

# **EMPLOYEE HANDBOOK**

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## 1 INTRODUCTION

This handbook has been developed by Burkholder's Heating & Air Conditioning, Inc. ("Burkholder's" or "the Company" or "we") in order to familiarize you with the Company, with key policies and procedures, and with many of the benefits you can expect.

## 1.1 Welcome to Burkholder's

The Company recognizes that employee satisfaction is directly related to employees knowing what is expected of them, and in turn, knowing what to expect from the Company. The Company's policies are designed to accomplish that goal and to enhance each employee's ability to perform his/her responsibilities in an effective manner. You are encouraged to familiarize yourself with the policies in this Handbook.

Please feel free to talk to the Human Resources Department if you have any questions regarding any policies or benefits set forth in this Handbook. Our best wishes for successful employment with Burkholder's.

## 1.2 About this Handbook and At-Will Employment

This employee handbook contains information about the Company's employment policies and procedures and an overview of the Company's benefits. For specific information about employee benefits, you should refer to the plan documents, which are controlling. The policies and procedures in this handbook are guidelines only. The Company reserves the right to interpret and administer the provisions of this handbook as needed. Except for the policy of at-will employment, which can only be changed in writing by the President of the Company, the Company has the maximum discretion permitted by law to change, modify or delete any provision in this handbook at any time with or without notice. However, oral statements or representations cannot supplement, change or modify the provisions in this handbook.

The provisions in this handbook are not intended to in any way create any contractual obligations with respect to your employment. Unless you have an employment agreement, your employment is at-will and the Company has the right to terminate your employment at any time with or without advance notice.

Each employee should read and become familiar with the information contained in this handbook. Failure to comply with Company policies or procedures may result in discipline, up to and including termination. This handbook supersedes all prior versions published or distributed by the Company.

# 1.3 Equal Employment Opportunity

It is the Company's policy to provide equal employment opportunities to all employees and applicants for employment based on qualifications, abilities and merit. Therefore, the Company prohibits discrimination against employees, applicants or any other legally covered persons because of race, color, religion, national origin, age, sex (including pregnancy), citizenship, genetic information, disability status, past, current or prospective membership in the uniformed services or any other characteristic protected under applicable federal, state or local law. This policy applies to all terms and conditions of employment, including, but not limited to hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

No one will be subject to, and the Company prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reports or complaints of incidents of discrimination of any kind, pursuing any discrimination claim or cooperating in related investigations. Questions or concerns about discrimination should be reported to the Human Resources Department.

# 1.4 Anti-Harassment Policy

It is the policy of the Company that harassment of employees or any other legally covered persons on the basis of race, color, religion, national origin, age, sex (including pregnancy), disability status, past, current or prospective membership in the uniformed services or any other legally protected group is unacceptable and will not be tolerated.

This policy applies to all employees. It covers harassment by employees of the Company (including supervisors and management), customers, vendors or other third parties with whom the Company has business dealings. The Company will not tolerate any form of unlawful harassment. Unlawful harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes or statements, pranks, intimidation, physical assaults or contact, or violence.

<u>Sexual Harassment</u>: The Company does not tolerate sexual harassment. Sexual harassment is any unwelcome sexual advances or requests for sexual favors or any other conduct of a sexual nature, when any of the following is true:

- Submission to the advance, request or conduct is made either explicitly or implicitly a term or condition of employment.
- Submission to or rejection of the advance, request or conduct is used as a basis for employment decisions.
- Such advances, requests or conduct have the purpose or effect of substantially or unreasonably interfering with an employee's work performance by creating an intimidating, hostile or offensive work environment.

No employee should be subjected to offensive or unwelcome sexual overtures. Nor should any employee be led to believe that an employment opportunity or benefit would in any way depend upon "cooperation" of a sexual nature. Other prohibited forms of harassment include jokes, verbal abuse, degrading comments, the display of objects and pictures and other offensive conduct.

Reporting Harassment of Any Kind: If you feel that you have been the subject of harassment (or have reason to believe that someone else has been the subject of harassment), including sexual harassment, you must notify your immediate manager, another member of management, or the Human Resources Department, in oral or written form. You will be expected to provide information that the Company requests, including a detailed account of the incidents complained of, witnesses (if any), dates and other information considered relevant by the Company. A prompt investigation of the matter will be made. All employees – whether complainant, witness or accused – are required to be truthful, accurate and cooperative during the Company investigations. Information obtained during the investigation will only be told to another on a need-to-know basis. As the reporting employee or a witness employee, the Company will not retaliate against you for prompting or participating in the investigation.

Anyone who is found to have engaged in prohibited harassment will be subject to appropriate sanctions, which may include termination of employment, depending on the circumstances. No one should be presumed to be in violation because an investigation is being conducted.

<u>No Retaliation</u>: No one will be subject to, and the Company prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reporting of incidents of harassment of any kind, pursuing any harassment claim or cooperating in related investigations.

#### 1.5 Accommodations for Disabilities

The Company is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices are conducted on a non-discriminatory basis. It is the Company's policy to provide a reasonable accommodation to qualified individuals with disabilities unless the accommodation would impose an undue hardship on the Company. The Company prohibits any harassment of, or discriminatory treatment of, employees based on a disability or because an employee has requested a reasonable accommodation.

In accordance with the ADA as amended, reasonable accommodations will be provided to qualified individuals with disabilities to enable them to perform the essential functions of their jobs unless doing so would create an undue hardship. This policy applies to all

applicants for employment and all employees. If you would like to request an accommodation, please contact your immediate manager or the Human Resources Department. You may request an accommodation either orally or in writing.

The Company expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any individual for requesting an accommodation in good faith.

## 1.6 Religious Accommodations

The Company encourages a diverse workforce and will make reasonable accommodations for an applicant's or an employee's sincerely held religious beliefs if the accommodation would resolve a conflict between the individual's sincerely held belief and a work practice or requirement unless doing so would create an undue hardship for the Company. Safety and impact on customer service are paramount and will therefore receive significant consideration when evaluating an accommodation request and identifying opportunities to meet the request. A determination as to whether a request for a religious accommodation will impose an undue hardship will be made on a case by case basis. Individuals who wish to request an accommodation should contact your immediate manager or the Human Resources Department.

The Company expressly prohibits any form of discipline, reprisal, intimidation or retaliation against any individual for requesting an accommodation in good faith.

## 1.7 Open Communications

The Company believes that open and direct communication is the best way for the Company to resolve any difficulties that may arise in the workplace.

The Company's practice is to treat each employee as an individual. We seek to develop a spirit of teamwork: individuals working together to attain a common goal. We firmly believe that with direct communications we can resolve problems and develop a mutually beneficial relationship.

The Company encourages you to bring your questions, suggestions and complaints to the Company's attention. If you feel you have a problem, present the situation to your immediate manager or the Human Resources Department for discussion and resolution. Your suggestions and comments are important, and the Company encourages you to take every opportunity to discuss them with us.

## 2 GETTING STARTED

The Company understands that getting established in a new role can sometimes be overwhelming. To make your transition as smooth as possible, this section outlines what you can expect as a new employee.

## 2.1 Proof of Work Authorization

All offers of employment are contingent on verification of the candidate's legal right to work in the United States. U.S. Citizenship and Immigration Services require that the Company and new employee provide specific information for completion of the Form I-9, Employment Eligibility Verification within three days of commencing employment. You must complete Section 1 of Form I-9 no later than the end of your first day of work. Failure to provide the appropriate documentation for completion of the Form I-9 will result in suspension and/or termination.

# 2.2 Employee Background and Reference Checks

To ensure that individuals who join the Company are well qualified and to ensure that the Company maintains a safe and productive work environment, it is the Company's policy to conduct pre-employment background checks on all applicants who accept an offer of employment. Background checks may include verification of any information on the applicant's resume or application form.

If an applicant refuses to provide the information necessary for the Company to conduct the necessary background checks or provides false information during the application process, the Company will deny employment. Additionally, if it is determined at any time after hire that you provided false information during the application process, you may be terminated from employment.

All offers of employment are conditioned on receipt of a background check report that is acceptable to the Company. All background checks are conducted in conformity with the Fair Credit Reporting Act, the Americans with Disabilities Act, and state and federal privacy and antidiscrimination laws. Reports are kept confidential and are only viewed by individuals involved in the hiring process.

Background checks will include a criminal record check, although a criminal conviction does not automatically bar an applicant from employment. Any applicant with a criminal conviction shall be evaluated on an individual basis to determine whether they should be excluded from consideration based on the conviction and its relationship to the job for which they are being hired.

Additional checks such as a driving record or credit report may be made on applicants for particular job categories if appropriate and job-related. The Company also reserves the right to conduct a background check for current employees to determine eligibility for promotion or reassignment in the same manner as described above.

# 2.3 Introductory Period for New Employees

The Company will monitor and evaluate your performance during the first 90 days of your employment to determine whether further employment in a specific position or with the Company is appropriate. At the same time, you have the opportunity to decide if the Company provides the right work environment for you. Introductory employees should not expect steps of discipline but may be terminated for any policy violation or unacceptable performance or conduct.

