



# Employee Handbook

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*REVISED*

January 2024

## Welcome!

Welcome! On behalf of everyone at Tao Mechanical, Ltd., we want to welcome you to our team. We wish you success and sincerely hope you will find a great deal of personal satisfaction in your position with our company. You are an important member of our team and it is our belief that individuals like you are our most important assets. The growth and profitability of Tao Mechanical, Ltd. is determined in large measure by your personal contribution to the organization while you are with us.

In support of this belief, all of us give primary consideration to the well-being of each employee. We believe in providing good working conditions and fair treatment. Equally important is the opportunity for everyone to contribute and provide input to obtain a sense of accomplishment and pride in the work done by each and every person working with us.

This employee handbook is intended to explain the terms and conditions of employment of all full- and part-time employees and supervisors. It is designed to acquaint you with the company, and to help you effectively and efficiently operate within the company's policies, by summarizing the rules, regulations and employment benefits of Tao Mechanical, Ltd. Written employment contracts between Tao Mechanical, Ltd. and some individuals may supersede some of the provisions of this handbook.

This handbook summarizes the policies and practices in effect at the time of publication. This handbook supersedes all previously issued handbooks and any policy or benefit statements or memoranda that are inconsistent with the policies described here. Your supervisor or manager will be happy to answer any questions you may have.

Sincerely,

*Justin Swiers*

Justin Swiers

Tao Mechanical, Ltd. Company Owner

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## **General Employment Policies**

### ***At-Will Employment Status***

Tao Mechanical, Ltd. personnel are employed on an at-will basis. Employment at-will means that the employment relationship may be terminated, with or without cause and with or without advance notice at any time by the employee or the Company. Nothing in this handbook shall limit the right to terminate at-will employment.

No manager, supervisor, or employee of the Company has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment on other than at-will terms. Only the Owner of Tao Mechanical, Ltd. has the authority to make any such agreement, which is binding only if it is in writing.

Nothing in this at-will statement is intended to interfere with an employee's rights to communicate or work with others toward altering the terms and conditions of his or her employment.

### ***Right to Revise***

This employee handbook contains the employment policies and practices of Tao Mechanical, Ltd. in effect at the time of publication. All previously issued handbooks and any inconsistent policy statements or memoranda are superseded.

Tao Mechanical, Ltd. reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment. However, any such changes must be in writing and must be signed by the president of Tao Mechanical, Ltd.

Any written changes to this handbook will be distributed to all employees so that employees will be aware of the new policies or procedures. No oral statements or representations can in any way alter the provisions of this handbook.

This handbook sets forth the entire agreement between you and Tao Mechanical, Ltd. as to the duration of employment and the circumstances under which employment may be terminated. Nothing in this employee handbook or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

Nothing in this at-will statement is intended to interfere with an employee's rights to communicate or work with others toward altering the terms and conditions of his or her employment.

### ***Equal Employment Opportunity***

Tao Mechanical, Ltd. is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available persons in every job. Company policy prohibits unlawful discrimination based on race, color, creed, gender (including gender identity and gender expression), religion (all aspects of religious beliefs, observance or practice,

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including religious dress or grooming practices) marital status, registered domestic partner status, age, national origin (includes language use and possession of a driver's license issued to persons unable to prove their presence in the United States is authorized under federal law), ancestry, physical or mental disability, medical condition (including cancer or a record or history of cancer, and genetic characteristics), sex (including pregnancy, childbirth, breastfeeding or related medical condition), genetic information, sexual orientation, military and veteran status or any other consideration made unlawful by federal, state, or local laws. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Pay discrimination between employees of the opposite sex performing substantially similar work, as defined by the California Fair Pay Act and federal law, is prohibited. Pay differentials may be valid in certain situations defined by law. Employees will not be retaliated against for inquiring about or discussing wages. However, Tao Mechanical, Ltd. is not obligated to disclose the wages of other employees.

Discrimination can also include failing to reasonably accommodate religious practices or qualified individuals with disabilities where the accommodation does not pose an undue hardship.

All such discrimination is **unlawful**.

The Company is committed to compliance with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in Company operations. The Company prohibits unlawful discrimination against any job applicant, employee or unpaid intern by any employee of the Company, including supervisors and coworkers.

If you believe you have been subjected to any form of unlawful discrimination, submit a complaint to your supervisor, the individual with day-to-day personnel responsibilities or the Company president. Your complaint should be specific and should include the names of the individuals involved and the names of any witnesses. If you need assistance with your complaint, or if you prefer to make a complaint in person, contact The Office Manager. The Company will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation.

If the Company determines that unlawful discrimination has occurred, effective remedial action will be taken commensurate with the severity of the offense. Appropriate action also will be taken to deter any future discrimination.

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result.

Any job applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact a Company representative with day-to-day personnel responsibilities and discuss the need for an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any that will help the applicant or employee perform the job. An applicant, employee or unpaid intern who requires an accommodation of a religious belief or practice (including religious dress and grooming practices, such as religious clothing or hairstyles) should also contact a Company representative with day-to-day personnel responsibilities and discuss the need for an accommodation. If the accommodation is reasonable and will not impose an undue hardship, the Company will make the accommodation.

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The Company will not retaliate against you for bringing a complaint of discrimination, participating in the investigation of any complaint or requesting a reasonable accommodation and will not knowingly tolerate or permit retaliation by management, employees or co-workers.

## ***Policy Against Unlawful Harassment and Discrimination***

Tao Mechanical Ltd. is committed to providing a work environment that is free of unlawful harassment and discrimination. In furtherance of this commitment, the Company strictly prohibits all forms of unlawful discrimination and harassment, including: discrimination or harassment on the basis of race, religion, color, sex, gender, gender identity or expression, sexual orientation, national origin, ancestry, citizenship status, uniform service member or veteran status, marital status, pregnancy (including childbirth, breast feeding and related medical conditions), age, protected medical condition, genetic information, disability or any other category protected by applicable state or federal law.

The Company's policy against unlawful harassment and discrimination applies to all employees of the Company, including supervisors and managers, as well as to all unpaid interns, apprentices, and volunteers. The Company prohibits managers, supervisors and employees from harassing co-workers as well as the Company's customers, vendors, suppliers, independent contractors and others doing business with the Company. In addition, the Company prohibits its customers, vendors, suppliers, independent contractors and others doing business with the Company from harassing our employees.

Violation of this policy will subject an employee to disciplinary action, up to and including immediate termination. Additionally, under California law, employees may be held personally liable for harassing conduct that violates the California Fair Employment and Housing Act.

**Examples of Prohibited Sexual Harassment:** Sexual harassment includes a broad spectrum of conduct including harassment based on sex, gender, gender identity or expression, and sexual orientation. By way of illustration only, and not limitation, some examples of unlawful and unacceptable behavior include:

- unwanted sexual advances;
- offering an employment benefit (such as a raise or promotion or assistance with one's career) in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) for an employee's failure to engage in sexual activity;
- visual conduct, such as leering, making sexual gestures, displaying sexually suggestive objects or pictures, cartoons or posters;
- verbal sexual advances, propositions, requests or comments;
- verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- physical conduct, such as touching, assault, impeding or blocking movement;

- physical or verbal abuse concerning an individual's actual sex or the actor's perception of the individual's sex; and
- verbal abuse concerning a person's characteristics such as vocal pitch, facial hair or the size or shape of a person's body, including remarks that a male is too feminine or a woman is too masculine.

Other Examples of What Constitutes Prohibited Harassment: In addition to the above listed conduct, the Company strictly prohibits harassment concerning any other protected characteristic. By way of illustration only, and not limitation, such prohibited harassment includes:

- racial or ethnic slurs, epithets, and any other offensive remarks;
- jokes, whether written, verbal, or electronic;
- threats, intimidation, and other menacing behavior;
- inappropriate verbal, graphic, or physical conduct;
- sending or posting harassing messages, videos or messages via text, instant messaging, or social media; and
- other harassing conduct predicated upon one or more of the protected categories identified in this policy.

If you have any questions about what constitutes harassing behavior, ask your supervisor or another member of management.

Harassment of our customers/clients, or employees of our customers/clients, vendors, suppliers or independent contractors by our employees is also strictly prohibited. Such harassment includes the types of behavior specified in this policy, including sexual advances, verbal or physical conduct of a sexual nature, sexual comments and gender-based insults. Any such harassment will subject an employee to disciplinary action, up to and including immediate termination.

### ***What You Should Do If You Feel You Are Being Or Have Been Harassed or Discriminated Against***

If you feel that you are being harassed or discriminated against in violation of this policy by another employee, supervisor, manager or third party doing business with the Company, you should immediately contact the Owner or Office Manager at 925-447-5220. In addition, if you observe harassment or discrimination by another employee, supervisor, manager or non-employee, please report the incident immediately to the individuals above. Appropriate action will also be taken in response to violation of this policy by any non-employee.

Supervisors who receive any complaint of harassment or discrimination must promptly report such complaint to Owner or Office Manager at 925-447-5220.

Your notification of the problem is essential to us. We cannot help resolve a harassment problem unless we know about it. Therefore, it is your responsibility to bring your concerns and/or

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problems to our attention so that we can take whatever steps are necessary to address the situation. The Company takes all complaints of unlawful harassment seriously and will not penalize you or retaliate against you in any way for reporting a harassment problem in good faith.

All complaints of unlawful harassment which are reported to management will be investigated in a fair manner as promptly as possible by an impartial and qualified person and upon conclusion of such investigation, corrective action will be taken where warranted. The Company prohibits employees from hindering internal investigations and the internal complaint procedure. All complaints of unlawful harassment which are reported to management will be treated with as much confidentiality as possible, consistent with the need to conduct a thorough and adequate investigation.

Violation of this policy will subject an employee to disciplinary action, up to and including immediate termination. Moreover, any employee, supervisor or manager who condones or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including termination.

### ***Policy Against Retaliation***

The Company is committed to prohibiting retaliation against those who themselves, or whose family members, report, oppose, or participate in an investigation of alleged unlawful harassment, discrimination, or other wrongdoing in the workplace. By way of example only, participating in such an investigation includes, but is not limited to:

- Filing a complaint with a federal or state enforcement or administrative agency;
- Participating in or cooperating with a federal or state enforcement agency that is conducting an investigation of the Company regarding alleged unlawful activity;
- Testifying as a party, witness, or accused regarding alleged unlawful activity;
- Assisting another employee who is engaged in any of these activities;
- Making or filing an internal complaint with the Company regarding alleged unlawful activity;
- Providing notice to the Company regarding alleged unlawful activity.

