government Required Coverage

1. Workers' Compensation (WC)

If you are unable to work because of a work related injury, PCS and our WC carrier work together to take care of your medical expenses and to pay you money on which to live – automatically, without delay to you. Every employee at PCS is covered under our WC policy from the first day of employment to the last day of employment. Any injury that is caused by your job, not just serious accidents, but even first-aid type injuries, is covered by our WC.

To obtain benefits, all injuries, no matter how small, must be reported immediately to your manager to assure consideration under WC, should complications develop later. Your manager will assist you in seeking medical attention. Advise your manager what, when, and how the injury occurred. If the injury is an emergency, go to the nearest emergency facility. After an injury, both your manager and you must complete necessary written statements and other forms as necessary. Failure to do so may result in loss of benefits.

Fortunately most claims are handled routinely. However, mistakes do occur. If you feel as though you have not received all benefits due to you, please contact your manager or human resource personnel.

If you have a serious injury that may require you to be away from your job for a year or more, you may be eligible for additional social security benefits. For information, contact the nearest Social Security Administration office.

2. Unemployment Compensation

PCS pays a percentage of its payroll to the Unemployment Compensation Fund according to PCS' employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible, you must have earned a certain amount and be willing and able to work. You should apply for benefits through your locale State Unemployment Office as soon as possible.

3. Social Security

The U.S. government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund to which benefits are paid. As your employer, PCS is required to deduct this amount from each paycheck and match dollar for dollar that amount.

IV. Other Policies

A. Computer Software (Unauthorized copying)

PCS does not condone the illegal duplication of software. The copyright law is clear! The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U.S.C. states that “it is illegal to make or distribute copies of copyrighted material without authorization.” The only exception is the users’ right to make a backup copy for archival purposes.

The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless a backup copy is not provided by the manufacturer. Unauthorized duplication of software is a federal offense. Penalties include fines of as much as \$250,000 and up to five (5) years in jail. In addition and in accordance with U.S. Copyright Law, illegal reproduction of software can be subject to civil, as well as criminal penalties. Any copyright infringement may include dismissal as part of the disciplinary actions within the Company.

PCS licenses the use of computer software from a variety of outside companies. We do not own this software or its related documentation and, unless authorized by the software manufacturer, do not have any rights of reproduction. With regard to the use on multiple machines, PCS employees shall use the software only in accordance with the license agreement. PCS employees who learn of any misuse of software or related documentation shall notify their manager.

B. Conversion Privileges

At your exit interview or upon termination, you will be instructed as to how to continue your insurance coverage and any other benefits.

C. Dress Code/Personal Appearance

You are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if you are dealing with the public as a representative of the Company. Each manager is responsible for establishing a reasonable dress code appropriate to the job you perform. A neat, tasteful appearance contributes to the positive impression you make on our customers and other professionals working with the Company. You are expected to be suitably attired and groomed during working hours or when representing PCS. A clean appearance shows your own poise and self-confidence and greatly enhances PCS’ image. If you present yourself for work in a way that is not

acceptable to your manager, you may be asked to leave to change attire. You will not be paid for the time in which you must leave to accomplish this.

D. Exit Interviews

In instances where an employee voluntarily leaves our employ, PCS would like to discuss your reasons for leaving and any other items that you may want to discuss about PCS. If you decide to leave, you will be asked to grant us the privilege of an exit interview. During the interview, you can express yourself freely. It is hoped that this exit interview will help provide insight into possible improvements we can make. All information will be kept strictly confidential and in no way will affect any reference information that PCS will provide to another potential employer about you.

E. Expense Reimbursement

You must have prior approval before purchasing items other than lodging, airfare, and rental car accommodations for work related trips. Approval needs to be obtained from your manager as well as the finance/accounting department.

Expense reports are to be turned in as soon as reasonably possible after your return from a trip. The expense reports will be paid within forty-five (45) days of receipt of the expense report.

If you use your personal vehicle for company related travel, you will be reimbursed mileage according to the IRS current rate. Submit the mileage, as well as your calculated mileage, on your expense report.

F. First Aid

Federal laws (OSHA) requires that we keep records of all illnesses and accidents that occur during the workday. The state Workers' Compensation Act also requires that you report any illness or injury that occurs on the job, no matter how small. If you hurt yourself or become ill, please contact your manager for assistance. If you fail to report an injury, you may jeopardize your right to collect certain benefits that may be available to you. OSHA also provides for your right to know about any health hazards that may be present on the job. Should you have any concerns or questions, please contact your manager.

There are certain first aid items available in the break room, including band-aids, Tylenol®, etc.

G. Grievances

Whenever you have a problem or complaint, we expect you to speak up and communicate directly with us. First, you should speak with your manager to discuss any of the issues you may have. If you are not comfortable with or cannot talk to your manager about the situation, you may approach another manager within the Company. If

after talking to a manager your situation is not resolved, you may speak to the President of the Company to have your matter promptly resolved.

H. Layoff & Recall

In the unlikely event that a reduction in the workforce shall occur, employees will be laid off based on skills and abilities. When it is necessary to recall employees from layoff status, recall will be in reverse order to the layoff. Recall will be made by mail to your last known address or by telephone. Failure to respond to the recall within three (3) days will be considered voluntary resignation. Laid off employees must keep PCS informed of any change in mailing address or telephone number.

I. Outside Activities

No employee may take an outside job, either for pay or as a donation of his/her time, from a customer or competitor of PCS or if the work competes with the sales of products and/or services of PCS. If your financial situation requires that you hold a second job, either part-time or full-time, or if you intend to engage in a business enterprise of your own, we need to know about it. Before accepting any outside employment it would be a good idea to discuss the matter with your manager.

J. Personal Phone Calls & Mail

Please keep personal phone calls to a minimum as they must not interfere with completion of your work or those around you.