All employees, whether during their introductory period or after successfully completing it, are at-will employees and can be terminated by the Company for any reason with or without notice.

## 3 TOTAL COMPENSATION

The total compensation you receive for the work you do goes beyond your paycheck. The Company also offers employees paid time off and health benefits as outlined in this section.

# 3.1 Employment Classification

Employees are designated as either non-exempt or exempt in accordance with criteria set forth in federal and state wage and hour laws. Non-exempt employees are entitled to overtime pay under specific provisions of federal and state laws while exempt employees are not.

In addition to the non-exempt or exempt classification, employees are divided into the following categories:

- Introductory: An introductory employee has not yet completed the introductory period. The number of hours worked each week will have no impact on this status.
- Regular Full-time: A regular full-time employee has completed the introductory period and is regularly scheduled to work at least 40 hours per week in a regular workweek.
- Regular Part-time: A regular part-time employee has completed the introductory period and is regularly scheduled to work less than 40 hours per week in a regular workweek.
- Temporary: A temporary employee is hired to work on a specific project or for a specified amount of time. The number of hours worked each week will have no impact on this status.

The Human Resources Department will notify you of your employment classification at hire.

# 3.2 Overtime Pay

Overtime compensation is paid to non-exempt employees as follows:

- 1.5 times the regular hourly rate for all hours worked in excess of 40 hours in a workweek.
- 2 times the regular hourly rate for all hours worked in excess of 55 hours in a workweek.

All overtime work performed must receive prior authorization from your immediate manager. Failure to receive approval prior to working overtime hours will result in discipline up to and including termination of employment.

At certain times the Company may require you to work overtime due to operating requirements. The Company will attempt to give as much notice as possible; however,

advance notice may not always be possible. Failure to work overtime when requested may result in discipline, up to and including discharge.

Non-exempt employees shall be paid 1.5 times their regular rate of pay for overtime hours worked (over 40 hours in a workweek). Overtime pay is based on the actual hours worked as well as paid holidays, paid vacation and paid personal time off. Unpaid absences are not counted as hours worked when calculating overtime pay.

The workweek at the Company begins at 12:00 a.m. on Monday and ends the following Sunday at 11:59 p.m.

# 3.3 Payroll & Payday

Employees are paid weekly on Fridays. Direct deposit is available. If a payday falls on a non-working day, you will be paid the preceding workday.

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, notify your immediate manager or the Human Resources Department immediately so the problem can be addressed, and any necessary correction can be made promptly. Your inquiry should be in writing and accompanied by a copy of your paycheck stub.

To ensure timely and accurate payroll processing, it is your responsibility to promptly notify the Company of any changes in your personal information (such as: name, address or phone number, bank information for direct deposits, beneficiary, marital status, dependents, emergency contact information, training certificates, etc.). In addition, coverage or benefits that you and your family may receive under a Company-sponsored benefits package could be negatively affected if you do not notify the Human Resources Department of changes to this information.

## 3.4 On-Call Policy

Certain employees may be required, on occasion, to make themselves available to return to work outside of regularly scheduled hours, in order to attend to urgent customer needs. This will be designated as "on-call" status. Employees who are on-call must follow these guidelines:

- Unless otherwise advised, you are not required while on-call to remain on Company premises. However, you must remain available by telephone or text while off site and respond to any message within fifteen (15) minutes.
- If called back to work, you must do so within 1 hour of responding to the message.
- You are not required to restrict your activities while on-call, but you must remain free
  of the influence of alcohol or illegal drugs. In addition, you should not take any
  prescription drug that adversely affects your ability to safely and effectively perform

your job duties. If you have concerns about complying with this requirement, contact the Human Resources Department.

• If you are unable to be on-call during your assigned time, you must notify your manager immediately.

If you are called to come back to work while on-call, you will be paid for hours actually worked, including travel time to and from the call.

## 3.5 Travel Pay

All non-exempt employees will be paid for time spent traveling on Company business in accordance with applicable law and as follows:

- Time spent traveling from home to the first job site of the day will be considered a commute and is not counted as time worked; therefore, it is unpaid.
- Time spent traveling from job site to job site within the workday is paid time (please note, this does not include lunch breaks or time spent on personal errands including purchasing meals or snacks).
- Time spent driving from the last job site of the workday to home is considered commute time and is not counted as time worked; however, the Company will pay 30 minutes of travel time if the job site is outside of the 30-mile radius surrounding the Company's office.

# 3.6 Mandatory Deductions

The Company is required by law to make certain deductions from your paycheck. Among these are applicable federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions will depend on your earnings and on the information you furnish on your W-4 form regarding the number of exemptions you claim. If you wish to modify the number of exemptions you claim, please complete a new W-4 form. Only you may modify your W-4 form. Verbal or written instructions are not sufficient to modify withholding allowances. The Company advises you to check your pay stub to ensure that it reflects the proper number of withholdings.

The W-2 form you receive annually reflects how much of your earnings were deducted for these purposes.

Wage Garnishments: Any other mandatory deductions to be made from your paycheck, such as court-ordered garnishments, will be explained to you whenever the Company is required to make such deductions from your pay.

# 3.7 Salary Basis Policy

The Fair Labor Standards Act (FLSA) is a federal law which requires that most employees in the United States be paid at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 hours in a workweek. However, the FLSA provides an exemption from both minimum wage and overtime pay for certain employees in particular job functions which meet certain criteria regarding job duties and salary.

Salary Basis Requirement for exempt employees: Being paid on a "salary basis" means an employee regularly receives a predetermined amount of compensation each pay period. The predetermined amount cannot be reduced due to quality or quantity of the employee's work. Subject to certain exceptions, an exempt employee must receive the full salary for any workweek in which the employee performs any work, regardless of the number of days or hours worked. Exempt employees do not need to be paid for any workweek in which they perform no work. If the employer makes deductions from an employee's predetermined salary, i.e., because of the operating requirements of the business, that employee is not paid on a "salary basis." If the employee is ready, willing and able to work, deductions may not be made for time when work is not available.

Employers may make deductions from an exempt employee's pay in the following circumstances:

# Full day absences where a full day deduction will be made

- Absence from work for one or more full days for personal reasons (not sickness/disability);
- Unpaid disciplinary suspensions due to workplace conduct rule violations; and
- Absence from work for one or more full days due to sickness/disability if the deduction is made in accordance with the Company's paid sick time policy.

## Full or partial day absences where a full or partial day deduction will be made

- To offset amounts employees receive as jury or witness fees, or for military pay;
- During initial or last week of employment;
- · For penalties imposed for infractions of safety rules of major significance; and
- When employees take unpaid leave under the Family and Medical Leave Act.

It is the Company's policy to comply with the salary basis requirements of the FLSA. Therefore, the Company prohibit all managers from making any improper deductions from the salaries of exempt employees. The Company wants employees to be aware of this policy and that the Company does not allow deductions that violate the FLSA or any provisions of applicable state law.

If you believe that an improper deduction has been made to your salary, you should immediately report this to your immediate manager or to the Human Resources Department. Reports of improper deductions will be promptly investigated. If it is

determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

# 3.8 Timekeeping Procedures

It is the Company's policy to comply with applicable laws that require employees to maintain records of the hours they work. It is the responsibility of all non-exempt employees to accurately record their time utilizing the method shown at hire. You must record the time you begin and end your workday, as well as the beginning and end of each meal period. Each employee shall also record the beginning and ending time of any departure from work for personal reasons.

Non-exempt employees may not begin work before their scheduled starting time, work past their scheduled stopping time, or work overtime without prior authorization from their immediate manager. Non-exempt employees are never permitted to work off the clock.

Logging in or out for another employee or falsification of a time record is a breach of Company policy and is grounds for disciplinary action up to and including termination.

You must submit your timecard daily, as directed by your immediate manager. Please be certain that hours worked and used leave time is recorded accurately. In the event of an error in recording your time, please report the error to the Human Resources Department immediately.

## 3.9 Business Expense Reimbursements

Under ordinary circumstances, it is the Company's policy to reimburse business expenses based on actual expenses involved. Persons traveling on Company business are entitled to transportation, hotel accommodation, meals, and limited incidentals (for example, taxis and telephone calls) that meet reasonable and adequate standards for convenience, safety, and comfort. Employees using personal vehicles for business travel will be reimbursed for mileage at the rate established by the IRS.

## **YOUR TIME OFF & LEAVES**

Burkholder's recognizes every employee's desire to occasionally enjoy time away from work for recreation, civic responsibilities, or needed rest and recuperation. That is why the Company offers paid time off and leaves.

# 3.10 Holidays

The Company generally recognizes the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day

- Thanksgiving Day
- Christmas Eve
- Christmas Day

The list of observed holidays may vary from year to year at management's discretion. Eligible employees will be given a day off, with pay, for each holiday observed. Because of the seasonal nature of the Company's business, you may be required to work on certain holidays. In such instances, non-exempt full-time employees may choose one of the following options:

- 1. Receive 1.5 times their regular hourly rate for hours worked on the holiday; --- OR --
- 2. Receive their regular rate of pay for hours worked on the holiday along with a floating holiday for later use.