The Company strictly prohibits any adverse action/retaliation against an employee for participating in an investigation of any alleged wrongdoing in the workplace. If you feel that you are being retaliated against you should immediately contact the Owner or Office Manager at 925-447-5220. In addition, if you observe retaliation by another employee, supervisor, manager or non-employee, please report the incident immediately to the Owner or Office Manager at 925-447-5220.

Any employee determined to be responsible for violating this policy will be subject to appropriate disciplinary action, up to and including termination. Moreover, any employee, supervisor or manager who condones or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including termination.

## Hiring

### **New Hires**

Completion of the introductory period does not entitle you to remain employed by Tao Mechanical, Ltd. for any definite period of time. Your status as an at-will employee does not change. The employment relationship may be terminated with or without cause and with or without advance notice, at any time by you or the Company.

The first 90 days of continuous employment at Tao Mechanical, Ltd. is considered an introductory period. During this time, you will learn your responsibilities, get acquainted with fellow employees and determine whether or not you are happy with your job. Your supervisor will closely monitor your performance.

### **Job Duties**

During the introductory period, your supervisor will explain your job responsibilities and the performance standards expected of you. Be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects, or to assist with other work necessary or important to the operation of your department or Tao Mechanical, Ltd. Your cooperation and assistance in performing such additional work is expected.

Tao Mechanical, Ltd. reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

### **Regular Employees**

Regular employees are those who are hired to work on a regular schedule. Regular employees may be classified as full-time or part-time.

### **Temporary Employees**

Temporary employees are those employed for short-term assignments. Short-term assignments generally are periods of three months or fewer; however, such assignments may be extended. Temporary employees are not eligible for employee benefits except those mandated by applicable law.

### **Full-Time Employees**

Regular full-time employees are those who are scheduled for and do work 40 hours per week. Regular full-time employees are eligible for most employee benefits described in this handbook. Benefit eligibility may depend on length of continuous service. Benefit eligibility requirements may also be imposed by the plans themselves or by law.

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## ***Part-Time Employees***

Part-time employees are those who are scheduled for and do work fewer than 40 hours per week. Part-time employees are eligible for the following Tao Mechanical, Ltd. benefits:

- Sick pay

## ***Bridging of Time***

Tao Mechanical, Ltd. will give credit to employees previously employed by the Company, provided the break in service does not exceed 365 days. Generally, the break in service time will be deducted from the employee's original service date. Special rules apply to reinstatement of sick leave benefits under the California Healthy Workplaces, Healthy Families Act.

The Office Manager will discuss reinstatement of benefits and other length of service issues with rehired employees.

## ***Inactive Status***

Employees who are on any type of leave of absence, work-related or non-work-related, that exceeds any protected state or federal leave of absence will be placed on inactive status.

## **Health Benefits Extension**

Unless health benefits extension is covered by state or federal law, benefits will terminate according to our insurance carrier's policy. Contact The Office Manager for more information.

## Leaves of Absence

### **Paid Time Off:**

Tao's PTO policy is compliant with all local and state sick pay leave laws.

Employees earn Paid Time Off according to a schedule based on service with the company.

In their first year will have 24 hours of PTO after 90 days from hire, then, after 6 months will have 16 more hours added to their balance for a total of 40 hours in the first year.

Full Time employees that work 32 hours or more per week, PTO will be applied as follows:

|         |  |   |
|---------|--|---|
| Level 1 | 90 day days after hire                                       | 24 hours                                    |
| Level 2 | After 6 months of hire                                       | 16 hours                                    |
| Level 3 | After 1 <sup>st</sup> Anniversary 1.54 hours per pay period  | Approximately 80 hours PTO earned each year |
| Level 4 | After 3 <sup>rd</sup> Anniversary 1.85 hours per pay period. | Approximately 96 hours PTO earned each year |

Paid Time Off will cap at 80 hours from 12-36 months of employment and 120 hours at / after 36+ months of employment, however employees within the 12-36 month employment window are not authorized to utilize more than 40 hours per year. Earned but unused PTO will be paid out at the time of separation. Employees may request PTO to be paid out at the end of their anniversary year, however approval to pay out PTO is at management discretion.

Regular Part Time Employees that work less than 32 hours per week (1,664 hours per year)

|  |                    |
|--|--------------------|
| After 90 days of employment and on each anniversary date | 24 hours or 3 days |
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In addition to earning this benefit, employees also:

1. May not be terminated or retaliated against for using or requesting the use of earned time;
2. Have the right to file a complaint against an employer who retaliates or discriminates against an employee for
  - a. requesting or using earned paid time;
  - b. attempting to exercise the right to use earned paid time;
  - c. filing a complaint or alleging a violation of the law;
  - d. cooperating in an investigation or prosecution of an alleged violation or opposing any policy or practice or act that is prohibited by the law.

Any interruption in employment or inactive status for any period of time, the PTO rate/accrual may be pro-rated for the respective time period.

If you have any questions or concerns about the information above please don't hesitate to contact the Office Manager.

### **Sick Time Notification**

If you have a foreseeable need to take paid time off for a qualifying reason under the Act, you must provide advance oral or written notification to your manager. If the need is not foreseeable, you should provide notice your manager as soon as practical.

### **Qualifying Reasons**

Paid time off under the Act can be used for any of the following reasons:

- Diagnosis, care or treatment of an existing health condition for an employee or "covered family member", as defined below.
- Preventive care for an employee or an employee's covered family member. Preventive care may include self-quarantine as a result of potential exposure to COVID-19 if quarantine is recommended by civil authorities, or other situations, such as where there has been exposure to COVID-19 or where an employee has traveled to a high-risk area.
- For certain specified purposes when the employee is a victim of crime or abuse.

For purposes of paid time off under the Act, a "covered family member" includes:

- A child: Defined as a biological, foster or adopted child; a stepchild; or a legal ward, regardless of the age or dependency status of the child. A "child" also may be someone for whom you have accepted the duties and responsibilities of raising, even if they are not your legal child
- A parent: Defined as a biological, foster or adoptive parent; a stepparent; or a legal guardian of an employee or the employee's spouse or registered domestic partner. A "parent" may also be someone who accepted the duties and responsibilities of raising you when you were a minor child, even if they are not your legal parent.
- A spouse
- A registered domestic partner
- A grandparent

- A grandchild
- A sibling
- A "designated person." A designated person any individual you identify at the time you request paid sick leave. You are limited to one designated person per 12-month period for purposes of paid sick leave.

Unless the employee advises the Office Manager otherwise, the Company will assume employees want to use available PTO for absences for reasons set forth above and employees will be paid for such absences if PTO is available.

If you have any questions about this policy, please contact the Office Manager.

## **Pregnancy Disability Leave**

Any female employee planning to take pregnancy disability leave should advise the personnel department as early as possible. The individual should make an appointment with the personnel manager to discuss the following conditions:

- Duration of pregnancy disability leave will be determined by the advice of the employee's physician, but employees disabled by pregnancy may take up to four months. Part-time employees are entitled to leave on a pro rata basis. The four months of leave includes any period of time for actual disability caused by the employee's pregnancy, childbirth, or related medical condition. This includes leave for severe morning sickness and for prenatal care.
- Tao Mechanical, Ltd. will also reasonably accommodate medical needs related to pregnancy, childbirth, or related conditions or temporarily transfer you to a less strenuous or hazardous position (where one is available) or duties if medically needed because of your pregnancy.
- Employees who need to take pregnancy disability must inform Tao Mechanical, Ltd. when a leave is expected to begin and how long it will likely last. If the need for a leave, reasonable accommodation, or transfer is foreseeable, employees must provide reasonable advance notice at least 30 days before the pregnancy disability leave or transfer is to begin. Employees must consult with the personnel manager regarding the scheduling of any planned medical treatment or supervision in order to minimize disruption to the operations of the Company. Any such scheduling is subject to the approval of the employee's health care provider;
- If 30 days' advance notice is not possible, notice must be given as soon as practical;
- Failure to give reasonable advance notice may result in delay of leave, reasonable accommodation, or transfer;
- Pregnancy leave usually begins when ordered by the employee's physician. The employee must provide Tao Mechanical, Ltd. with a written certification from a health care provider for need of PDL, reasonable accommodation or transfer. The certification must be returned within 15 calendar days. Failure to do so may, in some circumstances, delay PDL leave, reasonable accommodation or transfer. The certification indicating the need for disability leave should contain:
  - A statement that the employee needs to take pregnancy disability leave because

she is disabled by pregnancy, childbirth or related medical condition.

- The date on which the employee became disabled due to pregnancy;
- The probable duration of the period or periods of disability; and
- If the employee needs a reasonable accommodation or transfer, a medical certification is sufficient if it contains all of the following: a description of the requested reasonable accommodation or transfer; a statement that describes the medical advisability of the reasonable accommodation or transfer because of pregnancy; and the date on which the need for reasonable accommodation or transfer became/will become medically advisable and the estimated duration of the reasonable accommodation or transfer.
- Leave returns will be allowed only when the employee's physician sends a release;
- An employee will be required to use accrued sick time (if otherwise eligible to take the time) during a pregnancy disability leave. An employee will be allowed to use accrued vacation or personal time (if otherwise eligible to take the time) during a pregnancy disability leave; and
- Leave does not need to be taken in one continuous period of time and may be taken intermittently, as needed. Leave may be taken in increments of 1 hour.

If intermittent leave or leave on a reduced work schedule is medically advisable the employee may, in some instances, be required to transfer temporarily to an available alternative position that meets the employee's needs. The alternative position need not consist of equivalent duties, but must have the equivalent rate of pay and benefits. The employee must be qualified for the position. The position must better accommodate the employee's leave requirements than her regular job. Transfer to an alternative position can include altering an existing job to better accommodate the employee's need for intermittent leave or a reduced work schedule.

Upon submission of a medical certification that an employee is able to return to work from a pregnancy disability leave, an employee will be reinstated to her same position held at the time the leave began or, in certain instances, to a comparable position, if available. There are limited exceptions to this policy. An employee returning from a pregnancy disability leave has no greater right to reinstatement than if the employee had been continuously employed.