Personal mail should not be addressed to you at the Company address. In addition, personal mail may be processed through the Company mailing system so long as the postage is prepaid and the volume is not large.

K. Resignation

While we hope that you will stay employed by PCS for a very long time, we understand that it may become necessary for you to leave PCS. If you anticipate having to resign, we expect that you will notify your manager at least two (2) weeks in advance of the date that you will leave. This is not a legal or contractual requirement, but is expected as a matter of courtesy and professionalism.

Upon resignation or termination, the Company will not provide severance pay to any employee under any circumstance.

L. Return of Company Property

Any property that was issued to you by PCS, such as samples, computers, fax machines, etc., must be returned on the last day of your employ. You are responsible to pay for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization for this purpose.

M. Smoking

PCS is a smoke free environment.

N. Substance Abuse Policy

PCS is a drug free workplace, as such, whenever use or abuse of any mood altering substance, such as alcohol or other drugs, interferes with safety or productivity in the workplace, appropriate action will be taken. PCS has no desire to intrude into its employee's personal lives. However, both on the job and off the job involvement with any mood altering substances can have an impact on PCS. Therefore, you are expected to report to work with no mood altering substances in your body. While you may make your own lifestyle choices, PCS cannot accept the risk in the workplace that substance use or abuse may create. The possession, sale or use of mood altering substances at the workplace or coming to work under the influence of such substances is a violation of the safe work practices and will be subject to disciplinary action, including, but not limited to, dismissal. The Company reserves the right to do random drug testing of its employees.

O. Theft

Internal theft can be a large problem for PCS. Although an item may seem insignificant, the cumulative effect of theft to PCS can be monumental. Stealing from PCS is like stealing from yourself. Even if you take a small item, the cumulative effect can result in our inability to increase salaries and be profitable.

PCS will not tolerate any property theft. Appropriate disciplinary action will be taken, including, but not limited to, immediate dismissal and prosecution.

P. Violations of Policies

You are expected to abide by the policies in this Handbook. Failure to do so will lead to appropriate disciplinary action. A written record of all policy violations is maintained in each employee's personnel file.

Appendix A Contact Information

The Compliance Coordinator is Janelle Conaway, (208) 343-3110 x101, jconaway@pcsedu.com.

In the absence of Janelle Conaway, the Company's Chief Executive Officer, Anthony A. Maher, shall perform the functions of the Compliance Coordinator; and all references to the Compliance Coordinator in this Insider Trading Policy shall be deemed to refer to the CEO. Mr. Maher can be reached at (208) 343-3110, x102, tmaher@pcsedu.com.

The Company's general counsel is:

Richard A. Riley
Hawley Troxell Ennis & Hawley LLP
877 Main Street, Suite 1000
P.O. Box 1617
Boise, Idaho 83701-1617
direct dial: 208.388.4842
fax: 208.954.5255
e-mail: rriley@hawleytroxell.com

Appendix B Whistleblower Policy

1. What is a Whistleblower?

A whistleblower is a person, whether an employee of the Company or outside informant, who reports employer misconduct relating to accounting, auditing, or internal control matters.

2. Your Responsibility

It is the responsibility of all directors, officers, and employees to comply with these Standards of Conduct and to report violations, or suspected violations, relating to accounting, auditing, or internal control matters in accordance with this Policy.

3. General Procedures

a. How does a whistleblower submit complaints? Any person may submit a complaint in writing to the Company's Audit Committee Chairman, Michael K. McMurray, by mailing it to 902 Stillwater Drive, Eagle, Idaho 83616 or delivering it in person. The complaint may be signed or sent anonymously. A person may submit a complaint verbally to Mr. McMurray via telephone at 208.939.7806 or in person. If you are not comfortable with submitting your concerns to the Audit Committee Chairman, you may alternatively submit it to our general counsel, Richard A. Riley, by mailing it to his attention at Hawley Troxell Ennis & Hawley LLP, P.O. Box 1617, Boise, Idaho 83701.

b. What happens after your complaint is submitted? After the Audit Committee receives a complaint, the Chairman will discuss it with other members of the Audit Committee and begin a thorough investigation. The investigation is explained in more detail below. The Audit Committee Chairman will acknowledge receipt of the complaint in writing within five (5) business days, either to the person submitting the complaint or, if it was submitted anonymously, directly to the Board Member identified below.

c. How is my complaint investigated? The Audit Committee will then hand over the investigation to a Board Member not on the Audit Committee; and the Board currently appoints Dr. Dehryl A. Dennis to fulfill such role. After a full investigation into the complaint, Dr. Dennis will report to the Audit Committee Chairman such recommended resolution.

4. Whistleblower Protection

Any person who files, testifies, participates or otherwise assists in any proceeding relating to an alleged violation relating to accounting, auditing, or internal control matters cannot be discharged, demoted, suspended, threatened, harassed or discriminated against as a result of such involvement. If the whistleblower feels as though this has occurred,

he/she may seek civil remedies under Section 806 of the Sarbanes-Oxley Act of 2002, including “all relief necessary to make the employee whole.” However, employees seeking relief under Section 806 must also file a complaint with the U.S. Secretary of Labor.

5. In Good Faith

All complaints shall be assumed to have been made in good faith. Any allegation proven to be unsubstantiated and to have been made maliciously or knowing it to be false will be viewed as a serious disciplinary offense.

Appendix C

Insider Trading Policy

1. General Purpose

PCS Edventures!.com, Inc.'s Board of Directors has adopted this Insider Trading Policy both to satisfy the Company's obligation to prevent insider trading of the Company's securities and to help Company personnel avoid the consequences associated with violations of the insider trading laws. This policy applies to all PCS directors, officers, and employees. For purposes of this Policy, "Company," "PCS", "we," or "us" means both PCS Edventures!.com, Inc. and its subsidiaries.