In order to be eligible to receive holiday pay, full-time employees are required to work regularly scheduled hours on the workday immediately preceding and the workday immediately following the holiday. In accordance with Company policy, an approved vacation day or any other excused and paid day off is considered a day worked for purposes of holiday eligibility. Employees on an unpaid leave of absence will not receive holiday pay. Part-time employees are not eligible for holiday pay.

If one of the above holidays falls on a Saturday, it normally will be observed on the preceding Friday. If the holiday falls on a Sunday, it normally will be observed on the following Monday.

# 3.11 Vacation (*effective 1/1/2020*)

Full-time employees are provided paid vacation time based upon length of service with the Company as seen in the chart below:

Length of Service	Vacation amount granted annually	
	on the anniversary of hire	
1 full year	40 hours (5 days)	
3 full years	80 hours (10 days)	
7 full years	120 hours (15 days)	
12 full years or more	160 hours (20 days)	

You must work at least 1560 hours in the 12 months prior to your anniversary in order to receive the full allotment of vacation time indicated in the chart above. If you work less

than 1560 hours in one year, the next year's vacation amounts will be prorated accordingly.

<u>Using vacation</u>: The Company encourages you to use the vacation time that you have been granted. However, if you have unused vacation remaining at the end of your anniversary year, 50% of that time will be forfeited and 50% may be carried over into the following anniversary year. Any carried over time that is not used within 6 months will be forfeited and will not be paid out.

Vacation time may be taken in one-hour increments. When you are entitled to two weeks or more of vacation, a maximum of 80 hours (10 days) may be taken at one time.

Once you have exhausted all your vacation and paid personal time off, any requests for additional unpaid time off must be approved by your immediate manager in advance. It is within the sole discretion of management to determine if unpaid time off will be allowed.

<u>Scheduling vacation:</u> You are responsible for requesting vacation 30 days in advance, when possible, to your immediate manager. Vacation will be scheduled according to departmental business needs, other employees' requests submitted earlier, and customer service needs. Vacation use will be limited during periods of heavy business demands.

<u>End of Employment:</u> Employees who have completed one full year of service will receive payment for unused vacation time, up to a maximum of four (4) weeks, under the following conditions:

- 1. Resign with two weeks of advance notice; and
- 2. Work the full notice period; and
- 3. Return all Company property as required.

Employees who do not complete one full year of service, do not give proper notice, fail to work the full notice period, are terminated involuntarily, or who fail to return all Company property as required will forfeit vacation that remains unused at the end of employment.

# 3.12 Personal Time Off (PTO) (effective 1/1/2020)

The Company provides 5 days of paid personal time off (PTO) to full-time employees upon completion of 90 days of employment and annually thereafter on their anniversary of hire.

Where the absence is foreseeable, you must request time off from your immediate manager at least one week in advance. Where the absence is not foreseeable, you must follow the call-off procedure in the Company's Attendance and Punctuality policy.

PTO may be taken in increments of one hour. Unused PTO remaining at the end of your anniversary year may not be carried over into your following anniversary year and will not be paid out. PTO that remains unused at the end of employment will be forfeited.

Once you have exhausted all your vacation and PTO, any requests for additional unpaid time off must be approved by your immediate manager in advance. It is within the sole discretion of management to determine if unpaid time off will be allowed.

# 3.13 Family and Medical Leave (FMLA)

Family Medical Leave Act (FMLA) allows employees to balance their work and family life by taking reasonable leave for certain family and medical reasons. In order to be eligible for an FMLA leave, you must have worked for the Company for at least 12 months, have worked 1,250 hours during the past 12 months, and work at a site where at least 50 employees are employed by the Company within a 75 mile radius.

REASON FOR LEAVE  (According to FMLA law, "immediate family member" includes spouse, parent and child)	Max length of unpaid, job-protected leave/12- month period*
Employee's own serious health condition	12 weeks
Birth of a child and to care for the newborn child	12 weeks
Placement of a child with you for adoption or foster care	12 weeks
To care for an immediate family member with a serious health condition	12 weeks
To respond to an urgent situation arising out of an immediate family member's active duty or call to active duty (deployment to a foreign country) in the National Guard, Reserves or Regular Armed Forces (qualifying exigencies)	12 weeks
To care for an immediate family member who has incurred a serious injury or illness while on active duty in the Armed Forces, including a veteran discharged within past five years	26 weeks
To attend to an immediate family member who is on "rest and recuperation" from military service	15 days

<sup>\*</sup>Except for the 26-week Military Caregiver leave, the Company uses a rolling calendar that looks backward from the first day of FMLA leave used to measure this 12-month period. Each time you take leave, the remaining leave entitlement would be the balance of the time allowable under FMLA which has not been used during the preceding 12-

month period. For Military Caregiver leave, the 12 months begins on the first day you take leave and ends twelve months later.

Benefits and Protections: During FMLA leave, you maintain health coverage under any "group health plan" on the same terms as if you had continued to work. Upon return from FMLA leave, you will be returned to your original or equivalent positions with equivalent pay, benefits, and other employment terms. If you do not return to work after your FMLA leave expires, the Company reserves the right to recoup the money spent on health insurance benefits during your leave period. While on FMLA leave, your vacation accruals will be consistent with the Company's Vacation policy.

<u>Definition of Serious Health Condition</u>: A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents you from performing the functions of your job, or prevents your qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a healthcare provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

<u>Use of Leave by Spouses Employed by the Company</u>: If you and your spouse both work for the Company and each of you wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a "parent in-law") with a serious health condition, you may only take a combined total of 12 weeks of leave. If you and your spouse both wish to take leave to care for a covered injured or ill service member, you each may only take a combined total of 26 weeks of leave.

Requesting FMLA Leave: If your need for FMLA leave is foreseeable, you must give the Human Resources Department at least 30 days' prior written notice. If this is not possible, you must give notice as soon as practicable (within one to two business days of learning of your need for leave) and generally must comply with the Company's normal call-in procedures. Failure to provide such notice may be grounds for delaying FMLA-protected leave, depending on the particular facts and circumstances.

Additionally, if you are planning a medical treatment or a series of treatments or you are taking military caregiver leave, you must consult with the Company first regarding the dates of such treatment to work out a schedule that best suits the needs of both the employee or the covered military member, if applicable, and the Company.

<u>Certification Process</u>: Within five business days after you have provided the Company with notice of a request for FMLA leave, we will provide you with the Department of Labor's (DOL) Notice of Eligibility and Rights Form as well as the appropriate DOL certification form. You are responsible for ensuring that we receive a completed certification form for the Company to determine if the request qualifies for FMLA leave. Completed

certifications must be received by the Company within 15 days of the request. Failure to provide the required certification for FMLA leave may result in the denial of leave or continuation of leave.

<u>Substitution of Paid Leave for Unpaid Leave</u>: While on FMLA leave, you must use any PTO and vacation that you have available in accordance with those policies. Your absence due to a workers' compensation injury will run concurrently with unpaid FMLA leave provided that the absence is due to a qualifying "serious health condition" as defined under the FMLA. Please be aware that employees receiving workers' compensation payments are not able to substitute accrued paid time off for any part of the leave unless state law permits and employer and employee agree to have paid leave supplement workers' compensation benefits, such as in the case where workers' compensation only provides partial replacement of an employee's salary.

Employees who are collecting short-term disability payments while on FMLA leave will not be required to use available paid time off unless they choose to do so, and the plan allows.

Intermittent Leave or Reduced Work Schedule: You may take the leave continuously, intermittently or on a reduced work schedule basis when medically necessary. However, in all cases, the leave may not exceed a total of 12 weeks (or 26 weeks to care for an injured or ill service member). You must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt Company operations. Leave due to qualifying exigencies may also be taken on an intermittent basis. Intermittent time cannot be taken in increments of less than one (1) hour.

Reporting While on Leave: If you take leave because of your own serious health condition or to care for a covered relation, the Company may require you to contact them during your leave regarding the status of the condition and your intention to return to work. In addition, you must give notice as soon as practicable (within two business days if feasible) if the dates of leave change or are extended or initially were unknown. Employees on intermittent leave must follow the Company's Attendance policy whenever reporting off from work.

<u>Recertification</u>: We may request recertification for the serious health condition of you or your family member when circumstances have changed significantly, or if we receive information casting doubt on the reason given for the absence, or if you seek an extension of your leave. Otherwise, we may request recertification for the serious health condition of you or your family member every six months in connection with an FMLA absence.

<u>Returning from FMLA Leave</u>: If you take leave because of your own serious health condition (except if you are taking intermittent leave), you are required, as are all employees returning from other types of medical leave, to provide medical certification that you are fit to resume work with or without a reasonable accommodation. Otherwise, you will not be permitted to resume work until it is provided.

<u>Notices Sent by Employer:</u> We will send all Notices of Rights and Eligibility Forms, Designation Notices and letters regarding expiration of FMLA leave/return to work orders to you by email, certified mail or via hand delivery.