Employees on pregnancy disability leave will be allowed to continue to participate in group health insurance coverage for up to a maximum of four months of disability leave (if such insurance was provided before the leave was taken) at the level and under the conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave.

In some instances, an employer can recover from an employee premiums paid to maintain health coverage if the employee fails to return following pregnancy disability leave. PDL may impact other benefits or a seniority date. Please contact the personnel department for more information.

## ***Extended Medical Leave***

A medical leave of absence may be granted for non-work-related medical disabilities (other than pregnancy, childbirth, and related medical conditions) with a doctor's written certificate of

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disability. Extended disability leaves will also be considered on a case-by-case basis, consistent with the Company's obligations under federal and state disability laws.

Employees should request any leave in writing as far in advance as possible. If you are granted a medical leave, Tao Mechanical, Ltd. will pay you sick pay for the period of time equivalent to your accumulated sick pay earned. You also may use any paid vacation time previously accrued.

A medical leave begins on the first day your doctor certifies that you are unable to work, and ends when your doctor certifies that you are able to return to work. Please submit a form to Management for your doctor showing the date you were disabled and the estimated date you will be able to return to work. An employee returning from a medical disability leave must present a doctor's certificate declaring fitness to return to work.

If returning from a non-work-related medical leave, you will be offered the same position you held at the time your leave began, if available. If your former position is not available, a comparable position will be offered. If neither the same nor a comparable position is available, your return to work will depend on job openings existing at the time of your scheduled return. Tao Mechanical, Ltd. makes no guarantees of reinstatement, and your return will depend on your qualifications for existing openings.

California workers' compensation laws govern work-related injuries and illnesses. California pregnancy disability laws govern leaves taken because of pregnancy, childbirth, and related medical conditions. An employee that needs reasonable accommodations should contact a company representative with day-to-day personnel responsibilities and discuss the need for an accommodation.

## ***California Family Rights Act Leave Policy***

The California Family Rights Act ("CFRA") provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an eligible employee may use is twelve (12) weeks within a twelve (12) month period.

### **Employee Eligibility**

To be eligible for CFRA leave, you must:

- Have worked at least twelve (12) months for the Company; and
- Have worked at least 1,250 hours for the Company over the twelve (12) months preceding the date your leave would begin.

### **Reasons for Taking Leave**

CFRA leave may be taken for the following reasons:

- Birth of an employee's child, including time for bonding with the child after birth. Such time is available to employees regardless of sex or gender.

- Placement of a child with an employee or an employee's registered domestic partner in connection with the adoption or foster care of the child by the employee. Such time is available to employees regardless of sex or gender.
- To care for an employee's spouse, registered domestic partner, child, parent, grandparent, grandchild, or sibling who has a serious health condition.
- Because of an employee's own serious health condition that makes the employee unable to perform the functions of the employee's position, except for leave taken for disability on account of pregnancy, childbirth, or related medical conditions (see Pregnancy Disability Leave of Absence Policy).
- For certain qualifying exigencies (as defined below) related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child, or parent in the Armed Forces of the United States.

## Definitions

A "Serious Health Condition" is an illness, injury, impairment, or physical or mental condition that involves either (i) inpatient care in a hospital, hospice, or residential care facility, or (ii) continuing treatment or supervision by a health care provider.

A "child" means a biological, adopted, or foster child, a stepchild, a legal ward, a child of a domestic partner, or a person to whom the employee stands in loco parentis, regardless of age.

A "sibling" means a person related to another person by blood, adoption, or affinity through a common legal or biological parent.

A "qualifying exigency" related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child, or parent ("military member") means any of the exigencies described in California Unemployment Insurance Code section 3302.2, a copy of which you may obtain from the **Human Resources Manager**. These exigencies include:

- Childcare and school activities. To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.
- Financial and legal arrangements. To make or update various financial or legal arrangements; or to act as the military member's representative before a federal, state, or local agency in connection with service benefits.
- Counseling. To attend counseling (by someone other than a health care provider) for the employee, the military member, or for a child or dependent when necessary as a result of duty under a call or order to active duty.
- Temporary rest and recuperation. To spend time with a military member who is on short-term, temporary rest and recuperation leave during the period of

deployment. Eligible employees may take up to fifteen (15) days of leave for each instance of rest and recuperation.

- Post-deployment activities. To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to ninety (90) days following termination of the military member's active duty status.

### **Identifying the 12-Month Period**

The Company measures the twelve (12) month period in which leave is taken on a "rolling" basis, starting from the first date of any CFRA leave. CFRA leave for the birth or placement of a child for adoption or foster care must be concluded within twelve (12) months of such birth or placement.

### **Using Leave**

Eligible employees may take CFRA leave in a single block of time, intermittently (in separate blocks of time), or by reducing their normal work schedule (including the elimination of required overtime) when medically necessary for the serious health condition of the employee or to care for a covered family member. Eligible employees may also take intermittent or reduced-schedule leave for military qualifying exigencies. Employees who require intermittent or reduced-schedule leave for planned medical treatment must make a reasonable effort to schedule their leave so that it will not unreasonably disrupt the Company's operations. For the birth of or care for a newly-born child, or for the adoption or foster-care placement of a child, intermittent leave must be taken in increments of at least two (2) weeks, with shorter increments allowed on any two (2) occasions. For all other kinds of CFRA leave, intermittent leave may be taken in increments of at least one (1) hour.

### **Use of Paid Leave**

Depending on the reason for your leave, the Company may require you to use accrued paid leave (such as sick leave, vacation, or PTO), concurrently with some or all of your CFRA leave. If the Company does not require you to do so, you may elect to substitute paid leave for CFRA leave, so long as you comply with the Company's normal procedures for the applicable paid-leave policy (e.g., call-in procedures, advance notice, etc.).

### **Maintenance of Health Benefits**

If you or your family participate in our group health plan, the Company will maintain coverage under the Company's group health plan during your CFRA leave, on the same terms and conditions as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for you or your family during your leave. Use of CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of your leave. Consult the applicable plan document for all information regarding eligibility, coverage and benefits.

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## **Notice and Medical Certification**

In order to qualify for CFRA leave, you must provide:

- Reasonable advance notice (at least thirty (30) days) if the need for leave is foreseeable, or notice as soon as practicable in the case of unforeseeable leave, in compliance with the Company's standard call-in procedures, absent unusual circumstances.
- Medical certification supporting the need for leave due to a serious health condition affecting you or a covered family member, within fifteen (15) calendar days of the Company's request (additional time may be permitted under certain circumstances). If you fail to do so, the Company may delay the start of your leave, retract any designation of CFRA leave, or deny leave, in which case your leave of absence would be treated in accordance with our other leave of absence and attendance policies. Second or third medical opinions and periodic re-certifications may also be required.
- Appropriate documentation, within fifteen (15) days of the Company's request (additional time may be permitted under certain circumstances), supporting the need for leave due to a qualifying military exigency. Such documentation may be in the form of a copy of the military member's active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed, and the employee's relationship to the military member.
- Periodic reports as required by the Company during the leave regarding your status and intent to return to work.
- Medical certification from your medical provider of your fitness to return to work, if the leave was due to your own serious health condition, as permitted by law.

Failure to comply with the above requirements may result in delay, denial of leave, or disciplinary action.

## **Employer Responsibilities**

The Company will inform you whether you are eligible for leave under CFRA. Should you be eligible for CFRA leave, the Company will provide a notice that specifies any additional information required as well as your rights and responsibilities. The Company will also inform you if leave will be designated under CFRA and, to the extent possible, note the amount of leave counted against your leave entitlement. If you are not eligible for CFRA leave, the Company will provide a reason for the ineligibility.

## **Job Restoration**

Except as otherwise provided by applicable law, upon returning from CFRA leave, you will be restored to the same or a comparable position as the position held prior to the leave.

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## **Failure to Return after CFRA Leave**

If you fail to return to work as scheduled or fail to contact the Company after your CFRA leave expires, you will be subject to the Company's standard leave of absence, attendance, and other policies. Likewise, following the conclusion of your CFRA leave, the Company's obligation to maintain your group health plan benefits may end (subject to any applicable COBRA rights). If you are unable to return to work after CFRA leave, you must notify **the Human Resources Manager**. If the Company becomes aware of the need for additional leave, the Company will engage in an interactive process to determine whether the condition is a disability for which additional unpaid leave may be provided as a reasonable accommodation.

## **Other Employment**

The Company prohibits employees from holding other employment, including self-employment, while on a leave of absence. This policy remains in force during all leaves of absence, including CFRA leave, and violation may result in disciplinary action, up to and including immediate termination of employment.

## **Fraud**

Providing false or misleading information or omitting material information in connection with a request for CFRA leave may result in disciplinary action, up to and including immediate termination.

## **Personal Leave**

A personal leave of absence without pay may be granted at the discretion of Tao Mechanical, Ltd. Requests for personal leave should be limited to unusual circumstances requiring an absence of longer than three weeks. Approved personal absences of shorter duration are not normally treated as leaves, but rather as excused absences without pay.

Paid time off does not accrue when an employee is on an unpaid personal leave of absence. Furthermore, company-sponsored benefits will only be extended for 30 days and thereafter, the employee will be provided the opportunity to continue his/her health care benefits through Cobra.

## **Bereavement Leave**

Tao Mechanical, Ltd. may grant leave of absence to employees in the event of the death of the employee's current spouse, registered domestic partner, child, parent, legal guardian, brother, sister, grandparent, or grandchild; or mother-, father-, sister-, brother-, son-, or daughter-in-law. An employee with such a death in the family should contact The Office Manager

## **Jury Duty and Witness Leave**

Tao Mechanical, Ltd. encourages employees to serve on jury duty when called. Exempt employees will receive full salary unless they are absent for a full week and perform no work. Sales and Non-Exempt employees do not receive pay. You should notify your supervisor of the need for time off for jury duty as soon as a notice or summons from the court is received. You

may be requested to provide written verification from the court clerk of performance of jury service. If work time remains after any day of jury selection or jury duty, you will be expected to return to work for the remainder of your work schedule.

## **School and Child Care Activities Leave**

Employees are encouraged to participate in the school or child care activities of their child(ren).