"Insider trading" means the purchase or sale of securities by persons who are aware of material non-public information about a company and the disclosure of material non-public information about a company to others who then trade in the company's securities (a practice known as "tipping").

Insider trading, including tipping, is a violation of federal law and, in some cases, a crime. Federal law also penalizes companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

This Policy is intended to prevent even the appearance of improper conduct by all PCS employees. Everyone at PCS has worked very hard over the last two decades to establish PCS as a company known for integrity and ethical conduct, and we cannot afford to have that reputation damaged.

Remember, anyone who reviews your securities transactions will do so after the fact, with the benefit of hindsight. This being the case, you should carefully consider how others might view the transaction before you buy or sell PCS securities.

A copy of this Policy shall be delivered to all new employees when they start work and shall be included in the Company's Employee Handbook

2. Definitions

a. Blackout Period. A Blackout Period is a period of time during which this Policy prohibit Insiders from trading PCS securities. Blackout Periods generally cover times when Insiders are aware or likely to be aware of material non-public information, such as the periods during which SEC reports on the Company's quarterly or annual financial results are being prepared and disseminated. Section 4 of this Policy discusses Blackout Periods in greater detail.

b. Insider. In this Policy the term "Insider" means (i) any member of our Board of Directors, (ii) any PCS corporate officer, and (iii) any other PCS employee.

c. Material non-public information. "Nonpublic information" means information that has not been broadly disclosed to the public through a press release, earnings call or SEC filing. "Material information" means any information that is likely

to affect the price of PCS stock or that a reasonable investor would want to know when deciding to buy or sell PCS stock. Material information is a very broad concept that can include a wide range of information. For this reason, if you are ever unsure whether certain information is material, play it safe and assume that the information is material. Information about any of the following subjects is always considered “material”; but please remember that, depending on the circumstances, almost any information about the Company, whether positive or negative, can constitute “material information.”

(i) Financials

- PCS’ present or forecasted future financial condition, including statements of earnings or losses
- Errors in previously issued financial statements that make those financial statements unreliable
- Change in PCS’ fiscal year

(ii) Operations

- Launch of a new product or business
- Pending or prospective mergers, acquisitions or tender offers
- Sale of significant assets or of a significant subsidiary
- Gain or loss of a substantial customer or supplier
- Taking out a significant long-term loan or leasing a significant capital asset
- Significant developments in actual or threatened litigation

(iii) Management

- Major changes in senior management
- Changes in the board of directors

(iv) Investor Relations

- Discussion of significant risk factors affecting the Company’s business
- New equity or debt offerings
- Amendments to the Company’s articles of incorporation or bylaws
- Agreement with a government agency to conclude an investigation of PCS, its officers, or directors or to settle any issues resulting from an investigation

(v) Internal Controls

- Change in the Company’s auditor
- Sales of unregistered equity securities
- Amendments to PCS’ code of ethics

- Waiver of a provision of PCS' Code of Ethics for Senior Financial Officers

d. Securities. The term “securities” includes PCS common stock; PCS preferred stock; options, warrants, and other rights to purchase PCS stock; convertible debt issued by PCS; and derivatives of PCS securities. Stock options or other equity-based awards granted under any PCS equity incentive plan are subject to all the restrictions of this Policy.

Note

The definition of “securities” covers awards under any PCS equity incentive program, including any non-stock incentive (such as a stock appreciation right) whose value is tied to the market price of PCS stock.

e. Trading. To “trade” in securities means to buy or sell securities. Trading in securities includes exercising a stock option or a non-stock incentive, such as a stock appreciation right, whose value is tied to the market price of PCS stock.

3. Policy

a. Pre-Clearance Required. No Insider may trade PCS securities without obtaining pre-clearance from the Company's Compliance Coordinator. Section 6 of this Policy discusses pre-clearance procedures and the Compliance Coordinator's role in greater detail.

b. Trading While Aware of Inside Information About PCS Prohibited. No Insider may trade PCS securities at any time when aware of material non-public information relating to the Company, unless the trade is effected pursuant to an effective Rule 10b5-1 Plan adopted in accordance with Section 5..

c. Trading Prohibited During Blackout Periods. No Insider may purchase or sell PCS stock during a Blackout Period. No Insider may exercise any stock option or other equity-based award issued under a Company equity incentive plan (“Award”) (whether for cash or in a cashless exercise) during a Blackout Period absent written approval by the Compliance Coordinator or the Company's legal counsel after review of the pertinent facts and circumstances. Holders of options or other Awards are responsible to be make themselves aware of the dates of Regular Blackout Periods. If an option or other Award will expire during a Regular Blackout Period, the holder must exercise the Award prior to the commencement of the Regular Blackout Period or the Award will expire pursuant to its terms.

Section 4 of this Policy discusses Blackout Periods in greater detail. Section 5 of this Policy discusses the limited exceptions to the prohibition of trading during Blackout Periods.

d. Short Sales and Options Trading Prohibited. No Insider may engage in short sales of PCS securities or trade put options, call options, or other derivatives of the Company's securities.

e. Trading on Insider Information About Other Companies Prohibited. No Insider may trade securities of another company at any time while aware of material non-public information about that company that the Insider obtained during the course of the Insider's employment or other relationship with PCS. For example, an Insider may not trade while aware of material nonpublic information about one of PCS's customers, vendors, or suppliers.

f. Tipping Prohibited. No insider may disclose material non-public information to any person outside the Company, including family members, or make recommendations or express opinions on the basis of material non-public information with regard to trading PCS securities.

g. No Unauthorized Public Statements. No insider may comment on PCS's stock price or rumors about PCS, unless the comment is authorized under PCS's Disclosure Policy. The Disclosure Policy is included as Appendix D to this Handbook.