<u>Unlawful Acts by Employers</u>: FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

<u>Enforcement</u>: You may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer. FMLA does not affect any Federal or State law prohibiting discrimination or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

<u>Additional Information</u>: For additional information about your rights and obligations, see the Family Medical Leave Act poster in your workplace, visit the U.S. Department of Labor's website (www.wagehour.dol.gov) or contact the Human Resources Department.

## 3.14 Extended Disability

If a period of disability continues beyond the 12 weeks provided for within the Family and Medical Leave policy, an employee may apply in writing for an extended disability leave in accordance with the Company's *Medical Leave (non-FMLA)* policy. This extended leave time is not guaranteed but will be considered on a case by case basis.

# 3.15 Medical Leave (non-FMLA)

Occasionally, for medical reasons not covered by FMLA, you may need to be temporarily released from the duties of your job. It is the Company's policy to allow employees to apply for and be considered for an unpaid medical leave of absence related to their own health issue.

If your need for medical leave is foreseeable, you must give the Company at least 30 days' prior written notice. If this is not possible, you must give notice as soon as practicable (within one to two business days of learning of your need for leave) and generally must comply with the Company's normal call-in procedures. You must also provide a certification from a healthcare provider that demonstrates that you are: (a) a qualified individual with a disability under the Americans with Disabilities Act; (b) unable to perform the essential functions of your job, even with a reasonable accommodation; and (c) an estimated amount of time that you will be unable to do so.

Management reserves full discretion to decide if medical leave is appropriate, if granting a medical leave would pose an undue hardship on the Company, and, if granted, the

duration of an approved leave. If medical leave is approved, you must use any available vacation and personal time in accordance with those policies.

While on leave, your healthcare may be subject to termination based on the terms of the relevant plan. In such a case, you may elect to continue health coverage at your own expense, as allowed by law. If premium payments are due while you are on leave, you will be responsible for paying your share of the premium. The Company will give instructions for payment at the time of leave.

During a medical leave, the Company may request updates on your status and expected return-to-work date. In addition, you will be required to provide medical certification that you are fit to resume work with or without a reasonable accommodation. If your position is permanently filled while on a non-FMLA medical leave of absence, you can apply for any available open position within the Company. If you do not return to work at the end of the approved leave of absence, The Company will consider that a voluntary resignation.

#### 3.16 Bereavement Leave

The Company may allow absences of up to three (3) paid days when there is a death in your immediate family. The definition of "immediate family" for this purpose includes father, mother, husband, wife, brother, sister, son, daughter, grandparents and in-laws. Should you have any questions about the policy, consult the Human Resources Department.

## 3.17 Military Leave

The Company recognizes that you may need to be absent from work to serve in the U.S. military. The Company provides military service leaves of absence to all full-time, part-time and introductory employees in compliance with the Uniformed Services Employment and Reemployment Rights Act (USERRA) and applicable state laws. If you need to take military service leave, you or an authorized military service officer should provide advance notice to your immediate manager. When possible, you should give at least 30 days' notice of your request for leave. If 30 days' notice is not possible because of military necessity or for other reasons, you should give as much advance notice to the Company as possible. The Company reserves the right to request a copy of your military orders or training paperwork.

Military service leave is unpaid. However, you may use any paid PTO and vacation that you have available during your military service leave. During military service leave, all benefits provided under an employee benefit plan are governed by the terms and conditions of the applicable employee benefit plan documents in accordance with applicable law. You may be eligible for reemployment after your military service leave. If

you would like to return to work, you must report to work or apply for reemployment, including your military discharge documentation, if available, as follows:

- If your military service was for less than 31 days, you must report to work on the first regularly scheduled workday that is at least eight hours after you return home from military service.
- If your military service was for 31 to 180 days, you must apply for reemployment within 14 days following completion of military service.
- If your military service was for more than 180 days, you must apply for reemployment within 90 days following completion of military service.

If you do not report to work or apply for reemployment within the applicable timeframe, you will be subject to Company rules about unexcused absences. Nothing in this policy requires the Company to reemploy individuals who are not eligible for reemployment rights under applicable law. If you are eligible for reemployment, you will be reemployed with the same seniority, and all rights and benefits based on that seniority, that you would have attained if you had not taken military leave. Seniority rights include pay and benefits that accrue or are determined based on your length of service.

The Company prohibits and will not tolerate discrimination or retaliation against any employee or applicant because of that person's membership in or obligation to perform service for any branch of the U.S. military. Where state or local military service leave laws offer more protections or benefits to employees, the protections or benefits that are most favorable to the employee, as provided by such laws, will apply.

# 3.18 Jury Duty

The Company is committed to supporting the communities in which we operate, including supporting you in fulfilling your responsibility to serve as a juror whenever it is possible. When you receive notification regarding upcoming jury duty, it is your responsibility to notify your immediate manager within one business day of receiving the notice. If you are required to report to jury duty, at the end of each day of jury duty, notify your immediate manager of your status. The Company expects you to return to your job if you are excused from jury duty during your regular working hours.

Exempt employees will be paid according to applicable law. Non-exempt employees may take the time as unpaid leave or use any paid PTO and vacation available to cover their absence. The Company will not take any adverse action against you because of time lost as a result of reporting for jury duty or responding to a subpoena.

#### 3.19 Witness and Crime Victims Leave

If you are unable to report to work due to your attendance or appearance in court by reason of being a victim of, or a witness to, a crime, or are a member of a victim's family, you are permitted to take an unpaid leave of absence. Please provide as much notice as possible to your immediate manager before taking leave under this policy. You must confirm the reason for your absence before leave is approved by either producing a subpoena or, if you are attending as a member of the victim's family, proof of attendance will be required the following day for each day you are absent for this reason. Leaves of absence will not be approved to attend proceedings where you are a criminal defendant. The Company expects you to return to your job if you are excused from court during your regular working hours.

Employees required by the Company to attend court proceedings as witnesses will be compensated at their regular rate of pay for hours spent in court. Employees appearing in court for any other reason allowed in this policy may take the time unpaid or use any paid PTO and vacation available to cover their absence.

# 3.20 State of Emergency Leave

If you are unable to report to work due to road closures in Lehigh County or the county in which you reside, and the road closures are due to a state of emergency declared by the Governor of the Commonwealth of Pennsylvania, your inability to report to work will be excused. You may choose to use any paid PTO and vacation available to cover the absence. If such is not available, exempt employees will be paid in accordance with applicable law. Non-exempt employees will not be paid if no paid PTO or vacation is available.

# 3.21 Emergency Responders Leave

If you are a volunteer firefighter or volunteer member of an ambulance service or rescue squad, tardiness and time off will be excused where you are called to respond to an emergency call taken before the start of your scheduled shift. Time off will be given in accordance with the time needed to respond to the emergency. If you report to work after responding to such an emergency, you must produce proof from the volunteer service of which you are a member that you were responding to an emergency within the time period during which you were absent or tardy for your scheduled shift.

## **YOUR BENEFITS & PERKS**

Burkholder's offers benefits for eligible employees and each benefit plan has separate eligibility conditions. This section provides a brief overview of the programs offered. For additional information, please contact the Human Resources Department.

## 3.22 Health Benefits

Eligible employees may choose to enroll in the Company's medical, dental and vision insurance plans. All plan benefits are described in detail in the summary plan descriptions prepared by the insurance carrier and available to all eligible employees for review.

Special enrollment periods may apply to you and/or your dependent(s) if you have a qualifying event according to the plan documents and applicable law. Examples of a qualifying event include but are not limited to, marriage, birth or adoption, or if you and/or your dependent are no longer eligible for coverage under a plan in which you or your dependent was previously enrolled. If you experience a qualifying event, notify the Human Resources Department immediately.

## 3.23 Disability Insurance

The Company provides short-term disability insurance to all eligible employees. Please refer to the details in the summary plan description prepared by the insurance carrier and available to all eligible employees for review.

# 3.24 Life, Accidental Death and Dismemberment Insurance

The Company offers group life insurance to all eligible employees. Please refer to the details in the summary plan description prepared by the insurance carrier and available to all eligible employees for review.

## 3.25 Retirement Plan

The Company supports employee retirement preparation and investment by providing a 401(k) Plan. The details regarding participation, contributions, vesting, administration, and investments are provided in the summary plan description.

## 3.26 Workers' Compensation

The Company complies with all state and federal laws pertaining to workers' occupational safety and any occupational injuries or illnesses arising in the course of

employment. Immediately report any work-related injury or illness to your immediate manager, no matter how slight or inconsequential that it may seem. If that person is unavailable, you must report it to the next level manager above your immediate manager or the Human Resources Department.

## 4 EXPECTATIONS

Burkholder's wants you to have everything you need to do the best job possible in a safe, professional environment. This section outlines our mutual expectations.

#### 4.1 Hours of Work

Regular hours of work may vary for each employee, depending on your role. Your immediate manager will advise you of your work schedule. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

## 4.2 Meal and Break Periods

The Company allows all employees two paid 10-minute breaks, as well as one lunch break of 30 to 60 minutes that will be unpaid for non-exempt employees. All breaks will be determined by your immediate manager.