The absence is subject to all of the following conditions:

- Time off under this policy can only be used by parents, guardians, grandparents, stepparents, foster parents or a person who stands *in loco parentis* to one or more children of the age to attend kindergarten through grade 12 or a licensed child care provider;
- The amount of time off for school or child care activities described below cannot exceed a total of 40 hours each year;
- Covered employees can use the time off to find, enroll or reenroll a child in a school or with a licensed child care provider or to participate in activities of the child's school or licensed child care provider. The time off for these purposes cannot exceed eight hours in any calendar month. Employees planning to take time off for these purposes must provide reasonable advance notice to their supervisor;
- Covered employees can also use time off to address a "child care provider or school emergency" if the employee gives notice to the employer. A child care provider or school emergency means that the employee's child cannot remain in a school or with a child care provider due to one of the following:
- Employees must provide their supervisor with documentation from the school or licensed child care provider verifying that they were engaged in these child related activities on the day and time of the absence;
- If more than one parent is employed by Tao Mechanical, Ltd., the first employee to request such leave will receive the time off. Another parent will receive the time off only if the leave is approved by his or her supervisor;
- Employees must use vacation leave in order to receive compensation for this time off; and
- Employees who do not have paid time off available will take the time off without pay.

## **Time Off for Voting**

Polls are normally open from 7am-8pm each Election Day. If you are scheduled to be at work during that time, CA law allows you to take up to 2 hours off to vote, without losing pay. You may take as much time as you need to vote, but only 2 hour of that time is paid. Your time off for voting can be only at the beginning or end of your regular work shift, unless you make other arrangements with your employer. If you think you will need time off to vote, you must notify your employer at least 2 working days prior to the election.

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## ***General Note about Leaves of Absences and Eligibility***

There are other types of leaves of absence benefits employees may be eligible for under state and federal laws. The company will adhere to any legal requirements for leaves of absences. If you have a situation that may qualify for a leave of absence, please contact the Company President. Eligibility for the leave of absence will be determined at that time. Examples may include, but are not limited to organ and bone marrow donor leave, domestic violence, victims of crime, etc. Employees can also refer to <http://www.dol.gov/whd/fmla/fmla-faqs.htm>

## Benefits

### **Benefits Overview**

Tao Mechanical, Ltd. is committed to providing the benefits noted below for eligible employees. Benefits discussions, questions or concerns should be directed to the Office Manager or a third party firm who specializes in the benefit programs.

- Health Insurance
- Dental Insurance
- Disability Insurance
- Retirement Plan
- Vision

### **Holidays**

Tao Mechanical, Ltd. normally observes the following Unpaid Holidays:

- January 1 (New Year's Day)
- Memorial Day
- July 4th (Independence Day)
- Labor Day
- Thanksgiving
- Christmas Day

Note: Management will generate and post a form during the first part of year new year that clarifies the specific dates observed for the upcoming year.

### **Paid Family Leave**

Employees may be eligible for Paid Family Leave (PFL) wage replacement benefits, which are funded through payroll deductions and coordinated through the Employment Development Department. PFL provides limited compensation for up to eight weeks when an employee needs to take leave from work to care for a parent, parent-in-law, child, spouse, registered domestic partner, grandparent, grandchild, or sibling who is seriously ill, or for a working parent who wants time to bond with his or her newborn, foster child or newly adopted child. The PFL program does not provide employees with a right to a leave of absence; it is limited to a state-mandated wage replacement benefit.

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## **Workers' Compensation**

Tao Mechanical Ltd. in accordance with state law, provides insurance coverage for employees in case of work-related injury. The workers' compensation benefits provided to injured employees may include:

- Medical care;
- Cash benefits, tax free, to replace lost wages; and
- Assistance to help qualified injured employees return to suitable employment
- To ensure that you receive any workers' compensation benefits to which you may be entitled, you will need to contact our WC carrier.
- Immediately report any work-related injury to your supervisor;
- Seek medical treatment and follow-up care if required;
- Complete a written Employee's Claim for Workers' Compensation Benefits (DWC Form 1) and return it to the Safety Officer or your supervisor.
- Provide the Company with a certification from your health care provider regarding the need for workers' compensation disability leave, as well as your eventual ability to return to work from the leave.

Upon submission of a medical certification that an employee is able to return to work after a workers' compensation leave, the employee under most circumstances will be reinstated to his or her same position held at the time the leave began, or to an equivalent position, if available. An employee returning from a workers' compensation leave has no greater right to reinstatement than if the employee had been continuously employed rather than on leave. For example, if the employee on workers' compensation leave would have been laid off had he or she not gone on leave, or if the employee's position has been eliminated or filled in order to avoid undermining the Company's ability to operate safely and efficiently during the leave, and no equivalent or comparable positions are available, then the employee would not be entitled to reinstatement.

An employee's return depends on his or her qualifications for any existing openings. If, after returning from a workers' compensation disability leave, an employee is unable to perform the essential functions of his or her job because of a physical or mental disability, the Company's obligations to the employee may include reasonable accommodation, as governed by the Americans with Disabilities Act.

The law requires Tao Mechanical Ltd. to notify the workers' compensation insurance company of any concerns of false or fraudulent claims.

## **Paid Sick Leave and Workers' Compensation Benefits**

Paid sick leave is a benefit that also covers absences for work-related illness or injury. Employees who have a work-related illness or injury are covered by workers' compensation insurance. However, workers' compensation benefits usually do not cover absences for medical treatment. When you report a work-related illness or injury, you will be sent for medical treatment, if treatment is necessary. You will be paid your regular wages for the time you spend seeking initial medical treatment.

Any further medical treatment will be under the direction of the health care provider. Any absences from work for follow-up treatment, physical therapy or other prescribed appointments will not be paid as time worked. If you have accrued and unused sick leave, and the time off is not covered by federal family and medical leave (FMLA), the additional absences from work will be paid with the use of sick leave. If the absences are covered by FMLA, you may choose to substitute sick leave for any time that would otherwise be unpaid.

If you do not have accrued, paid sick leave, or if you have used all of your sick leave, you may choose to substitute vacation/paid time off for further absences from work, related to your illness or injury.

## **Lactation Policy**

Tao Mechanical Ltd recognizes lactating employees' rights to request lactation accommodation and accommodates lactating employees by providing a reasonable amount of break time and a suitable lactation location to any employee who desires to express breast milk for their infant child, subject to any exemption allowed under applicable law. If possible, the break time should run concurrently with your normally scheduled break time. Any break time to express breast milk that does not run concurrently with your normally scheduled break time is unpaid. The lactation location will be private (shielded from view and free from intrusion from co-workers and the public) and located close to your work area. The location will be safe, clean and free of toxic or hazardous materials; have a surface to place a breast pump and other personal items; have a place to sit; and have access to electricity or alternative devices (such as extension cords or charging stations) allowing you to operate an electric or battery-powered breast pump.

Tao Mechanical Ltd will also provide access to a sink with running water and a refrigerator suitable for storing milk in proximity to your workspace. If a refrigerator cannot be provided, will provide another cooling device suitable for storing milk, such as an employer-provided cooler. The lactation location will not be a bathroom or restroom. The room or location may include an employee's private office if it otherwise meets the requirements of the lactation space. Multi-purpose rooms may be used as lactation space if they satisfy the requirements for space; however, use of the room for lactation takes priority over other uses for the time it is in use for lactation purposes. Employees who desire lactation accommodations should contact the office manager to request accommodations. An employee's request may be provided orally, by email, or in writing, and need not be submitted on a specific form. We will engage in an interactive

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process with you to determine when and where lactation breaks will occur. If we cannot provide break time or a location that complies with this policy, we will provide a written response to your request. Tao Mechanical Ltd will not tolerate discrimination or retaliation against employees who exercise their rights to lactation accommodation, including those who request time to express milk at work and/or who lodge a complaint related to the right to lactation accommodation. If you believe you have been denied reasonable break time or adequate space to express milk, or have been otherwise been denied your rights related to lactation accommodation, you have the right to file a complaint with the Labor Commissioner.

## Management

### ***Open-Door Policy***

Suggestions for improving Tao Mechanical, Ltd. are always welcome. At some time, you may have a complaint, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Your complaints, questions, and suggestions also are of concern to the Company.

If you have a complaint, suggestion or question, speak with your immediate supervisors as soon as possible. If you are not comfortable speaking to your immediate supervisor, please bring the issue to the personnel manager or any other member of management.

Moreover, if you have raised the issue and if the problem persists, you may present it to the personnel manager, who will investigate and provide a solution or explanation.

If the problem is not resolved, you may also present the problem to the president of Tao Mechanical, Ltd., who will attempt to reach a final resolution.

While a written complaint will assist us in investigating your concerns, it is not required that you put your complaint in writing. If you need assistance with your complaint, or you prefer to make a complaint in person, contact The Office Manager.

This procedure, which we believe is important for both you and the Company, cannot guarantee that every problem will be resolved to your satisfaction. However, Tao Mechanical, Ltd. values your observations and you should feel free to raise issues of concern without the fear of retaliation.

### ***Performance Evaluations***

Each employee will receive periodic input from their supervisor and or management on their job performance including quality, quantity and dedication. This is not to say that all evaluations will be conducted on prescribed intervals, but will be administered as mandated by management to illuminate the immediate strengths and weaknesses of employees. Such performance evaluations may be addressed verbally or in written form depending upon the overall nature.

### ***Personnel Records***

You have a right to inspect or receive a copy of the personnel records that Tao Mechanical, Ltd. maintains relating to your performance or to any grievance concerning you. Certain documents may be excluded or redacted from your personnel file by law, and there are legal limitations on the number of requests that can be made.

Any request to inspect or copy personnel records must be made in writing to The Office Manager. Should you require a written format please see your supervisor or management.

You may designate a representative to conduct the inspection of the records or receive a copy of the records. However, any designated representative must be authorized by you in writing to inspect or receive a copy of the records. Tao Mechanical, Ltd. may take reasonable steps to verify the identity of any representative you have designated in writing to inspect or receive a

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copy of your personnel records.

The personnel records requested in writing can be made available to you within Tao's main office no later than 30 calendar days from the date Tao Mechanical, Ltd. receives your written request to inspect or copy your personnel records (unless you/your representative and Tao Mechanical, Ltd. mutually agree in writing to a date beyond 30 calendar days but no later than 35 calendar days from receipt of the written request).

