

equivalents for each employee, vehicle reports, invoices and other source documents. Time reports or their equivalents will be maintained for each employee, including overtime, in such detail as may be appropriate for each employee and the nature of the services provided. Employees will invoice on their time reports or their equivalents hours chargeable to the appropriate purchase order numbers.

### Indirect Charges or Overhead Expenses

Indirect charges or overhead expenses consist of all costs of FPM, other than direct charges described above. These charges may be classified into the following two general categories:

1. **General FPM Overhead** - These charges include costs which cannot be identified as applicable to a particular purchase order number and which will be allocated to the appropriate company on a fair and equitable basis. The following items are illustrative, and are all-inclusive, of the types of costs which may be so allocated: rent, utility charges and expenses; depreciation; building operation and maintenance; insurance; FPM's contribution for necessary capital; general services, such as janitorial services, telephone services, etc.; employee benefits, including payroll-related costs and Federal taxes; and other general overheads.

General FPM overhead costs will be allocated to FPM, FPM's other customer companies on the basis of the direct FPM payroll costs charged to each such company.

2. **Non-Productive Time Overhead** - Lost or nonproductive time for vacation, personal time off, sickness, holidays, etc., of all employees will be allocated to FPM, FPM's other customer companies on the basis of FPM productive payroll costs charged to each such company.

### CHARGE TO THE PURCHASE ORDERS

#### Special Services

Charges for special services reported in the appropriate purchase order numbers, including overhead items, will be billed directly to FPM.

#### General Services

Charges for general services reported in the appropriate purchase order numbers, including overhead items, will be

allocated among and billed monthly to HANCO and FWH's other  
business operations on a fair and equitable basis. The basis may  
include, but not be necessarily limited to, revenues, payroll  
costs, customer, clearing bank load, or such other basis as  
agreed upon by them will provide a more fair and equitable  
allocation of charges.

**DETAILS**

Bills will be provided to HANCO in sufficient detail so as  
to identify the services rendered and permit proper accounting  
classification of the charges under the rules and regulations of  
the SEC and the prescribed FWH Uniform System of Accounts.  
Detail on the bill will include: (1) the department or group  
receiving the services; (2) location or type of service; and (3)  
nature of charges, whether direct or indirect (overhead).