## 4.3 Code of Conduct

The Company is responsible for providing the highest quality and best service to the Company's customers and the community. We are also responsible for the safety of the Company's employees. To meet the Company's obligations and to create a safe and respectful environment for everyone, we have established a set of conduct, performance and attendance standards based on the duties of the Company, best practices for exceptional customer service and legal compliance. While it is impossible to list every action that is unacceptable conduct, the following lists some examples. Employees who break work rules such as these may be subject to disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Falsification of Company documents including timekeeping records
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating Company vehicles or equipment
- Fighting or threatening violence in the workplace or while on duty
- Unprofessional conduct or obscene, abusive language
- Negligence or improper conduct leading to damage of Company or customer property
- Defacing Company property
- Insubordination
- Violation of safety or health rules

- Smoking in prohibited areas
- Sleeping on the job
- Any unlawful harassment, including sexual
- Possession of dangerous or unauthorized materials, such as explosives, in the workplace
- Unauthorized absence from workstation during the workday
- Unauthorized use of telephones, mail system, or other Company equipment or materials
- Unauthorized disclosure of business "secrets" or confidential information
- Unsatisfactory performance or conduct

# 4.4 Discipline Policy

The Company's discipline process typically involves the four steps indicated below which will be applied to resolve unacceptable conduct, attendance concerns and/or any other infraction of workplace policies, rules and/or procedures (hereinafter referred to collectively as a "violation"):

- Verbal Warning The employee is informed of the violation and told what constitutes
  proper conduct. The purpose of a verbal warning is to make certain the employee is
  fully aware of the violation and the Company's expectations so that the potential for
  future violations may be eliminated.
- 2. Written Warning The employee receives a written warning following a violation. The purpose of a written warning is to make certain the employee understands the severity of the situation and that further misconduct will most likely result in suspension or discharge.
- 3. Suspension and/or Final Written Warning A suspension without pay of up to five days and/or a final written warning is used to address continuing problems where previous action has been ineffective or following a more serious violation. The purpose of this step is to make certain the employee understands the seriousness of the situation and that any other violation could lead to termination.
- 4. Termination The employee is discharged as the result of a serious violation or the final step in the discipline process.

Each step of the process will be documented and will become part of your personnel file. The Company reserves the right to determine the appropriate level of discipline based upon the circumstances and severity of the matter and may move to any level in the discipline process as it deems appropriate. In addition to conduct discussed elsewhere in this handbook, some incidents may be grounds for immediate discharge including, but not limited to, theft, violations of the Company's anti-harassment policies, falsification of timecards and threats or acts of violence.

All employees, whether during their introductory period or after successfully completing it, are at-will employees and can be terminated by the Company for any reason with or without notice. Regular employees should normally receive the four steps of discipline, as described above, unless an exception applies. Introductory employees, however, should not expect steps of discipline, but may be terminated for any policy violation or unacceptable performance or conduct.

## 4.5 Conflict of Interest

You have a responsibility to avoid any conflict between your personal interests and those of the Company. A conflict of interest occurs when your personal interests, or those of a close relative, interfere, or appear to interfere, with your ability to make sound business decisions on behalf of the Company. Conflicts of interest could arise in the following circumstances:

- An employee or the close relative of an employee being employed by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor.
- Serving as a board member for an outside commercial company or organization whose interests compete with the Company's.
- Owning or having a substantial interest in a competitor, supplier or contractor.
- Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all company employees.

For the purposes of this policy, a close relative is any person who is related by blood or marriage, or whose relationship with the employee is like that of persons who are related by blood or marriage.

Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the employer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific senior management approval.

Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, seek review from your immediate manager or the Human Resources Department.

## 4.6 Gifts

Advance approval from management is required before you may accept a gift worth \$50 or more from a vendor or customer. You are not permitted to give unauthorized gifts to customers.

# 4.7 Outside Employment

You are permitted to hold other jobs, provided that your activities and conduct away from the Company do not compete with, conflict with, or compromise the Company's interests or adversely affect your job performance and/or your ability to fulfill job responsibilities. Your position with the Company is your prime responsibility. If the Company determines that the outside employment interferes with your performance or creates an actual or apparent conflict of interest, you may be asked to terminate the outside employment, or the Company may terminate your employment.

You must notify your immediate manager right away of any outside employment to determine if that employment is a conflict of interest or may adversely affect the Company's image or reputation or interfere with your duties with the Company. You are prohibited from performing any services for customers on non-working time that are normally performed by the Company. This prohibition also extends to the unauthorized use of any Company equipment and the unauthorized use or application of any confidential information. In addition, you are not to solicit or conduct any outside business during paid working time.

The Company does not consider outside employment to be an excuse for poor job performance, tardiness, absenteeism, or refusal to travel or work overtime or a revised work schedule. Any violation of this policy will subject you to corrective action, up to and including termination of employment.

If you are on a leave of absence, whether medical or non-medical, you are not permitted to engage in outside employment while on leave. Engaging in outside employment while on a leave of absence will result in termination of employment.

#### 4.8 Confidential Information

During your employment with the Company, you may become aware of trade secrets and other similarly protected proprietary and confidential information about Company business including, but not limited to, its financial records, marketing plans and strategies. You may not disclose any such information to anyone outside of the Company. In addition, you are not permitted to share confidential information belonging to or regarding the Company's business partners, vendors and customers such as confidential financial data, marketing strategies, trade secrets, and proprietary information.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, including termination of employment and legal action, even if they did not actually benefit from the disclosed information.

Upon termination of employment with the Company, you must promptly return any and all documents, files, records, notes, lists, or other tangible property, whether in hard copy or on computer disk, containing, referring, or relating to such confidential information.

# 4.9 Drug and Alcohol Policy

The Company is committed to providing a safe, healthy and productive workplace that is free from alcohol and unlawful drugs as classified under state or federal laws, including marijuana, while employees are working on Company premises, another worksite of the Company and while operating Company-provided or personal vehicles. Employees that work while under the influence of drugs or alcohol pose a safety risk to themselves and others with whom they work. Therefore, working under the influence of alcohol or drugs, including marijuana, is strictly forbidden. This policy applies to all employees of the Company, without exception, including part-time and temporary employees.

In addition to forbidding employees from working under the influence of drugs or alcohol, the unlawful manufacture, distribution, possession or use of any unlawful drug or drug paraphernalia on Company premises, while conducting Company business, or in any vehicle owned or leased by the Company is absolutely prohibited. If you are taking medication for which you have a valid prescription while on the job, you must do so in a way that is consistent with the manner prescribed and use must not pose a risk to your safety or the safety of others. However, the use of medical marijuana while on the job or while off the job that results in the employee working under the influence is prohibited. If a physician has prescribed medication that influences your ability to safely perform your job duties, notify your immediate manager.

Additionally, you are not allowed to be under the influence of, consume, possess, sell or purchase any alcoholic beverage on any property at which the Company does business or in any vehicle owned or leased by the Company. An exception will be made for possession and limited consumption of alcohol at a Company-sponsored event.

You should report evidence of alcohol or drug use to a manager or the Human Resources Department immediately. In cases where the use of alcohol or drugs poses an imminent threat to the safety of persons or property, you must report the violation. Failure to do so could result in disciplinary action for the non-reporting employee.

Employees who violate the Drug and Alcohol Policy will be subject to disciplinary action, up to and including termination.

As a part of the Company's policy to ensure a substance-free workplace, you may be asked to submit to a drug and/or alcohol test under any of the following circumstances:

• All employees who are offered employment with the Company will be required to submit to a drug test. All job offers will be contingent upon a negative drug test.

- Where there is reasonable suspicion for believing an employee is under the influence
  of alcohol or drugs. Reasonable suspicion will exist when a manager or other person
  in authority has a reasonable belief based on objective factors such as the employee's
  appearance, speech, behavior or other conduct and/or facts, that the employee is
  under the influence of drugs or alcohol, or both.
- As part of an investigation of an accident in the workplace when there is a reasonable possibility that drug or alcohol use could have contributed to a reported injury or illness and where a drug or alcohol test can identify impairment caused by drug use.

It is a condition of your continued employment with the Company that you comply with the Drug and Alcohol Policy. A refusal to submit to a drug or alcohol test upon request by the Company will be considered a positive test and will result in discipline up to and including termination. A refusal to submit to a test is defined as: failure to provide the required valid specimen(s); obstructing the collection of a specimen or the testing process; submitting an altered, adulterated or substitute sample; failure to show up for a scheduled test; refusal to complete the requested drug testing forms; or failure to promptly provide specimen(s) for testing, without a valid medical reason, when directed to do so.

# 4.10 Attendance and Punctuality

To maintain a productive work environment, the Company expects you to be reliable and punctual in reporting for work. Absenteeism and tardiness place a burden on other employees and the Company.

From time to time, it may be necessary for you to be late or absent from work because of emergencies, illnesses, or pressing personal business that cannot be scheduled outside work hours. When you are unable to work your scheduled shift, all reasonable efforts should be made to call your immediate manager and the office as early in the morning as possible to report the lateness or absence for that day. If the Company receives no advance call, we expect the employee will be at work that day. Failure to call in advance will be considered an unexcused absence.