Note

If you make an unauthorized comment on PCS's stock price, rumors about PCS, or otherwise disclose material non-public information, you should immediately contact the Company's Chief Compliance Coordinator or our General Counsel. See contact information in Appendix A.

h. Family and Other Household Members. The restrictions contained in this Policy apply equally to the members of each Insider's household. PCS considers violations of this Policy by the members of an Insider's household to be violations by the Insider. PCS recognizes that this may not be appropriate in all situations, and when this is the case, the Insider should promptly discuss his or her situation with the Compliance Coordinator. Appendix A to this Policy contains contact information for the Compliance Coordinator.

i. Exceptions. The only exceptions to this Policy are the express exceptions set out in Section 5 of this Policy.

4. Blackout Periods

a. Regular Blackout Periods. There are four regular Blackout Periods during which this Policy prohibits Insiders from trading PCS securities. The Regular Blackout Periods begin twenty-five (25) calendar days before reports of financial results are due to be filed with the SEC for the fiscal quarters ending June 30, September 30, December 31 and March 31 of each fiscal year and end three full trading days of PCS securities on the over the counter bulletin board (OTCBB) after the report is actually filed. At least annually, the Compliance Coordinator will notify the Company's

employees of the commencement date and scheduled end date of the next four quarterly Regular Blackout Periods.

b. Additional Blackout Periods. Additional Blackout Periods may be declared by the Company's management if and when other material events occur, such as an impending merger or acquisition of the Company. Because the events that give rise to the Additional Blackout Period may be known by only a few individuals, the Company may limit the Additional Blackout Period's application to the individuals who possess material nonpublic information about the event and individuals who would appear likely to an outsider to have had access to or been aware of material non-public information related to the event.

The Company may also impose an Additional Blackout Period while the Company is in the process of assembling interim earnings guidance or other potentially material information for public release.

All Additional Blackout Periods will remain in effect while the information remains non-public information and for three full trading days of PCS securities on the OTCBB after the information is made public.

If you are made aware of the existence of an Additional Blackout Period you should not disclose the existence of the Additional Blackout Period to any other person.

Note

Whether or not you are designated as being subject to an Additional Blackout Period, you still have the obligation not to purchase or sell while you are aware of the material non-public information.

5. Exceptions to the Prohibition of Trading During a Blackout Period

a. Exercise of Incentive Award Expiring During Additional Blackout Period. If an option or other Award would expire during an Additional Blackout Period (i.e., a Blackout Period other than a Regular Blackout Period): (i) exercise of the Award during the Additional Blackout Period for a pre-determined fixed exercise price payable in cash will generally be permitted by the Compliance Coordinator; but (ii) cashless exercise of the Award during the Additional Blackout Period generally will not be permitted. However, the Compliance Coordinator may, at the Compliance Coordinator's sole discretion, allow the cashless exercise of the otherwise expiring Award by the Insider during the thirty (30) day period after the end of the Additional Blackout Period. In exercising this discretion, the Compliance Coordinator may consider (among other factors) whether the Insider is or is not aware of the material nonpublic information resulting in the Company's declaration of the Additional Blackout Period, whether the deferred exercise of the Award could create the appearance of improper conduct, whether (with respect to an Incentive Stock Option) the extension of the term of the option would compromise its tax attributes, and whether the extension of the term of the Award would be a deferral subject to Section 409A of the Internal Revenue Code.

Note

You may suffer losses because you are prohibited from trading during a Blackout Period. PCS has no obligation to permit you to trade during a Blackout Period, even if you are not in fact aware of material nonpublic information and even if your option or other Award will expire during the Blackout Period. The best way to avoid these consequences is to establish a Rule 10b5-1 Plan, as described in the following section of this Policy.

b. Rule 10b5-1 Plans. Insiders may trade in securities at any time through a Rule 10b5-1 Plan that has been approved by the Company, regardless of the restrictions contained in this Policy. This Section 5.b. describes Rule 10b5-1 Plans and sets out the process for Insiders who wish to have the Company approve their Rule 10b5-1 Plans.

SEC Rule 10b5-1 allows an insider to trade company stock while aware of material non-public information, so long as trading activity is conducted pursuant to a pre-existing contract, instruction or plan established in good faith when the insider was not aware of any material non-public information. A properly structured Rule 10b5-1 plan will allow an Insider to trade securities, including exercising options or other awards, at times when trading would otherwise be prohibited, such as during a Blackout Period or while the Insider is aware of material non-public information. A Rule 10b5-1 Plan does not, however, relieve any Insider from normal PCS stock trade procedures or disclosure requirements such as Rule 144 limitations on sale of “restricted securities” and Form 4 filing requirements applicable to directors and executive officers.

Insiders can customize a Rule 10b5-1 Plan to meet individual needs. The number of shares to be traded can be designated as a specific number, as a percentage of the insider’s holdings, or as a number of shares needed to produce a specific dollar amount of proceeds. Price can be designated as a specific dollar price, a limit order price, or as the prevailing market price. Date and time of trade can be designated as a specific date and time or as when a specific event occurs. For example, a plan might state: “Sell 10,000 shares of PCS common stock on the first trading day in January 2010 at no lower than \$1.00 per share” or “On the third trading day of every calendar quarter, sell \$10,000 worth of PCS common stock.”

PCS encourages Insiders to establish 10b5-1 plans and, to the extent feasible, to limit their purchases and sales of PCS securities to trades conducted under such plans. The following requirements apply to the establishment and operation of Rule 105-1 plans:

- (i) Submission of proposed plan to the Company’s Compliance Coordinator for review prior to adoption.
- (ii) Binding written contract with securities broker expressly specifying amount of securities to be purchased or sold, price and time of transaction, or a written formula or algorithm or computer program for determining amounts, prices and dates.
- (iii) Plan adopted in good faith outside of any Blackout Period and while insider is not aware of any material nonpublic information.