If you request a copy of the contents of your file, you will be charged the actual cost of copying which may include labor and associated hard costs.

Disclosure of personnel information to outside sources, other than your designated representative, will be limited. However, Tao Mechanical, Ltd. will cooperate with request from authorized law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

## ***Names and Addresses Policy***

Tao Mechanical, Ltd. is required by law to keep current all employees' names and addresses. Employees are responsible for notifying the Company in the event of a name or address change.

## ***Employment of Relatives***

Relatives of employees may be eligible for employment with Tao Mechanical, Ltd. only if individuals involved do not work in a direct supervisory relationship, or in job positions in which there is a conflict of interest. The Company defines "relatives" as spouses, registered domestic partners, children, siblings, parents, in-laws, and step-relatives. Present employees who marry or become registered domestic partners will be permitted to continue working in the job position held only if they do not work in a direct supervisory relationship with one another or in job positions involving conflict of interest.

## ***Employee Property***

An employee's personal property, including but not limited to lockers, packages, purses, and backpacks, may be inspected upon reasonable suspicion of unauthorized possession of Tao Mechanical, Ltd. property, possession of dangerous weapons or firearms, or abuse of the Company's drug and alcohol policy.

## ***Workplace Privacy - Audio/Video Recordings***

Due to concerns regarding the potential for invasion of privacy, sexual or other harassment, and protection of proprietary or confidential information, employees may not use any audio or video recording devices while on working time, unless the employee is engaged in a protected activity related to improving the terms and conditions of his/her employment, such as documenting health and safety issues.

The company uses or may use video surveillance in public areas (not in restrooms, locker rooms or changing areas). The video surveillance will not include sound recording.

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## Company Property

### ***Employer Property***

Lockers, furniture, desks, computers, cell phones, data processing equipment/software, vehicles, and

- [other than lockers, furniture, desks, computers, cell phones, data processing equipment/software, vehicles, which are already covered in the policy]

are Tao Mechanical, Ltd. property and must be maintained according to Company rules and regulations. They must be kept clean and are to be used only for work-related purposes. Tao Mechanical, Ltd. reserves the right to inspect all Company property including computer or phone data or messages to ensure compliance with its rules and regulations, without notice to the employee and at any time, not necessarily in the employee's presence. Prior authorization must be obtained before any Company property may be removed from the premises.

Company voice mail and/or electronic mail (e-mail) including texting, pagers and mobile email are to be used for business purposes. Tao Mechanical, Ltd. reserves the right to monitor voice mail messages, and e-mail messages, and texts to ensure compliance with this rule, without notice to the employee and at any time, not necessarily in the employee's presence.

Tao Mechanical, Ltd. may periodically need to assign and/or change "passwords" and personal codes for

- Email, voice mail, cell phones, computers

These communication technologies and related storage media and databases are to be used only for Company business and they remain the property of Tao Mechanical, Ltd.

Tao Mechanical, Ltd. reserves the right to keep a record of all passwords and codes used and/or may be able to override any such password system. Messages on the company voice-mail and email systems are subject to the same company policies against discrimination and harassment as are any workplace communications. Offensive, harassing or discriminatory content in such messages will not be tolerated.

No personal locks may be used on Company-provided lockers unless the employee furnishes a copy of the key or the combination to the lock. Unauthorized use of a personal lock by an employee may result in losing the right to use a Company locker.

For security reasons, employees should not leave personal belongings of value in the workplace. Terminated employees should remove any personal items at the time they leave Tao Mechanical, Ltd. Personal items left in the workplace are subject to disposal if not claimed at the time of an employee's termination.

## **Electronic and Social Media**

This policy is intended to protect the Company's computer systems and electronic information.

For purposes of these policies, the following definitions apply: "Computers" are defined as desktop computers, laptops, handheld devices (including but not limited to iPhones, Blackberries, smart phones, iPads, and other electronic tablets and cell phones), computer software/hardware and servers, etc.

Tao Mechanical, Ltd. also uses various forms of "electronic communication." "Electronic communications" includes e-mail, text messages, telephones, cell phones and other handheld devices (such as cell phones, Blackberries or smart phones or writing tablets or iPads), fax machines, and online services including the Internet.

"Electronic information" is any information created by an employee using computers or any means of electronic communication, including but not limited to, data, messages, multimedia data, and files.

The following general policies apply:

- Computers and all data transmitted through Tao Mechanical, Ltd. servers are Company property owned by the Company for the purpose of conducting Company business. Computers must be kept clean and employees must exercise care to prevent loss and damage. Prior authorization must be obtained before any Company property may be removed from the premises.
- All electronic communications also remain the sole property of Tao Mechanical, Ltd. and are to be used for Company business. For example, email messages are considered Company records.
- Electronic information created by an employee using any computer or any means of electronic communication is also the property of Tao Mechanical, Ltd. and remains the property of Tao Mechanical, Ltd.
- Information stored in Tao Mechanical, Ltd. computers and file servers, including without limitation [e.g., customer lists, vendor lists, research data] is the property of the Company and may not be distributed outside the Company in any form whatsoever without the written permission of the Owner
- Violation of any of the provisions of this policy, whether intentional or not, will subject Tao Mechanical, Ltd. employees to disciplinary action, up to and including termination.

## **Monitoring of Company Property**

Tao Mechanical, Ltd. reserves the right to inspect all Company property to ensure compliance with its rules and regulations, without notice to the employee and at any time, not necessarily in the employee's presence. Tao Mechanical, Ltd. computers and all electronic communications and electronic information are subject to monitoring and no one should expect privacy regarding such use. The Company reserves the right to access, review and monitor electronic files, information, messages, text messages, e-mail, Internet history, browser-based webmail systems and other digital archives and to access, review and monitor the use of computers, software, and electronic communications to ensure that no misuse or violation of Company policy or any law occurs. E-mail may be monitored by the Company and there is no expectation of privacy. Assume that e-mail may

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be accessed, forwarded, read or heard by someone other than the intended recipient, even if marked as "private."

Employee passwords may be used for purposes of security but the use of a password does not affect the Company's ownership of the electronic information or ability to monitor the information. The Company may override an employee's password for any reason.

Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by Tao Mechanical, Ltd. management.

### **Prohibited Use**

All existing Company policies apply to employee use of computers, electronic communications, electronic information, and the Internet. This includes policies that deal with misuse of Company assets or resources. It is a violation of Tao Mechanical, Ltd. policy to use computers, electronic communications, electronic information, or the Internet, in a manner that: is discriminatory harassing or obscene; constitutes copyright or trademark infringement; violates software licensing rules; is illegal; or is against Tao Mechanical, Ltd. policy. It is also a violation of policy to use computers, electronic communications, electronic information, or the Internet to communicate confidential or sensitive information or trade secrets.

The display of any kind of sexually explicit multimedia content, message, or document on any Company computer is a violation of the Company's policy against sexual harassment. This description of prohibited usage is not exhaustive and it is within the discretion of Tao Mechanical, Ltd.. to determine if there has been a violation of this policy. Employees that engage in prohibited use will be subject to discipline and/or immediate termination.

This policy is not intended to limit the ability of employees to discuss with other employees the terms and conditions of their employment, including such topics as wages, job performance, workload, supervisors or staffing.

### **Computer and Internet Use**

This policy is not intended to limit the ability of employees to use Company email systems to communicate with other employees regarding the terms and conditions of their employment, including such topics as wages, job performance, workload, supervisors or staffing.

Any personal usage of Company property must not interfere with the employee's work performance, take away from work time, consume supplies, slow other users, slow the servers or computer systems, or tie up printers or other shared resources, or violate any Company policy, including policies against harassment, discrimination and disclosure of confidential or trade secret information. All policies relating to monitoring usage of Company property apply.

Tao Mechanical, Ltd. provides computers, electronic communications, electronic information, and information technology resources, including the Internet, to its employees to help them do their job. Generally, these Company resources should be used for business related purposes. However, the Company recognizes that occasional personal use of these Company resources and property may

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occur during working time. The Company allows such occasional personal use as long as the usage does not interfere with the employee's work performance, take away from work time, consume supplies, slow other users, slow the servers or computer systems, or tie up printers or other shared resources, or violate any Company policy, including policies against harassment, discrimination and disclosure of confidential or trade secret information.

This policy is not intended to limit the ability of employees to use Company email systems to communicate with other employees regarding the terms and conditions of their employment, including such topics as wages, job performance, workload, supervisors or staffing.

All policies relating to monitoring usage of Company property apply. Diablo Solar Services, Inc. reserves the right to adjust this policy on a case by case basis as it deems appropriate.

## **Social Media**

Social media is a set of Internet tools that aid in the facilitation of interaction between people online. If you have specific questions about which programs the Company deems to be social media, consult with Management. The Company recognizes that occasional personal use of social media using Company resources may occur during working hours. The Company allows such occasional personal use as long as the usage does not interfere with the employee's work performance, take away from work time, consume supplies, slow other users, slow the servers or computer systems, or tie up printers or other shared resources, or violate any Company policy, including policies against harassment, discrimination and disclosure of confidential or trade secret information. All policies relating to monitoring usage of Company property apply. Diablo Solar Services, Inc. reserves the right to adjust this policy on a case by case basis as it deems appropriate.

Employees can use their own personal devices to engage in social media during breaks and meal periods; however, all other company policies against inappropriate usage, including the Company's no tolerance for discrimination, harassment or retaliation in the workplace, and protection of confidential or trade secret information, apply.

Nothing in the Company's social media policy is designed to interfere with, restrain or prevent employee communications regarding wages, hours or other terms and conditions of employment.

## **Employee-owned Devices**

Tao Mechanical, Ltd. recognizes that occasional use of the employee's own computers (including hand held devices) and electronic communications may occur during working time. The Company allows such occasional personal use as long as the usage does not interfere with the employee's work performance, take away from work time or violate any Company policy. All other company policies, including the Company's no tolerance for discrimination, harassment or retaliation in the workplace apply. Tao Mechanical, Ltd. reserves the right to adjust this policy on a case by case basis as it deems appropriate.

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## ***Guests and Visitors***

Visits from friends and family are to be kept to a minimum, in order to preserve an appropriate work environment. It is extremely important that the impression left with Tao Mechanical, Ltd. visitors is that of a professional organization with the highest standards of conduct.