If you are unable to comply with this policy due to an emergency or other extenuating circumstances, you (or a family member, if you are unable to call) must call as soon as possible and you will be expected to provide a reasonable explanation for your failure to comply. It is within the sole discretion of management to categorize your absence or tardiness as excused or unexcused and permit the use of any paid time off that may be available. Management also reserves the right to request a medical note and/or other documentation to verify illness, emergencies and other extenuating circumstances when determining if an absence or tardiness will be excused or not.

Frequent unscheduled absences or recurring patterns of absence (i.e., regularly calling

off on Mondays or Fridays), including late arrivals and early departures, are grounds for corrective action, up to and including termination of employment.

Arrival and departure times will be determined by the time indicated on the time recording system in each department.

You will be considered to have taken an unexcused absence if you are absent from work during scheduled work hours without permission, including full or partial day absences, late arrivals (5 minutes or more) and early departures. The following absences will not be counted against your attendance record:

- An approved medical or personal leave
- An absence due to illness or injury that qualifies under federal or state leave laws
- Pre-approved times away from work using available vacation or PTO

Employees who violate this policy will be subject to discipline up to and including termination.

If you are absent without calling in (no call/no show) for three consecutive days, it will be assumed that you have voluntarily resigned via job abandonment and you will be removed from the payroll effective at the end of your normal shift on the third day.

## 4.11 Customer Relations

The Company and its employees have a fine reputation for integrity, efficiency and professionalism. The future well-being of the Company is largely dependent upon the continuation of this reputation. Occasionally the customer may ask you a question(s) to which you do not know the answer or are not sure of the answer. In this case, inform the customer that you will refer their question(s) to the appropriate manager, who will then contact the customer.

In the event a customer becomes angry or belligerent about a matter relating to our services, remain composed. Do not argue with the customer. Alert management of the incident.

If the customer makes a statement regarding any dissatisfaction whatsoever with the Company's service, let the appropriate members of management know about the incident. The Company has found that the earlier we intervene in such a situation, the greater the opportunity for maintaining a good relationship with the customer and avoiding future disputes.

Damage to customer property can result in loss of money to the Company. Any damage caused by neglect of a Company employee may result in corrective action, up to an including, termination of employment. All damage to customer property should be reported to your immediate manager right away. Stop work and report the damage.

#### 4.12 Personal Cell Phone Use

Personal cellular phones may be carried with you but must be set on "silent" or "vibrate" modes during working time. Receiving and placing personal cell phone calls is to be reserved for break times and break areas only. Any special exception including emergencies must be approved by your immediate manager. If the Company finds that personal calls, text messaging or other cell phone activities are interfering with Company work, disciplinary action will follow.

You are prohibited from using hand-held cell phones while operating any motor vehicle on Company business. However, hands-free devices may be used for business-related purposes if allowed by state and local laws and if such use will not compromise safety.

Employees who violate this policy will be subject to disciplinary action up to and including termination.

# 4.13 Personal Property

The Company cannot be responsible for personal property that is lost, damaged or stolen. If you bring personal property onto Company property or worksites, you are responsible for it. In addition, the Company prohibits any personal items brought onto Company property or worksites that are sexually suggestive, offensive, or demeaning to specific individuals or groups. The Company is not responsible for any damage to your personal car while on Company business.

# 4.14 Use of Company Equipment

The Company will provide you with the equipment needed to do your job. When you use Company equipment, you must exercise care, perform required maintenance and follow all operating instructions, safety standards and guidelines.

Company equipment may not be used for personal use. Company equipment may not be removed from the physical confines of the Company, unless it is approved for a job that specifically requires the use of Company equipment outside the physical confines of the Company. If you lose, break or damage any Company equipment or property, report it immediately to your immediate manager.

Employees who separate from employment without returning Company equipment, with equipment loss or unauthorized charges will be considered to have left employment on unsatisfactory terms.

## 4.15 Electronic Communications Policy

Company property, including computers, internet access, copy/fax machines, phones, email, and voicemail, is provided to you for conducting and facilitating Company business. Use of this property is reserved solely for the conduct of Company business. It may not be used for personal business outside the interests of the Company or its employees. Nothing in this policy is intended to contravene any applicable federal, state or local law. The e-mail system may not be used to solicit for commercial ventures or charitable organizations, religious or political causes, outside organizations, or other non-job-related solicitations during working time.

You are responsible for using the Internet in a manner that is productive, ethical and lawful. Personal use of the Company's electronic communications systems, or any other Company property, must not interfere with productivity. You are never permitted to access any program using the password or username of another employee.

Electronic communication by employees that is threatening, intimidating or otherwise interfering with the job performance of other employees will not be tolerated. Any attempt to disrupt electronic communications, to violate computer system security, or to send electronic communications under false pretenses (i.e., using someone else's identity to access/send an electronic communication) will not be tolerated. Additionally, excessive personal use of the electronic communications, or any other Company property, that interferes with employees' job duties will be subject to disciplinary action up to and including termination.

All electronic communication systems provided by the Company and all information transmitted by, received from, or stored on any Company systems is the property of the Company. To ensure proper use of these systems, the Company may monitor the use of these systems from time to time. You should have no expectation of privacy in connection with the use of this equipment, or with the transmission, receipt, or storage of information in this equipment. Company-provided computer equipment and the information stored in such equipment is the property of the Company. The Company reserves the right, in its complete discretion, to review any employee's voicemail or email files, messages, and usage at any time without advance notice or permission. You should not attempt to gain access to anyone else's files, email or voicemail messages or other information. Only the Company's President or senior management reserves the right to and may enter an employee's email, voicemail or other files.

E-mail attachments and downloaded files are prime sources of viruses and other malicious software. Therefore, you may not download or install any software or shareware that is not expressly authorized or approved by management. Only approved management representatives with fully documented authorized software are permitted to add programs to Company computers. Unless you have written authorization from the President or senior management for use of Company software on your personal computer

system, you are hereby notified that the use may not be legal and may be subject to prosecution. If you are aware of illegal use of Company software or systems, you should report it to your immediate manager or the Human Resources Department.

Employees who violate this policy are subject to discipline, up to and including termination of employment.

## 4.16 Use of Company Phones and Mail

The telephone system is intended for business purposes. It is important to keep the Company's telephone lines free for customer calls. However, the Company recognizes that some personal calls are necessary. Calls that are urgent or difficult or impractical to schedule outside of work hours are permitted but should be infrequent and as brief as possible.

The Company's systems are not to be used to make or send fraudulent, unlawful, or abusive calls or messages. Making or sending fraudulent, unlawful or abusive calls or messages violates the Company's policies. Employees who violate this policy will be subject to corrective action up to and including termination of employment. Report any threatening, intimidating, or harassing telephone calls received to your immediate manager or the Human Resources Department.

Employees should not use the Company's address for receiving personal mail. Only those employees whose assigned job duties specifically require it shall sort through and distribute Company mail.

Company stationery must not be used for personal correspondence.

Violations of this policy may result in corrective action, up to and including, termination of employment.

## 4.17 Use of Social Media

The Company recognizes that the internet provides unique opportunities to participate in interactive discussions and share information on topics using a wide variety of social media, including but not limited to Facebook, LinkedIn, Twitter, Instagram, Pinterest, TumbIr, blogs, and wikis. However, employees' use of social media can pose risks to the Company's confidential and proprietary information, reputation, and brands, can expose the Company to discrimination and harassment claims, and can jeopardize the Company's compliance with business rules and laws.

To minimize these business and legal risks, to avoid loss of productivity and distraction from employees' job performance, and to ensure that the Company's IT resources and

communications systems are used appropriately as explained below, the Company expects its employees to adhere to the following guidelines and rules when using social media, whether at work or outside of work:

- 1. You are not permitted to use social media during working times unless such is required by your job.
- 2. Always be respectful, fair and courteous to fellow employees, customers or suppliers. If you decide to post complaints or criticism, avoid using any statements that could be viewed as malicious, threatening, obscene, intimidating, defamatory or harassing. For more information see the Company's Anti-Harassment policy.
- 3. Do not post, or express a viewpoint on another's post, such as by "liking" a Facebook post, anything that Company's customers, clients, business partners, suppliers or vendors would find offensive, such as ethnic slurs, sexist comments, discriminatory comments, profanity, abusive language, obscenity, or that is maliciously false.
- 4. Social media should never be used in a way that violates any other Company policy or employee obligation. If your social media activity would violate any Company policy in another forum, it will also violate them in an online forum.
- 5. You may not share the Company's confidential or proprietary information. For more information see the Company's Confidential Information policy.
- 6. Make it clear in your social media activity that you are speaking on your own behalf.
- 7. Use good judgment about what you post and remember that anything you say can reflect on the Company. In addition, remember that your statements have the potential to result in liability for you or the Company.
- 8. Any statements made about the Company and any of its employees must also be truthful and accurate.
- 9. You use should not violate any applicable law.

Carefully read these guidelines as they are intended to cover all social media related activities. You will be held responsible for what you post to social media and should use discretion and sound judgment in discussions of any work-related matters. If your posting violates any of these guidelines the Company may take action against you (up to and including termination) based on such postings.

This policy is not intended to restrict communications or actions protected or required by state or federal law. If you have questions or doubts about the appropriateness of Social Media usage, you should speak with the Human Resources Department.

