

BIOMETRIC INFORMATION PRIVACY POLICY

In order to efficiently and securely track employees' time records, Healthcare Services Group, Inc. and its subsidiaries (collectively, the "Company") utilizes a biometric timekeeping system (EPAY Systems' Blueforce Time and Labor Management System). The Company has engaged EPAY Systems ("Vendor") to administer the Company's timekeeping systems. In accordance with the Illinois Biometric Information Privacy Act, the Texas Biometric Privacy Law, and other state and federal regulations, the Company has instituted the following policy:

Biometric Identifier defined: "Biometric identifier" means a retina or iris scan, fingerprint or voiceprint, or scan of hand or face geometry.

Biometric Information defined: "Biometric information" means any information, regardless of how it is captured, converted, stored, or shared, based on an individual's biometric identifier used to identify an individual.

Biometric Identifier/Information Collection: The Company utilizes biometric technology for the purpose of identifying employees and recording time entries using the Blueforce Time and Labor Management system. As part of this system, the Company/Vendor collects and/or stores employees' biometric identifiers and biometric information.

Consent: In order to use the biometric timekeeping system, employees will be asked to sign a consent form authorizing the Company and/or its Vendor to collect/capture employees' biometric identifiers and biometric information. It is a condition of employment with the Company that employees sign the consent form.

Disclosure: The Company will not sell, lease, trade, or otherwise profit from an employee's biometric identifier or biometric information. Nor will it authorize its timekeeping vendor to engage in any such activity. Neither the Company nor its Vendor will disclose or disseminate an employee's biometric identifier or biometric information unless:

The employee or the employee's legally authorized representative provides consent to such disclosure;

The disclosure completes a financial transaction requested or authorized by the employee or the employee's legally authorized representative;

The disclosure is required by state or federal law, or municipal ordinance; or

The disclosure is required pursuant to a valid warrant or subpoena.

Storage: The Blueforce Time and Labor Management system extracts unique characteristic points known as "minutia" from fingerprint images or facial scans and formulates a biometric template (i.e., a mathematical representation of the fingerprint scan or facial scan) used to verify an employee's identity. The processed biometric template is stored/registered in a database for later comparison during an authentication. The actual value stored in the database is binary encrypted data which can only be decrypted by EPAY Systems WalTer algorithm. EPAY Systems system does not store images of employees' fingerprint scans. When an employee clocks in or out for work, the system matches the newly-input minutia to the securely-saved biometric template. When there is a match, the employee is clocked in with an approval and the newly-input minutia is immediately destroyed.

Retention Schedule: An employee's biometric information (i.e., biometric template) will be retained only until the initial purpose for collecting or obtaining the biometric identifiers or information has been satisfied, or within 3 years of the employee's last interaction with the Company, whichever occurs first.