Emergencies in which children must be in the office for an extended length of time are to be kept to an absolute minimum. The Company may not be used as a substitute for regular child care of employees' children. On those occasions when children are present, they should not be allowed to disrupt others in the office.

Your child is your responsibility and must be under your direct supervision at all times. If a child is ill, you must present a doctor's note to your immediate supervisor indicating the child is not contagious. Under no circumstances may children provide work for the Company, unless the child is hired as an employee pursuant to Company policies.

The Company reserves its right in its sole discretion to deny such a request for reasons including, but not limited to, the requested guest or visitor has been disruptive in the past, there is a special event scheduled on the date(s) requested, or the work environment is not appropriate for the visitor or guest due to safety or other reasons.

## ***Solicitation and Distribution of Literature***

In order to ensure efficient operation of the Company's business and to prevent disruption to employees, we have established control of solicitations and distribution of literature on Company property. Tao Mechanical, Ltd. has enacted rules applicable to all employees governing solicitation, distribution of written material, and entry onto the premises and work areas. All employees are expected to comply strictly with these rules. Any employee who is in doubt concerning the application of these rules should consult with his or her supervisor.

No employee shall solicit or promote support for any cause or organization during his or her working time or during the working time of the employee or employees at whom such activity is directed. No employee shall distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed.

Under no circumstances will non-employees be permitted to solicit or to distribute written material for any purpose on Company property.

## ***Housekeeping***

All employees are expected to keep their work areas clean and organized. People using common areas such as lunch rooms, locker rooms, and restrooms are expected to keep them sanitary. Please clean up after meals and dispose of trash properly.

## ***Smoking***

Smoking is not allowed in any enclosed area of the facility, and that includes e-cigarettes.

## **Parking**

Employees may park their vehicles in designated areas, if available. If space is unavailable, employees must park in permissible public areas in the vicinity of Tao Mechanical, Ltd. property. Tao Mechanical, Ltd. is not responsible for any loss or damage to employee vehicles or contents while parked on or near Company property.

Parking areas may be monitored with video or other surveillance for purposes of protecting Company property only. This surveillance system is in no way intended to provide employees with personal security.

## ***Off-Duty Use of Facilities***

Employees must obtain pre-approval from The Office Manager. Otherwise they are prohibited from remaining on Tao Mechanical, Ltd. premises or making use of Company facilities while not on duty. Employees are expressly prohibited from using Company facilities, Company property, or Company equipment for personal use. This policy is not intended to limit the ability of employees to use the Company's email systems to communicate with other employees regarding the terms and conditions of their employment during non-working times, including such topics as wages, job performance, workload, supervisors or staffing.

## Employee Conduct

### **Punctuality and Attendance**

As an employee of Tao Mechanical, Ltd., you are expected to be punctual and regular in attendance. Any tardiness or absence causes problems for your fellow employees and your supervisor. When you are absent, your assigned work must be performed by others.

Employees are expected to report to work as scheduled, on time, and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Company business. Late arrivals, early departures or other unanticipated and unapproved absences from scheduled hours are disruptive and must be avoided.

If you are unable to report for work on any particular day, you must provide reasonable advance notice to your supervisor before the time you are scheduled to begin working for that day. You must inform your supervisor of the expected duration of any absence. If you fail to provide reasonable advance notice before your scheduled time to begin work and do not arrive in time for your assigned shift, you will be considered tardy for that day. If the circumstances for your tardiness or absence were unforeseen, inform your supervisor as soon as practicable of the reason for the tardiness or absenteeism.

Excessive absenteeism or tardiness, providing false information or abuse of leave laws will not be tolerated. Generally, if you fail to report for work without any notification to your supervisor and your absence continues for a period of 3 days Tao Mechanical, Ltd. will consider that you have voluntarily abandoned or quit your employment.

**Absences protected by local, state and federal law do not count as a violation of the punctuality and attendance policy.**

### **Physical Agility/Ability Testing**

The Company requires a physical agility/ability test as a part of our selection process or evaluation for continued employment in some situations. Physical agility/ability testing may be required: (1) after a conditional offer of employment has been made to a candidate, when examinations are required of all candidates for positions in certain designated job categories; (2) when the company needs to learn whether an employee is able to perform the essential functions of his or her job; and (3) when periodic examinations to assess fitness for duty are necessary or when monitoring is required by federal, state, or local law. The results of any Physical agility/ability testing performed will be collected and maintained in the employee's personnel file and will be treated as confidential.

Employment with the Company will be conditioned upon passing a standard drug-screening test administered and evaluated by independent medical professionals. All results will be kept confidential. Any applicant who tests positive for drugs and/or alcohol will be rejected for employment.

## **Dress Codes and Other Personal Standards**

Employees are expected to wear clothing appropriate for the nature of our business and the type of work performed. Clothing should be neat, clean and tasteful. Avoid clothing that can create a safety hazard. Department managers may issue more specific guidelines.

Because each employee is a representative of Tao Mechanical, Ltd. in the eyes of the public, each employee must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of the work performed. Employees who report to work inappropriately dressed may be asked to clock out and return in acceptable attire.

Acceptable clothing for management, sales, or office employees may include dress shirts and slacks, blouses and sweaters with skirts or dress slacks or dresses, tasteful jeans, T-shirts and casual shoes. All clothing should be clean and without rips or holes in addition to any offensive advertisements, images or tag lines.

All employees required to wear company apparel provided by Tao Mechanical, Ltd. must take care of their uniforms and report any wear or damage to their supervisors. Supervisors will inform you of additional requirements regarding acceptable attire such as employees being required to wear safety equipment or clothing. Any deviations from these guidelines must be approved by your supervisor.

## **Drug and Alcohol Abuse**

Tao Mechanical, Ltd. is concerned about the use of alcohol, illegal drugs, or controlled substances as it affects the workplace. Use of these substances, whether on or off the job can detract from an employee's work performance, efficiency, safety, and health, and therefore seriously impair the employee's value to the Company. In addition, the use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes the Company to the risks of property loss or damage, or injury to other persons.

Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance and may seriously impair the employee's value to the Company.

The following rules and standards of conduct apply to all employees either on Company property or during the workday (including meals and rest periods). Behavior that violates Company policy includes:

- Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on the job;
- Driving a Company vehicle while under the influence of alcohol or controlled substance; and
- Distribution, sale, or purchase of an illegal or controlled substance while on the job.

Violation of these rules and standards of conduct will not be tolerated. Tao Mechanical, Ltd. also may bring the matter to the attention of appropriate law enforcement authorities.

In order to enforce this policy, Tao Mechanical, Ltd. reserves the right to conduct searches of Company property or employees and/or their personal property, and to implement other measures necessary to deter and detect abuse of this policy.

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An employee's conviction on a charge of illegal sale or possession of any controlled substance while off Company property will not be tolerated because such conduct, even though off duty, reflects adversely on Tao Mechanical, Ltd..

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work.

Tao Mechanical, Ltd. will encourage and reasonably accommodate employees with alcohol or drug dependencies to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave. The Company is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is the Company obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of dependency. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. This policy on treatment and rehabilitation is not intended to affect the Company's treatment of employees who violate the regulations described previously. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

## ***Prohibited Conduct***

Employees are expected to conduct themselves in a manner to further the Company's objectives. The following conduct is prohibited and will not be tolerated by Tao Mechanical, Ltd.. This list of prohibited conduct is illustrative only; other types of conduct that threaten security, personal safety, employee welfare and Company operations also may be prohibited and will result in disciplinary action up to and including termination.

- Falsifying employment records, employment information, or other Company records;
- Inefficient or careless performance of job responsibilities or inability to perform job duties satisfactorily;
- Recording the work time of another employee or allowing any other employee to record your work time, or falsifying any time card, either your own or another employee's;
- Theft and deliberate or careless damage or destruction of any Company property, or the property of any employee or customer;
- Removing or borrowing Company property without prior authorization;
- Unauthorized use or misuse of Company equipment, time, materials, or facilities;
- Provoking a fight or fighting during working hours or on Company property;
- Participating in horseplay or practical jokes on Company time or on Company premises;
- Carrying firearms or any other dangerous weapons on Company premises at any time;
- Causing, creating or participating in a disruption of any kind during working hours on Company property;
- Insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management;

- Using abusive, threatening or intimidating language at any time on Company premises;
- Violation of Company punctuality and attendance policies. Absences protected by state or federal law do not count as violations of this policy. Protected paid sick time under California law does not count as a violation of this policy;
- Failing to obtain permission to leave work for any reason during normal working hours, not including meal periods;
- Failing to observe working schedules, including rest and lunch periods;
- Sleeping or malingering on the job;
- Making or accepting personal telephone calls, including cell phone calls, of more than three minutes in duration during working hours, except in cases of emergency or extreme circumstances;
- Working overtime without authorization or refusing to work assigned overtime;
- Violation of dress standards;
- Violating any safety, health, security or Company policy, rule, procedure or violation of the Company's drug and alcohol policy;
- Committing a fraudulent act or a breach of trust under any circumstances;
- Violating the Company's anti-harassment or equal employment opportunity policies; and
- Failing to promptly report work-related injury or illness.

This statement of prohibited conduct does not alter the Company's policy of at-will employment. Either you or Tao Mechanical, Ltd. remain free to terminate the employment relationship at any time, with or without reason or advance notice.

## ***Off-Duty Conduct***

While Tao Mechanical, Ltd. does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the Company's legitimate business interests.

Off-duty conduct by an employee that directly conflicts with the Company's essential business interests and disrupts business operations will not be tolerated.

## ***Customer Relations***

Employees are expected to be polite, courteous, prompt, and attentive to every customer. When an employee encounters an uncomfortable situation that he or she does not feel capable of handling, a supervisor should be called immediately.

Ours is a service business and all of us must remember that the customer always comes first. Our customers ultimately pay all of our wages. Remember, while the customer is not always right, the customer is never wrong.

Customers are to be treated courteously and given proper attention at all times. Never regard a customer's question or concern as an interruption or an annoyance. You must respond to inquiries from customers, whether in person or by telephone, promptly and professionally.

Never place a telephone caller on hold for an extended period. Direct incoming calls to the

appropriate person and make sure the call is received.

Through your conduct, show your desire to assist the customer in obtaining the help he or she needs. If you are unable to help a customer, find someone who can.