- (iv) Plan expressly prohibits insider from any subsequent influence over how, when or whether to buy or sell PCS securities.
- (v) 30 day waiting period after adoption of plan prior to first trade.
- (vi) Approval by Compliance Coordinator prior to any modification of the plan after adoption. (A 10b5-1 plan may be modified only at a time when the insider is not aware of any material non-public information).
- (vii) Letter from broker's compliance officer affirming that broker will trade PCS securities for insider only in compliance with the plan and will not permit the insider to modify or terminate the plan or otherwise exercise any influence or control over amount, price or timing of transactions in PCS securities without written approval from the Company's Compliance Coordinator.

Further information concerning 10b5-1 plans and sample plan agreements may be obtained from the Company's Compliance Coordinator. Appendix A to this Policy contains contact information for the Compliance Coordinator.

6. Pre-Clearance Required for Trades by Insiders.

Because of the small size of the Company, the directors, officers, and employees of the Company frequently have access to confidential information about the Company. Accordingly, the directors, officers, and employees of the Company must consult and pre-clear all trades of PCS securities with the Compliance Coordinator or the General Counsel. As part of the pre-clearance procedure, Insiders will need to demonstrate that they have arranged for filing the appropriate report forms and notices with the SEC. The Compliance Coordinator's approval of a trade will remain effective for a specific number of days as determined by the Compliance Coordinator. The Compliance Coordinator will document and maintain records of each pre-approved transaction, the date of approval or denial and other pertinent information.

This pre-clearance requirement will enable the Compliance Coordinator to consider the applicability of SEC Rule 144 (limitations on sale of "restricted securities"), SEC Rule 10b-5 (insider trading rule) and SEC Section 16(b) (short-swing profit rules) to the proposed transaction and to assure compliance with any related filing requirements. The Compliance Coordinator may, at the Compliance Coordinator's sole discretion, deny pre-clearance to avoid even the appearance that the Insider is trading while aware of material, nonpublic information.

Note

You may suffer losses because you are denied pre-clearance to trade PCS securities. PCS has no obligation to permit you to trade if the Compliance Officer determines that your trade could appear to be based on material, nonpublic information. This is true even if you are not in fact aware of material nonpublic information. The best way to avoid these consequences is to establish a Rule 10b5-1 Plan, as described in Section 5 of this Policy.

Pre-clearance is not required for trades conducted pursuant to an approved 10b5-1 plan; but Insiders are nevertheless required to pre-notify the Company's Compliance Coordinator prior to trades under an approved 10b5-1 plan in order to assure that the appropriate SEC reports and notices are timely filed.

Appendix A to this Policy contains contact information for the Compliance Coordinator.

7. Potential Criminal, Civil Liability, and Disciplinary Action

This Policy establishes certain rules governing trades by PCS Insider, but it does not describe or establish rules for all possible violations of federal securities laws based on misuse of material nonpublic information. Appropriate judgment should be exercised by each individual in connection with the purchase or sale of PCS securities.

Insiders found liable for insider trading may be subject to criminal penalties and imprisonment for trading of securities based on material non-public information. In addition, an insider may be liable for transactions by any person to whom the insider has disclosed the material non-public information. The SEC has imposed large penalties even when the disclosing person did not profit, directly or indirectly, from the trade(s). Civil penalties of up to three times the profit gained or loss avoided may be imposed against an insider who buys or sells PCS stock while aware of material non-public information.

Any Insider who is found to have violated this Policy will be subject to disciplinary action as outlined in the Employee Handbook, including ineligibility of future participation in equity incentive plans or termination of employment.

Appendix D Disclosure Policy

1. Introduction. When we share information about PCS Edventures!.com, Inc. (“PCS” or the “Company”), we have a legal and ethical obligation to ensure that the information is accurate and that the investing public has access to it. The “Policy” section of this Disclosure Policy provides greater detail about when this rule applies and who it applies to and it sets out the consequences for individuals who violate the rule. The “Procedure” section establishes specific procedures for disclosing information to the public. The “Contact with the Public” section sets out the Company’s Disclosure Policy for direct contacts with the news media, investors, shareholders and investment professionals. The “Compliance Coordinator” section defines the role and responsibilities of the Company’s Compliance Coordinator.

2. Policy. Company personnel may not share the Company’s material nonpublic information with any person outside the Company except in accordance with this Disclosure Policy.

2.1 Who must comply with this Disclosure Policy? All directors, officers, employees and independent contractors of PCS must comply with this Disclosure Policy.

2.2 What is “nonpublic information”? Nonpublic information means information that has not been broadly disclosed to the public through a press release, earnings call or SEC filing.

2.3 What is material information? Material information means any information that is likely to affect the price of PCS stock or that a reasonable investor would want to know when deciding to buy or sell PCS stock. Material information is a very broad concept that can include a wide range of information. For this reason, if you are ever unsure whether certain information is material, play it safe and assume that the information is material. Information about any of the following subjects is always considered “material,” and should be disclosed to the public only in accordance with this Disclosure Policy; but please remember that, depending on the circumstances, almost any information about the Company, whether positive or negative, can constitute “material information.”