## 4.18 Media Contacts

From time to time you may be contacted by members of the media. This may include, but is not limited to television, internet and print journalists. You should not speak on behalf of the Company without express authorization from senior management.

If you are contacted by media regarding the official position of the Company regarding any issues, products, services, customers, vendors or business partners, immediately inform senior management. You are always permitted to express your own opinions to media. If you express personal opinions to media on issues related to Company products, services, customers, vendors or business partners, make sure to state that such opinions do not represent those of the Company and are your own.

#### 4.19 Dress Code

The Company offers employees the opportunity to dress in business casual attire. You are responsible for ensuring that your dress and grooming project a positive image to customers and the public, and therefore, you are expected to maintain a clean, neat and professional appearance.

The excessive use of perfume or cologne is unacceptable, as are odors that are disruptive or offensive to others or may exacerbate allergies. If you have a question about acceptable clothing or grooming, consult the Human Resources Department.

You may have a position which requires personal protective equipment and/or uniforms. Uniforms are provided by the Company at no charge.

If your manger finds that your appearance or personal hygiene is inappropriate, you will be asked to leave work and return properly dressed and groomed. If you are asked to leave, you will not be paid for the time you are away from work. See your immediate manager or the Human Resources Department if you are not sure about the correct clothing standards for your job.

Violation of this policy can result in corrective action, up to and including termination of employment.

## 4.20 GPS and Company Vehicles

A Global Positioning System ("GPS") can be utilized in smartphones, laptops and vehicles to determine the location of an individual or object at a particular moment in time. At its discretion, the Company provides certain employees with Company-owned or leased smartphones, laptops and vehicles that are to be used in connection with business-related activities. Company-owned or leased vehicles are equipped with a GPS system to monitor the location of the vehicle in real time. The location of employees who are issued Company-owned or leased vehicles may be monitored at any time during their working hours. There is no expectation of privacy with respect to the whereabouts of Company-owned or leased vehicles.

Employees are not permitted to disable location services. Any employee who disables location services may lose the right to use the Company-owned or leased vehicle.

The Company may use information or data received from GPS location services to ensure that employees who use Company-owned or leased vehicles are complying with all Company policies including, but not limited to, adhering to using the vehicle solely for business-related purposes. If the Company receives data or information from a GPS system which reveals misconduct or a violation of a Company policy, the Company will not solely base a decision to discipline on the GPS data or information. The Company will, however, conduct an investigation in this instance and consider the data and information revealed from the GPS in conjunction with any other information received during the course of the investigation to determine whether or not misconduct or a Company policy violation has occurred and whether or not to implement discipline.

#### 4.21 Fraternization

While the Company respects your privacy in personal relationships, we recognize that employers can encounter a variety of problems, such as interference with productivity, potential charges of sexual harassment, conflicts of interest, and unprofessional behavior when employees date or have romantic or sexual relationships with other employees.

The Company does not prohibit consensual romantic or sexual relationships between employees, but we do expect employees to adhere to this policy.

The Company prohibits relationships between managers and subordinates. For purposes of this policy, a subordinate employee is defined as any employee working in any function or area of responsibility that reports directly to or reports up through a chain of command to a manager. Should a relationship exist, the manager must disclose the relationship to his or her immediate manager and/or the Human Resources Department.

Upon disclosure of a romantic or sexual relationship, the Company will transfer the manager and/or subordinate employee, at its sole discretion, to another department, area or function of responsibility so that the subordinate employee is no longer working in any function or area of responsibility that reports directly to or up through a chain of command to that manager. If this somehow cannot be accomplished, one or both parties may be terminated from employment. Failure of either the manager or subordinate employee to accept an assigned transfer after a disclosure is made will result in termination of employment. In addition, the manager must also immediately disclose to management if the romantic or sexual relationship ends. Failure to do so will also result in discipline up to and including termination of employment.

Co-employees who have no manager/subordinate relationship must also immediately disclose any romantic or sexual relationship to management. Notification must also be given if the romantic or sexual relationship ends. Failure to disclose the relationship or

notify management that it has ended will result in discipline up to and including termination of employment.

#### 4.22 Solicitation and Distributions

Solicitation for any purpose during working time is prohibited. You are not permitted to distribute non-Company literature in work areas at any time. Non-employees may not solicit employees or distribute literature of any kind on the Company's premises at any time.

Certain recognized charities will be permitted to solicit contributions on Company premises during specified times of the year, through the Company employees. Managers and employee may volunteer to assist these organizations by conducting their drives. Each employee may decide whether to contribute. There will be no discrimination against employees because of their willingness or unwillingness to participate.

Employees are permitted to engage in solicitations or distributions of literature of any group or organization, including charitable organizations, only in accordance with the following:

- 1. Solicitation and distribution of literature are prohibited during the working time of either the employee making the solicitation or distributions, or the targeted employee. These activities may occur during non-working times.
- 2. The activity cannot disrupt employees from performing their job responsibilities.
- 3. Employees who are off-duty may not solicit in work areas.

Distributed materials may not be discriminatory, illegal, harassing, profane or obscene. Employees may not pressure or bully co-workers to participate in any causes or activities. Violation of this policy may result in corrective action, up to and including termination of employment.

If you have a question about this policy or wish to report violations, contact the Human Resources Department. The Company will not interfere with your rights under federal and state labor laws.

## 4.23 Criminal Activity and Arrests

Participating in criminal activity, whether on or off Company property, may result in disciplinary action up to and including termination. Disciplinary action depends upon a review of all factors involved, such as the nature of the act and charges, whether or not it was work-related, how it affects or may affect the Company's reputation, the employee's ability to perform the essential functions of the job, or circumstances which adversely

affect attendance. Disciplinary actions are not dependent upon the disposition of any case in court.

Employees are expected to be on the job, ready to work, when scheduled. Inability to report to work as scheduled as a result of an arrest may lead to disciplinary action, up to and including termination, for violation of the attendance policy or job abandonment.

Any disciplinary action taken will be based on information reasonably available. This information may come from witnesses, police or any other source if management has reason to view the source as credible.

#### 4.24 Personnel Records and Administration

Upon the submission of a written request, you are permitted to examine the contents of your personnel file. Within a reasonable time after receipt of a request, the Company will schedule a time, during regular business hours, when you may inspect the contents of the personnel file. This inspection must occur during your free time, not during your regularly scheduled working hours. Although you may take notes regarding the inspection, the personnel file and its contents may not be photocopied or removed from the place of inspection. Letters of reference and planning materials are not subject to examination.

All personnel records are confidential. Any unauthorized individual found accessing records will be subject to disciplinary action and possible termination.

## 4.25 Bulletin Boards

The Company maintains bulletin boards to communicate Company information to employees and post notices required by law. These bulletin boards are for posting of Company information and notices only, and only persons designated by management may post or remove material from the bulletin boards.

# 4.26 Termination and Resignation

If you wish to resign, the Company asks that you notify your immediate manager of your anticipated departure date at least two weeks in advance. Of course, as much notice as possible is appreciated by the Company and your co-workers. This notice should be in the form of a written statement. You should be prepared to work the entire notice period. Available vacation and PTO cannot be used during your notice period. The Company reserves the right to accept voluntary resignations immediately and waive the requirement of working the full notice period.

After termination from the Company, please continue to provide the Company with an accurate address for at least one year for tax purposes.

<u>Exit Interview</u>: It is the Company's policy to request an exit interview of all employees leaving the Company. Please contact the Human Resources Department as soon as you give notice to schedule your exit interview. The interview will be on your last day of work or another day, as mutually agreed on. Your cooperation in the exit interview process will be greatly appreciated. Any information provided in the course of your exit interview will not affect references provided by the Company.

<u>Return of Company Property</u>: At the end of employment, you must return all Company property, including but not limited to uniforms, cell phones, keys, PCs and identification cards. You will be responsible for any items not returned.

#### 5 SAFETY IN THE WORKPLACE

The safety and health of employees is top priority. Burkholder's strives to provide a clean, hazard-free, and safe environment in accordance with the Occupational Safety and Health Act of 1970. This section includes general safety policies. For the most detailed information, refer to the Company's Safety Manual.

## 5.1 Health and Safety in the Workplace

As an employee, you are expected to take part in maintaining a safe environment. You must comply with all the Company's safety rules and guidelines as detailed in the Company's separate *Safety Manual*, adhere to all safety instructions provided by your immediate manager, and use safety equipment when required. In addition, you must comply with any applicable federal, state and local laws regarding workplace safety. It is your responsibility to:

- Learn the location of all safety and emergency equipment, as well as the safety and/or emergency phone numbers.
- Keep your work area free of any potential hazards.
- Report any problems with Company-provided safety equipment to your immediate manager.
- Report any unsafe conditions or potential hazards, such as wet floors or broken equipment, to your immediate manager right away. If your immediate manager is unavailable, then report it to the next level above your immediate manager.
- Report all work-related accidents or illness, regardless of severity, immediately to a manager, the Human Resources Department, and/or the President. In the case of an accident, an incident report must be filled out with the Human Resources Department.