All correspondence and documents, whether to customers or others, must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

Never argue with a customer. If a problem develops or if a customer remains dissatisfied, ask your supervisor or management to intervene.

## ***Confidential Information***

**Each employee is responsible for safeguarding the confidential information obtained during employment.**

In the course of your work, you may have access to trade secrets, confidential or similarly protected proprietary information, be it site conducted or in house, regarding Tao Mechanical, Ltd.'s business (such as financial data, marketing or business plans or strategies, suppliers, business partners or customers). You have a responsibility to prevent revealing or divulging any such information unless it is necessary for you to lawfully do so. Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor. Any breach of this policy will not be tolerated and legal action may be taken by the Company.

## ***Conflicts of Interest***

All employees must avoid situations involving actual conflict of interest. Personal or romantic involvement with a competitor, supplier, or subordinate employee of Tao Mechanical, Ltd., which impairs an employee's ability to exercise good judgment on behalf of the Company, can create an actual conflict of interest. Supervisor-subordinate romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment, and morale problems.

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to his or her immediate supervisor, or any other appropriate supervisor, for a determination about whether an actual conflict exists. If an actual conflict is determined, Tao Mechanical, Ltd. may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

## ***Conducting Personal Business***

Employees are to conduct only Tao Mechanical, Ltd. business while at work. Employees may not conduct personal business or business for another employer during their scheduled working hours.

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## ***Political Activity***

Many employees participate in political activities on their own time. Company time, facilities, property or equipment (including all computers, networks, and electronic equipment) must not be used for an employee's outside political activities. Tao Mechanical, Ltd. will not reimburse any employee for political contributions, and employees should not attempt to receive or facilitate such reimbursements.

The Company will not discriminate against employees based on their lawful political activity engaged in outside of work.

## ***Other Employment***

While employed by Tao Mechanical, Ltd., employees are expected to devote their energies to their jobs with the Company.

Employment that directly conflicts with the Company's essential business interests and disrupts business operations is strictly prohibited.

Employees who wish to engage in additional employment that may create a real conflict of interest must submit a written request to Tao Mechanical, Ltd. explaining the details of the additional employment. If the additional employment is authorized, Tao Mechanical, Ltd. assumes no responsibility for it. Tao Mechanical, Ltd. shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of additional employment. Authorization to engage in additional employment can be revoked at any time.

## ***Prohibited Use of Company Cell Phone While Driving***

In the interest of the safety of our employees and other drivers, Tao Mechanical, Ltd. employees are prohibited from using cell phones (including all smart phones) while driving on Company business and/or Company time. Employees of 18 years or less are prohibited regardless.

If your job requires that you keep your cell phone turned on while you are driving, you must use a hands-free device. Under no circumstances should employees place phone calls while operating a motor vehicle while driving on Company business and/or Company time. The Company recommends preprogramming frequently used numbers into your phone rather than looking up numbers before dialing them. Violating this policy is a violation of law and a violation of Company rules.

Writing, sending, or reading text-based communication - including text messaging, instant messaging, e-mail, web browsing and use of smart phone applications - on any wireless device or cell phone while driving is also prohibited under this policy unless the device is specifically designed and configured to allow voice-operated and hands-free operation to dictate, send, or listen, and it is used in that manner while driving.

Violating this policy is a violation of law and a violation of Company rules.

## ***Prohibited Cell Phone Use***

Employees may not use cell phones while on working time out of concerns for invasion of privacy, sexual or other harassment, protection of proprietary or confidential information, productivity, and workplace security. Employees also may not use cell phones containing audio or video recording devices or cameras in the following work areas that the Company has designated as confidential, secure or private, unless the employee is engaged in protected activity related to improving the terms and conditions of his or her employment, such as documenting health and safety issues.

## Wages

### **Work Schedules**

Tao Mechanical, Ltd.'s office location is normally open for business between the hours of 8 a.m. to 5 p.m Monday-Friday, but may vary depending upon project scheduling. All employees are expected to be at their desks or workstations at the start of their scheduled shifts, ready to work.

Site personnel schedules are project appropriate in addition to time variances affected by the season, city ordinances, GC criteria, etc. specific site supervisors are to instruct their dedicated work force as the required timelines.

The workweek begins at 12:01 a.m. Monday and ends at midnight on Sunday.

### **Payment of Wages**

Paychecks are available in written or direct deposit depending upon the information supplied to the payroll department. If you observe an error on your check, please report it immediately to your supervisor or the Office Manager.

Paydays are scheduled weekly on Fridays. If a regular payday falls on a holiday, employees will be paid on the preceding business day.

Tao Mechanical, Ltd. offers automatic payroll deposit which you may begin and stop automatic payroll deposit at any time. To begin automatic payroll deposit, you must complete a form (available from the payroll department) and return it to payroll at least 10 days before the pay period for which you would like the service to begin. You should carefully monitor your payroll deposit statements for the first two pay periods after the service begins.

To stop automatic payroll deposit, complete the form available from the payroll department and return it to payroll at least 10 days before the pay period for which you would like the service to end. You will receive a regular payroll check on the first pay period after the receipt of the form, provided it is received no later than 10 days before the end of the pay period.

### **Timekeeping Requirements**

All nonexempt employees are required to record time worked for payroll purposes. All time worked must be accurately reported on your time record.

Employees must record their own time at the start and at the end of each work period, this includes daily timecards turned in daily. Employees must clock out for their meal period and record the start and end of the meal period.

Employees are not allowed to work "off the clock." as it violates company policy. Any work performed before or after a regularly scheduled shift must be approved in advance by your supervisor. If you perform any off-the-clock work, please report the work to your supervisor.

Employees must inform their supervisor whenever they leave specific site locations for any

reason other than Tao Mechanical, Ltd. business.

Employees will be required to certify that their time record is accurate.

Any handwritten marks or changes on the timecard must be initialed by the employee or supervisor under specific conditions. Altering another employee's timecard or allowing another employee to alter a timecard is not permissible and is subject to disciplinary action.

Any errors on your timecard should be reported immediately to your supervisor.

Please also refer to Tao Mechanical, Ltd.'s Meal and Rest Break Policy.

## ***Meal and Rest Periods***

### **Rest Breaks**

All nonexempt employees are entitled to rest break periods during their workday. If you are a nonexempt employee, you will be paid for all such break periods, and you will not clock out.

You will be relieved of all duty during your rest break periods. You are free to come and go as you please and are free to leave the premises. You are expected to return to work promptly at the end of any rest break.

#### **Number of Rest Breaks**

You will be authorized and permitted one (1) 10-minute net rest break for every four (4) hours you work (or major fraction thereof, which is defined as any amount of time over two [2] hours). A rest break need not be authorized for employees whose total daily work time is less than three and one half (3.5) hours.

If you work a shift from three and one-half (3.5) to six (6) hours in length you will be entitled to one (1) ten-minute rest break. If you work more than six (6) hours and up to 10 hours, you will be entitled to two (2) ten-minute rest breaks. If you work more than 10 hours and up to 14 hours, you will be entitled to three (3) ten-minute rest breaks.

For shifts in excess of 14 hours, you will continue to be entitled to additional paid 10-minute rest breaks for every four (4) hours you work, or major fraction thereof.

#### **Timing of Rest Breaks**

You are authorized and permitted to take a rest break in the middle of each four hour work period.

There may be practical considerations that make this general timing infeasible and that require Tao Mechanical, Ltd. to deviate from this general rule. You will be informed if there are practical considerations that make this timing infeasible.

### **Meal Period**

All nonexempt employees will be provided an uninterrupted, unpaid meal period of 30 minutes net if you work more than five (5) hours in a workday. You must clock out for your meal period. You will be permitted a reasonable opportunity to take this meal period, and you will be relieved of all duty. During your meal period, you are free to come and go as you please and are free to

leave the premises. You are expected to return to work promptly at the end of any meal period. If your total work period for the day is more than five hours per day but no more than six hours, you may waive the meal period. However, this cannot be done without the written, mutual consent of you and your supervisor in advance.

#### **Timing of Meal Period**

Your meal period will be provided no later than the end of your fifth hour of work. For example, if you begin work at 8:00 a.m., you must start your meal period by 12:59 p.m. (which is before the end of your fifth hour of work).

Your meal period will be scheduled by [e.g., department head]

#### **Second Meal Period**

If you work more than 10 hours in a day, you will be provided a second, unpaid meal period of 30 net minutes. Again, you must clock out for your meal period. You will be permitted a reasonable opportunity to take this meal period, and you will be relieved of all duty. There will be no control over your activities during your meal period. During your meal period, you are free to leave the premises and are free to come and go as you please. You are expected to return to work promptly at the end of any meal period.

Depending on the circumstances, you may be able to waive your second meal period if you took the first meal period and if your total hours worked for the day is no more than 12 hours. Should the second meal period be observed it will be conducted at the end of your 10<sup>th</sup> hour or work. However, this cannot be done without the written, mutual consent of you and your supervisor in advance.

#### **Recording Meal Periods**

You must clock out for any meal period and record the start and end of the meal period.

If for any reason you are not provided a meal period in accordance with our policy, or if you are in any way discouraged or impeded from taking your meal period or from taking the full amount of time allotted to you, please immediately notify the Office Manager.

Anytime you miss a meal period that was provided to you (or you work any portion of a provided meal period), you will be required to report to the Office Manager and document the reason for the missed meal period or time worked.

Please also refer to the Tao Mechanical, Ltd. Timekeeping Policy.

## ***Overtime for Nonexempt Employees***

Employees may be required to work overtime as necessary. Only actual hours worked in a given workday or workweek can apply in calculating overtime. Tao Mechanical, Ltd. will attempt to distribute overtime evenly and accommodate individual schedules. All overtime work must be previously authorized by a supervisor. Tao Mechanical, Ltd. provides compensation for all overtime hours worked by non-exempt employees in accordance with state and federal law as follows:

- All hours worked in excess of eight hours in one workday or 40 hours in one workweek will be treated as overtime. A workday begins at 12:01 a.m. and ends at midnight 24 hours later. Workweeks begin each Sunday at 12:01 a.m.;
- Compensation for hours in excess of 40 for the workweek, or in excess of eight and not more than 12 for the workday, and for the first eight hours on the seventh consecutive day of work in one workweek, shall be paid at a rate one and one-half times the employee's regular rate of pay;
- Compensation for hours in excess of 12 in one workday and in excess of eight on the seventh consecutive workday in a workweek shall be paid at double the regular rate of pay; and
- Exempt employees may have to work hours beyond their normal schedules as work demands require. No overtime compensation will be paid to exempt employees.