Financials

- PCS’ present or forecasted future financial condition, including statements of earnings or losses
- Errors in previously issued financial statements that make those financial statements unreliable
- Change in PCS’ fiscal year

Operations

- Launch of a new product or business
- Pending or prospective mergers, acquisitions or tender offers
- Sale of significant assets or of a significant subsidiary

- Gain or loss of a substantial customer or supplier
- Taking out a significant long-term loan or leasing a significant capital asset
- Significant developments in actual or threatened litigation

Management

- Major changes in senior management
- Changes in the board of directors

Investor Relations

- Discussion of significant risk factors affecting the Company's business
- New equity or debt offerings
- Amendments to the Company's articles of incorporation or bylaws
- Agreement with a government agency to conclude an investigation of PCS, its officers, or directors or to settle any issues resulting from an investigation

Internal Controls

- Change in the Company's auditor
- Sales of unregistered equity securities
- Amendments to PCS' code of ethics
- Waiver of a provision of PCS' Code of Ethics for Senior Financial Officers

2.4 When will PCS disclose material nonpublic information? PCS will disclose material nonpublic information:

- To comply with federal securities reporting regulations.
- To promptly correct a PCS statement that PCS later determines was incomplete, incorrect, inaccurate, or misleading at the time PCS made the statement;
- To promptly correct a third-party statement approved or adopted by PCS that PCS later determines was incomplete, incorrect, inaccurate, or misleading at the time PCS approved or adopted the statement;
- To allow PCS personnel to trade in PCS stock, in accordance with the Company's "Insider Trading Policy"; and
- To confirm, complete, or correct, as necessary, information in the marketplace that appears to have been improperly disseminated by a PCS source.

2.5 What are the consequences for failing to follow this Disclosure Policy? This Disclosure Policy is intended to prevent PCS and PCS personnel from violating the Company's legal and ethical duties to control the disclosure of information from the Company. Failure to follow this Disclosure Policy could result in significant legal liability to PCS as a company and, possibly, to individual PCS personnel. PCS may terminate its relationship with any person that fails to follow this Disclosure Policy.

2.6 Does this Disclosure Policy prohibit disclosures required by federal, state, or local law? No. This Disclosure Policy does not prohibit PCS personnel from complying with local, state and federal laws and regulations that require disclosure, such as a subpoena issued by a governmental authority or court.

2.7 Who can answer questions about this Disclosure Policy? Questions about this Disclosure Policy should be referred to the Company's Compliance Coordinator.

3. Procedure. Material nonpublic information pertaining to PCS should initially be publicly disclosed only by a statement that is reviewed, approved and released in accordance with this Disclosure Policy.

3.1 Review. Before PCS personnel make a public statement that concerns the Company, the statement must be submitted to the Company's Compliance Coordinator for review. PCS personnel must submit all proposed public statements to the Compliance Coordinator, whether the statement will be made orally or in writing and whether or not the statement contains or concerns material information—except that public statements that solely concern the following topics and that do not contain forward-looking statements need not be submitted to the Compliance Coordinator for review: (a) training in the use of PCS products, (b) new PCS products or new features of existing PCS products, (c) features of PCS products, and (d) PCS product offerings.

3.1.1 Definition of Public Statement. A “public statement” means any statement that concerns the Company or its stock published orally or in writing in any medium that may be accessed by a person outside the Company. The term includes all forms, reports and documents filed with the Securities and Exchange Commission; statements made in PCS' annual and any other reports to its shareholders; press releases and earnings releases; communications with financial or industry analysts, investors, or the news media; speeches by senior management; presentations and information contained on PCS' Web site or blog; oral discussions in public or quasi-public areas where conversations may be overheard; and Internet chat rooms, bulletin boards, blogs and other similar media that discuss PCS or PCS products, services or technology.

3.1.2 Special Rule for Announcement of Quarterly and Annual Financial Results. PCS does not generally conduct quarterly earnings conference calls or similar discussions of quarterly results with the news media, investors, shareholders or investment professionals. PCS may announce quarterly earnings results only by means of a press release that is submitted to a national newswire service for dissemination to the general public. Any such press release announcing quarterly results should be furnished to the Securities and Exchange Commission on a Form 8-K no later than four business days after it is released.

3.1.3 Special Rule for Regulatory Filings. PCS' regulatory filings shall be prepared by and be the responsibility of the CEO, the CFO, the Compliance Coordinator and the Company's outside securities counsel. In addition, these filings shall be reviewed by PCS' independent auditors; and any regulatory filing that includes financial disclosures shall first be reviewed by the Audit Committee of the board of directors.

3.2 Approval. The Compliance Coordinator may reject or approve any proposed public statement concerning PCS. If the Compliance Coordinator approves a proposed statement, it may be released in accordance with this Disclosure Policy. If the Compliance Coordinator rejects a proposed statement, the statement may be revised in accordance with the Compliance Coordinator's recommendations and resubmitted to the Compliance Coordinator for review. Before accepting or rejecting any proposed statement concerning PCS, the Compliance Coordinator may consult with any or all of the CEO, the Audit Committee of the board of directors, the Company's independent auditors, and outside legal counsel to the extent necessary or advisable in the discretion of the Compliance Coordinator. The Compliance Coordinator will endeavor to approve or disapprove any proposed public statement within twenty-four hours after its submission, unless consultation with outside advisors is necessary.

3.3 Release. A statement that does not contain material nonpublic information may be released by any means that suits the Company's business purposes. But a statement that contains material nonpublic information pertaining to PCS may be initially released outside the Company only by (a) a widely disseminated press release, (b) a current report (Form 8-K) timely filed with the Securities and Exchange Commission; or (c) both (a) and (b).

3.4 Unauthorized Disclosures. If any PCS personnel become aware of an inadvertent or unauthorized disclosure of material nonpublic information about PCS, immediately inform the Compliance Coordinator.

4. Contact With The Public

4.1 No Selective Disclosure. As a rule, PCS personnel should not selectively disclose material nonpublic information to an individual or group before the information is widely disseminated to the general public in accordance with this Disclosure Policy. The only exception to this rule is that PCS personnel may selectively disclose material nonpublic information to individuals who have agreed in writing to (a) abide by this Disclosure Policy and keep the information confidential until after it is publicly disseminated by PCS and (b) refrain from trading PCS stock until three trading days after the information is publicly disseminated by PCS.