Failure to follow the Company's safety rules, guidelines or any applicable workplace safety law may result in discipline, up to and including termination of employment.

You have the right to report work-related injuries and illnesses. The Company prohibits any form of discipline, discrimination or retaliation for reporting a health or safety concern, a workplace injury, a violation of this policy or for cooperating in related investigations.

# 5.2 Safety Committee

The Company has an active safety committee which meets on a regular basis. If you have any suggestions that you feel could create a safer working environment, the Company encourages you to offer your ideas. If you would like to participate in the safety committee or attend the meetings, please discuss this with your immediate manager.

## 5.3 Workplace Violence

The Company strictly prohibits and will not tolerate any form of workplace violence. Workplace violence is any act or threat of physical violence, harassment, intimidation, or other threatening disruptive behavior. It ranges from threats and verbal abuse to physical assaults and even homicide. The Company strictly prohibits any workplace violence including, but not limited to, the following:

- Aggressive or hostile acts such as throwing objects at another person, fighting or intentionally damaging property;
- Injuring another person physically;
- Verbal or written threats to injure an individual or to damage property;
- Engaging in behavior that creates a reasonable fear of injury to another person;
- Engaging in behavior that subjects another individual to extreme emotional distress;
- Bullying, intimidating or harassing another person (For example, making obscene phone calls or using threatening body language or gestures such as standing close to someone or shaking your fists at them).

This list is illustrative only and not exhaustive. No form of workplace violence will be tolerated. If you feel that you are a victim of workplace violence or suspect or witness an act of violence, you must report it immediately to your immediate manager, the Human Resources Department or the President. The Company prohibits any form of discipline, reprisal, intimidation or retaliation for reporting incidents of workplace violence of any kind, pursuing a workplace violence complaint or cooperating in related investigations.

#### 5.4 Domestic Violence

If you apply for or obtain a Protection from Abuse (PFA) or restraining order which lists the Company's location as being a protected area, you must provide a copy of the PFA or restraining order to the Human Resources Department. In addition, where you do not have a PFA or restraining order, but you are in a situation involving domestic violence or have or were in a relationship with someone you fear, the Company encourages you to report that to your immediate manager or the Human Resources Department so that any necessary safety precautions can be considered and taken. The Company understands the sensitivity of such information and will follow confidentiality procedures which recognize and respect the privacy of the reporting employee(s).

## 5.5 Inspection of Property

As part of a Company investigation of possible violations of a policy, it may be necessary for work areas, lockers, desks or cabinets to be searched on occasion. These are the property of the Company and, as such, the Company reserves the right to search them with or without advance notice. You should have no expectation of privacy. You are

discouraged from bringing large or valuable personal items to work. The Company is not responsible for any loss or theft of personal items.

# 5.6 Visitors in the Workplace

In order to protect the safety and security of the Company's employees and facilities, only authorized visitors are permitted in the workplace. All visitors must check in at the reception area. Authorized visitors will receive directions or be escorted to their destination. You are responsible for the conduct and safety of your visitors. If you observe an unauthorized visitor on Company property, contact your immediate manager or Human Resources. If you believe there is a threat to employee safety, call 911.

#### 5.7 Use of Vehicles

The following guidelines must be followed at all times by all employees operating Company-provided or personal vehicles on Company business. These guidelines and rules, which are the byproduct of prudent business considerations and insurance requirements, are intended to promote safety awareness, eliminate preventable accidents, protect against personal injury, and to minimize economic loss. Failure to abide by any of the following requirements will lead to disciplinary action up to and including termination:

## Driver Guidelines and Reporting Requirements

- You may not drive Company-provided vehicles without the express permission of management. Additionally, company-provided vehicles may be used only for Company business purposes. Using such vehicles for personal errands or personal business is strictly prohibited.
- You must have a valid and current driver's license to operate a Company-provided or a personal vehicle with current auto insurance used on Company business. If you operate a Company vehicle or a personal vehicle on Company business, you shall notify your immediate manager by 9:00 AM the next business day if your driver's license has been suspended or revoked, and must <u>immediately discontinue operating the vehicle</u>. You must also report all ticket violations received during the operation of any Company owned or leased vehicle.
- If you drive for work purposes, the Company may review your motor vehicle record periodically to ensure that you are maintaining a good driving record. Failure to maintain a good driving record (e.g., a pattern of repeated traffic violations, a preventable accident, etc.) may result in the loss of the privilege of driving for work purposes. If driving is an essential function of your job and you have not maintained a good driving record, your employment may be terminated. In addition, where driving is an essential function of your job, your employment may also be terminated if you

- operate Company-provided vehicles and the Company's insurance company excludes you as a driver or if your driver's license is suspended or revoked.
- You are responsible for the safe operation and cleanliness of an assigned vehicle.
   Damages to a Company-provided vehicle by theft, breakdown, or mechanical problem must be reported to your immediate manager. Drivers are responsible for assuring that their assigned vehicles meet all legal standards for maintenance and safety. Company-provided vehicles are subject to unannounced, random inspections by management.
- You must report <u>any</u> accident involving your assigned vehicle to your immediate manager right away. This includes all accidents whether or not another vehicle was involved and regardless of the extent of damage or lack of injuries. Accidents in personal vehicles while on Company business must follow these same accident procedures. A Vehicle Accident Report must be completed immediately (from the scene, during the same day, or as soon as practicable if immediate or same-day reporting is not possible). The completed form should be given to your immediate manager within 24 hours of the accident. You are expected to cooperate fully with authorities in the event of an accident without making any statements other than replying to the questions of investigating officers. Accidents involving your personal injury must be reported to your immediate manager or the Human Resources Department for workers' compensation purposes.
- You will be responsible for fines resulting from moving or parking violations incurred while operating a vehicle on Company business.

## **Driver Safety Rules**

- The use of Company-provided or personal vehicles for Company business while under the influence of alcohol, intoxicants or other drugs (which could impair driving ability) is forbidden and is sufficient cause for discipline, up to and including termination.
- If you make or take work-related calls while driving, you are required to use a hands-free cell phone. If hands-free devices are not available, you are strictly prohibited from (i) making or receiving calls, or (ii) sending or receiving text messages, emails, instant messages, or any other form of electronic communication, while operating any vehicle while on Company business, including sitting in traffic while traffic is stopped or at an intersection. You must locate a lawfully designated area to park the vehicle before using a hand-held device.
- Because motor vehicle accidents represent one of the largest groups of occupational
  fatalities, while on Company business you must exercise due diligence to drive safely
  by: a) following all traffic laws, and b) avoiding distractions while driving (such as eating
  or drinking; adjusting radio or temperature controls; focusing attention towards
  passengers or objects, persons or events outside the vehicle; personal grooming; etc.).
- You are not permitted under any circumstances to operate any vehicle while on Company business when a physical or mental impairment may cause you to drive unsafely. This prohibition includes circumstances in which you are temporarily unable

to operate a vehicle safely or legally because of illness or injury, medication, fatigue, intoxication, or while under the influence of drugs.

- Seat belts must be worn at all times, even if air bags are available.
- Drivers are responsible for the security of Company vehicles assigned to them. The
  vehicle engine must be shut off, ignition keys removed, and vehicle doors locked
  whenever the vehicle is left unattended.
- If you become drowsy while driving, you should stop driving immediately.
- Applicable federal, state and local laws, including speed limits, must be obeyed at all times.

Please remember that your primary responsibility is to focus on the road and drive safely.

# 5.8 Smoking Policy

In order to maintain a healthy and comfortable working environment and to ensure compliance with applicable laws, smoking or vaping in Company facilities, at Company-sponsored off-site conferences and meetings, and in Company vehicles is strictly prohibited. Employees smoking in any part of the Company's building may be subject to disciplinary action. You may leave your work assignment to smoke only during scheduled break times and in designated smoking areas.

# 5.9 Emergency Closings

At times, emergencies such as severe weather, fires, or power failures can disrupt Company operations. In the event that weather may interfere with travel or business operations, call your immediate manager to determine if any closures or schedule changes are required. When operations are officially closed because of emergency conditions, the time off from scheduled work will be unpaid for non-exempt employees. However, they may use available vacation or PTO.

#### EMPLOYEE HANDBOOK ACKNOWLEDGMENT

I acknowledge that I have received a copy of the Burkholder's Heating & Air Conditioning, Inc. Employee Handbook and I understand that it is my responsibility to read and follow these policies.

I am aware that if, at any time, I have questions regarding Company policies I should direct them to my immediate manager or the Human Resources Department.

I understand that neither this Handbook nor any other communication by a management representative or any other employee, whether oral or written, is intended in any way to create a contract of employment. I understand that, unless I have a written employment agreement signed by an authorized the Company's representative, I am employed at will and this policy does not modify my at-will employment status. If I have a written employment agreement signed by an authorized representative of the Company and this Handbook conflicts with the terms of my employment agreement, I understand that the terms of my employment agreement will control.

I also am aware that the Company, at any time, without notice, may change, add to, or delete from the provisions of the Company policies.

I also understand that this version of the Handbook supersedes all prior versions published or distributed by the Company.

Employee's Printed Name	
Employee's Signature	Date