## ***Deductions for Exempt Employees***

Employees paid on a "salary basis" regularly receive a predetermined amount of compensation each pay period. Subject to the exceptions listed below, exempt employees will receive full salary for any workweek in which they perform any work, regardless of the number of days or hours worked. Exempt employees may not be paid for any workweek in which they perform no work, subject to Tao Mechanical, Ltd. benefits programs and policies.

No deductions from salary may be made for time when work is not available, provided the exempt employee is ready, willing, and able to work. Deductions from pay are permissible when an exempt employee:

- Is absent from work for one or more full days for personal reasons other than sickness or disability;
- Is absent for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy, or practice of providing full compensation for salary lost due to illness and the employee has exhausted his or her leave under this policy;
- Is absent for jury duty or military duty for a full week and performs no work during the week; or
- Works less than a full week during the initial or final week of employment;

Partial day deductions from available accrued vacation or sick leave balances will also be made by the Company when applicable.

It is Company policy to comply with these salary basis requirements. Therefore, Tao Mechanical, Ltd. prohibits all Company managers from making any improper deductions from the salaries of exempt employees. The Company wants employees to be aware of this policy and know that the Company does not allow deductions that violate federal or state law.

If you believe that an improper deduction from your salary has been made, you should immediately report this information to your direct supervisor, or to, The Office Manager. Reports of improper deductions will be investigated promptly. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

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## ***Pay for Mandatory Meetings/Training***

Tao Mechanical, Ltd. will pay non-exempt employees for their attendance at meetings, lectures, and training programs under the following conditions:

- Attendance is mandatory;
- The meeting, course, or lecture is directly related to the employee's job;
- The employee who is required to attend such meetings, lectures, or training programs will be notified of the necessity for such attendance by his or her supervisor;
- The employee will be paid at the then applicable minimum wage for time spent at meetings, lectures, and training programs if the employee does not perform any productive work during such attendance;
- Employees who do perform productive work during attendance at meetings, lectures or training programs will be compensated at their regular rate of pay; and
- Any hours in excess of eight in a day or 40 in a week will be paid at the appropriate overtime rate, at the hourly rate in effect at the time the overtime work is being performed.

## ***Reporting-Time Pay***

Tao Mechanical, Ltd. will comply with all applicable regulations regarding reporting-time pay for nonexempt employees.

Tao Mechanical, Ltd. will not pay employees who report to work but are unable to work under the following circumstances:

- Interruption of work because of the failure of any or all public utilities; or
- Interruption of work because of natural causes or other site circumstances beyond the Company's power to control.
- Safety concerns.

## Safety and Health

### ***Health and Safety***

All employees are responsible for their own safety, as well as that of others in the workplace. To help us maintain a safe workplace, everyone must be safety-conscious at all times. Report all work-related injuries or illnesses immediately to your supervisor or to the human resources department. In compliance with California law, and to promote the concept of a safe workplace, Tao Mechanical, Ltd. maintains an Injury and Illness Prevention Program (IIPP) which is available for review by employees and/or employee representatives in the main office.

In compliance with Proposition 65, Tao Mechanical, Ltd. will inform employees within the IIPP or product labels of any known exposure to a chemical known to cause cancer or reproductive toxicity.

### ***Ergonomics***

Tao Mechanical, Ltd. is subject to Cal/OSHA ergonomics standards for minimizing workplace repetitive motion injuries. The Company will make reasonable, necessary adjustments to reduce exposure to ergonomic hazards through modifications to equipment and processes and employee training. The Company encourages safe and proper work procedures and requires all employees to follow safety instructions and guidelines.

Tao Mechanical, Ltd. believes that reduction of ergonomic risk is instrumental in maintaining an environment of personal safety and well-being, and is essential to our business. We intend to provide appropriate resources to create a risk-free environment. If you have any questions about ergonomics, please contact [e.g., HR manager].

### ***Security***

Tao Mechanical, Ltd. has developed guidelines to help maintain a secure workplace. Be aware of persons loitering for no apparent reason in parking areas, walkways, entrances and exits, and service areas. Report any suspicious persons or activities to security personnel. Secure your desk or office at the end of the day. When called away from your work area for an extended length of time, do not leave valuable and/or personal articles in or around your workstation that may be accessible. The security of facilities as well as the welfare of our employees depends upon the alertness and sensitivity of every individual to potential security risks. You should immediately notify your supervisor when unknown persons are acting in a suspicious manner in or around the facilities, or when keys, security passes, or identification badges are missing.

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## **Workplace Violence**

Tao Mechanical, Ltd. has adopted the following workplace violence policy to ensure a safe working environment for all employees.

The Company has zero tolerance for acts of violence and threats of violence. All such acts and threats, even those made in apparent jest, can be taken seriously, and could lead to discipline up to and including termination.

Possession of non-work related weapons on Company premises and at Company-sponsored events shall constitute a threat of violence.

It is every employee's responsibility to assist in establishing and maintaining a violence-free work environment. Therefore, each employee is expected and encouraged to report any incident to a supervisor or manager which may be threatening to you or your co-workers or any event which you reasonably believe is threatening or violent.

A threat includes, but is not limited to, any indication of intent to harm a person or damage Company property. Threats may be direct or indirect, and they may be communicated verbally or nonverbally. The following are examples of threats and acts that shall be considered violent - this list is in no way all-inclusive:

| Example   | Type of Threat   |
|---|------------------|
| Saying, "Do you want to see your next birthday?"                                      | Indirect         |
| Writing, "Employees who kill their supervisors have the right idea."                  | Indirect         |
| Saying, "I'm going to punch your lights out."   | Direct           |
| Making a hitting motion or obscene gesture  | Nonverbal        |
| Displaying weapons  | Extreme          |
| Stalking or otherwise forcing undue attention on someone, whether romantic or hostile | Extreme          |
| Taking actions likely to cause bodily harm or property damage                         | Acts of violence |

## **Heat Illness**

The Company is concerned with employee health and safety, therefore Employees who work outside may be exposed to extreme temperatures or adverse working conditions, particularly in the summer months. All supervisors are trained in the recognition and prevention of heat illness. Employees who work outside are encouraged to frequently drink water and to take a cool-down rest in the shade of at least five minutes (in addition to the time needed to access the shade) when needed to protect themselves from overheating. These preventative cool-down rests are paid time.

Please refer to the Company's Injury Illness and Prevention Program or talk to your supervisor for details on how to ensure you are protected from heat illness dangers.

## ***Employees Who Are Required to Drive***

Employees whose job duties require them to drive a Company vehicle or their own vehicles for Company business will be required to show proof of current valid driving licenses and proof of insurability under the Company's policy or current effective insurance coverage before the first day of employment.

Tao Mechanical, Ltd. participates in a system that regularly checks state Department of Motor Vehicles (DMV) records of all employees who are required to drive as part of their job.

If an employee is required to drive as part of his or her job, Tao Mechanical, Ltd. retains the right to transfer to an alternative position, suspend, or terminate an employee whose license is suspended or revoked, or who fails to maintain personal automobile insurance coverage or who is uninsurable under the Company's policy. Additionally it is critical that drivers, and any possible employee passengers, observe all regulatory laws and common courtesy on the roadways

## ***Recreational Activities and Programs***

Tao Mechanical, Ltd. or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

## **Termination**

### ***Employee References***

All requests for references must be directed to their immediate supervisor. ONLY the direct supervisor or operations manager is authorized to release references for current or former employees.

By policy, Tao Mechanical, Ltd. discloses only the dates of employment and the title of the last position held of former employees in addition to requiring the request to be in writing.

### ***Voluntary Resignation***

Voluntary resignation results when an employee voluntarily quits his or her employment at Tao Mechanical, Ltd., or fails to report to work for three consecutively scheduled workdays without notice to, or approval by, his or her supervisor (unless the absence is protected by law). All Company-owned property, including vehicles, keys, uniforms, identification badges, and credit cards, must be returned immediately upon termination of employment. Costs to re-key, repair or secure company property will be the responsibility of the former employee.

### ***Reductions in Force***

Under some circumstances, Tao Mechanical, Ltd. may need to restructure or reduce its workforce. If restructuring our operations or reducing the number of employees becomes necessary, the Company will attempt to provide advance notice, if possible, to help prepare affected individuals. If possible, employees subject to layoff will be informed of the nature of the layoff and the foreseeable duration of the layoff, whether short-term or indefinite.

In determining which employees will be subject to layoff, Tao Mechanical, Ltd. will take into account, among other things, operation and requirements, the skill, productivity, ability, and past performance of those involved, and also, when feasible, the employee's length of service.

### ***Involuntary Termination and Progressive Discipline***

Violation of Tao Mechanical, Ltd. policies and rules may warrant disciplinary action. The Company has a system of progressive discipline that may include verbal warnings, written warnings, and suspension. The system is not formal, and Tao Mechanical, Ltd. may, in its sole discretion, utilize whatever form of discipline is deemed appropriate under the circumstances, up to, and including, immediate termination of employment. The Company's policy of progressive discipline in no way limits or alters the at-will employment relationship.

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## ***Confirmation of Receipt***

I have received my copy of the Company's employee handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the handbook.

I understand and agree that nothing in the employee handbook creates or is intended to create a promise or representation of continued employment and that employment at Tao Mechanical, Ltd. is employment at-will; employment may be terminated at the will of either the Company or myself. My signature certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between Tao Mechanical, Ltd. and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations concerning my employment with Tao Mechanical, Ltd.

I understand that except for employment at-will status, any and all policies or practices can be changed at any time by the Company. Tao Mechanical, Ltd. reserves the right to change my hours, wages, and working conditions at any time. I understand and agree that other than the president of Tao Mechanical, Ltd., no manager, supervisor, or representative of the Company has authority to enter into any agreement, express or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the president has the authority to make any such agreement and then only in writing, signed by the president.

Employee's Signature \_\_\_\_\_

Employee's Printed Name \_\_\_\_\_

Date \_\_\_\_\_

THIS FORM MUST BE SIGNED AND RETURNED TO TAO MECHANICAL MANAGEMENT.