4.2 Authorized Spokespersons. The only persons authorized to discuss PCS' business with the news media, investors, shareholders, or investment professionals are the authorized spokespersons designated in this Disclosure Policy. No other PCS personnel may respond, under any circumstances, to inquiries from the news media, investors, shareholders, or industry analysts unless specifically authorized to do so by an authorized spokesperson. PCS personnel who receive such inquiries either directly or indirectly must refer the inquirer to an authorized spokesperson identified below. The designated authorized spokespersons are:

- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)
- Chief Financial Officer (CFO) / Controller
- Audit Committee Chairman
- Marketing Director (the Marketing Director's authority as an Authorized Spokesperson is limited to statements that concern PCS' products and marketing)

4.3 Quiet Periods. PCS observes a “quiet period” at the end of each quarterly financial reporting period. The quiet period begins at the same time the Blackout Period commences twenty-five days before the date the Company’s financial statements must be filed with the SEC. The quiet period ends when the financial reports for that period are filed. (In contrast, the Blackout Period during which trading in PCS securities is prohibited continues for three full trading days after the financial reports for the period are filed with the SEC.) During this quiet period, PCS personnel may not share any information or provide any guidance that relates in any way to the results of PCS’ operations.

4.4 Statements Limited to Previously Disclosed Information. PCS’ authorized spokespersons should not disclose material nonpublic information in statements to news media, investors, shareholders, or investment professionals. When authorized spokespersons communicate with the news media, investors, shareholders, or investment professionals, they may only repeat or reaffirm previously disclosed historical factual information about PCS. They should not repeat or reaffirm previously disclosed nonfactual information such as earnings forecasts.

4.5 Market Rumors. PCS’ authorized spokespersons should not comment on market rumors, leaks, or other similar information without first obtaining advice from the Compliance Coordinator. Unless the Compliance Coordinator advises differently, the only proper response to rumors, leaks, or other similar information is “No comment.” This rule applies equally to rumors about PCS that are posted in Internet chat rooms or blogs: PCS personnel should not respond to rumors or comments found on Internet chat rooms or blogs. All rumors should be reported to the Compliance Coordinator.

4.6 News Media. PCS may provide select reporters or a select sector of the press with material nonpublic information so that a detailed article or related media disclosure may be published concurrently with anticipated public announcements by PCS, but only if PCS obtains a written confidentiality agreement from each reporter to (a) keep this information confidential until after it is publicly disseminated by PCS and (b) refrain from trading PCS stock until three days after the information is publicly disseminated by PCS.

5. Compliance Coordinator. The Compliance Coordinator is Janelle Conaway, (208) 343-3110 x102, jconaway@pcsedu.com. She is responsible in the first instance for reviewing and authorizing the release of all public statements concerning PCS. The Compliance Coordinator is also responsible for answering PCS personnel’s questions about this Disclosure Policy. This Section 5 sets out policies and procedures that the Compliance Coordinator should follow when reviewing proposed public statements concerning PCS.

5.1 Independent Access to Outside Attorneys. The Compliance Coordinator may consult with the Company’s outside auditors or attorneys on any matter related to the Compliance Coordinator’s duties under this Disclosure Policy. The Compliance Coordinator does not need the approval of any other PCS officer to consult with the Company’s outside attorneys and may refer a matter to the Audit Committee Chairman despite a direct instruction to the contrary by the CEO or other senior executive officer.

5.2 Press Releases. The Compliance Coordinator, in consultation with the Company's attorneys, should develop a standard template for PCS' press releases. All press releases should be drafted using this standard template. In addition, the Compliance Coordinator's review of each press release should include the following steps:

- Check that all statements of fact are correct
- Check that material information is fully and fairly presented
- Obtain sign-off from the CEO or COO if the press release concerns material information
- Obtain sign-off from the CFO if the press release includes financial information

5.3 Forward-Looking Information and Earnings Guidance. If a proposed public statement contains forward-looking statements or financial projections, the Compliance Coordinator will ensure that the statement also includes appropriate safe harbor language as prescribed in the 1995 Private Securities Litigation Reform Act. The Compliance Coordinator will also ensure that any material updates to previously issued forward-looking statements are made in compliance with this Disclosure Policy.

5.4 Quiet Period. The Compliance Coordinator will ensure that no public statements are made during a quiet period that include any information or guidance in any way related to the results of PCS' operations.

5.5 Market Rumors. This Disclosure Policy instructs company personnel to report rumors to the Compliance Coordinator. The Compliance Coordinator should work with the Company's attorneys to determine the Company's response, if any, to rumors that are reported to the Compliance Coordinator.

5.6 Unauthorized Disclosures. This Disclosure Policy instructs Company personnel to report inadvertent and unauthorized disclosures to the Compliance Coordinator. If the Compliance Coordinator determines that the inadvertent or unauthorized disclosure (a) involved material nonpublic information or (b) was misleading because it omitted material nonpublic information, then the Compliance Coordinator should work with the CEO, the Company's attorneys and if appropriate, the board of directors to remedy the situation.

5.7 Securities Analysts and Research Reports. The Compliance Coordinator may review drafts of research analysts' reports on PCS, but the Compliance Coordinator's comments on these reports should be limited to (a) statements of historical facts that have already been publicly disclosed or (b) factual descriptions of PCS' business. The Compliance Coordinator should never comment on, confirm, deny, or guide any forward-looking statements or financial projections contained in an outside report or model.

In addition, the Compliance Coordinator should ensure that PCS never provides an analyst report or model regarding PCS to any person outside the Company; but PCS may post the names and firms of analysts who are currently providing research on PCS on the "Investor Relations" section of the Company's Web site.

Appendix E

Code of Ethics for Senior Financial Officers

PCS' Chief Executive Officer, Chief Financial Officer, Controller, and other financial professionals are responsible for ensuring that all documents the Company files with the U.S. Securities and Exchange Commission and all public communications by the Company contain full, fair, accurate, timely, and understandable disclosures about the Company.

This Code of Ethics for Senior Financial Officers clarifies the responsibilities of PCS' Chief Executive Officer, Chief Financial Officer, Controller and other financial professionals regarding PCS' financial integrity. Any amendments or waivers with respect to this Code of Ethics for Senior Financial Officers may be approved only by the audit committee of PCS' board of directors and must be promptly disclosed to shareholders on PCS' website as required by applicable securities laws. The PCS Code of Ethics for Senior Financial Officers is as follows:

PCS Code of Ethics for Senior Financial Officers

This *PCS Code of Ethics for Senior Financial Officers* applies to the President and Chief Executive Officer, Chief Financial Officer, and Controller of PCS and its reporting subsidiaries and all professionals serving in a finance, accounting, treasury, tax or investor relations role. PCS expects all of its employees to act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrongdoing, and abide by PCS' Standards of Conduct and other policies and procedures adopted by PCS that govern the conduct of its employees. This *PCS Code of Ethics for Senior Financial Officers* is intended to supplement PCS' Standards of Conduct.

You agree to:

1. ***Ethical Conduct.*** Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
2. ***Avoid Conflicts of Interest.*** Avoid conflicts of interest and disclose to the chair of the audit committee of PCS' board of directors any material transaction or relationship that reasonably could be expected to give rise to such a conflict. A "conflict of interest" arises when your personal interests could reasonably be expected to affect your judgment of what is in PCS' best interest. Conflicts of interest arise in many situations, including when you (a) directly or indirectly transact business with PCS, (b) use your position with PCS for personal gain, or (c) compete directly or indirectly with PCS.
3. ***Protect Confidentiality.*** Take all reasonable measures to protect the confidentiality of non-public information about PCS, its subsidiaries, and their customers obtained or created in connection with your employment activities, and to prevent the unauthorized disclosure of such information unless required by applicable law.

4. *Fair Disclosure.* Produce full, fair, accurate, timely, and understandable disclosure in reports and documents that PCS and any of its subsidiaries files with, or submits to, the Securities and Exchange Commission and other regulators and in other public communications made by PCS and its subsidiaries.

5. *Law and Regulations.* Comply with applicable governmental laws, rules, and regulations, as well as the rules and regulations of self-regulatory organizations of which PCS or its subsidiaries are members.

6. *Report.* Promptly report any possible violation of this Code of Ethics to the chair of the audit committee of PCS' board of directors, Michael K. McMurray, 902 Stillwater Drive, Eagle, Idaho 83616, (208) 939-7806, or alternatively to the Company's general counsel, Richard A. Riley, Hawley Troxell Ennis & Hawley LLP, P.O. Box 1617, Boise, Idaho 83701, (208) 388-4842, rriley@hawleytroxell.com.

You are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate, or mislead the independent public auditors of PCS or its subsidiaries for the purpose of rendering the financial statements of PCS or its subsidiaries misleading.

You understand that you will be held accountable for your adherence to this Code of Ethics. Your failure to observe the terms of this Code of Ethics can result in disciplinary action, up to and including termination of employment. Violations of this Code of Ethics can also constitute violations of law and might result in civil and criminal penalties for you, your supervisors, and PCS.

If you have any questions regarding the best course of action in a particular situation, you should promptly contact the director of your business unit, the chair of PCS' audit committee or the Company's general counsel, as provided by the Whistleblower Policy included in Appendix B to this Handbook. You may choose to remain anonymous in reporting any possible violation of this Code of Ethics.

RECEIPT AND ACKNOWLEDGEMENT OF PCS EMPLOYEE HANDBOOK

I, _____, acknowledge receipt of the PCS Edventures!.com, Inc. Employee Handbook (Revised March 2010) (“Handbook”) including its Code of Ethics and the policies included as appendices to this Handbook: Whistleblower Policy (Appendix B), Insider Trading Policy (Appendix C), Disclosure Policy (Appendix D) and, if I am a senior financial officer of the Company, the Code of Ethics for Senior Financial Officers (Appendix E). I acknowledge my obligation to read and understand its contents and further acknowledge that:

- A.** The Handbook is intended to provide a general overview of the personnel and operating policies of PCS Edventures!.com, Inc. (the “Company”)and does not necessarily represent all such policies in force at any particular time.
- B.** This Handbook supersedes any previous employee manual or handbook that has been issued by the Company.
- C.** Neither this Handbook nor any other written or unwritten policy or practice creates, or is intended to create, an express or implied contract of employment, contractual terms of employment, or a contract, covenant, promise, or representation that employment will continue for any specified period of time. My employment is “at will”, which means that I may resign at any time without stating my reason or giving notice and that the Company may terminate my employment at any time with or without cause or notice.
- D.** The Company reserves the sole right to add, change, or rescind any policy or practice of the Company except that any such modification shall not alter the right of the Company to terminate my employment at any time with or without cause or notice.
- E.** No employee or representative of the Company other than its chief executive officer has authority to enter into any valid or binding written or oral agreement which affects or alters the at will nature of the employment relationship. To be valid, any such agreement must be in writing and must be approved by the Company’s Board of Directors and signed by the chief executive officer.
- F.** During the course of my employment certain confidential information including (without limitation) curriculum, marketing strategies, customer lists, pricing policies, and operating procedures may be made available to me. I understand that this information is critical to the success of the Company, that it must be held in the strictest confidence and that it must not be disclosed, used or published except as such disclosure, use, or publication may be required in connection with my work for the Company. In the event of termination of my employment, whether voluntary or involuntary, I agree not to disclose this information to any individual or entity.
- G.** It is my responsibility to abide by the terms and conditions contained in the Handbook. I understand that any questions related to procedures, policies or processes not covered in this Handbook or which are unclear can be directed to the Company’s Compliance Coordinator or President for clarification.

Employee’s Printed Name

Position

Employee’s Signature

Date

Compliance Coordinator’s Signature

Date