

EMPLOYEE POLICIES AND GUIDELINES



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LETTER FROM THE CEO

California Energy Designs Employees,

Thank you for being part of the California Energy Designs team. We value our employees and appreciate all the time, effort, and passion you contribute to our firm. Our team may be small, but we complete some big projects; our engineers have successfully completed over 13,000 commercial and residential projects with an average of 250 projects completed each year. Our success comes from not only having a well-qualified staff, but also from having a communicative and positive work environment.

California Energy Designs strives to create a work environment that is rewarding, constructive, and mutually beneficial. This policy and procedure handbook was developed to be an informational guide to workplace conduct and to also be a means of transparency into the governing policies and procedures of California Energy Designs.

We are always striving to create an even better workplace; we warmly welcome any comments or suggestions you have.

If you have any questions about the policies or procedures outlined in this book, please contact Office Management immediately.

Again, welcome to our team and thank you for all your hard work!



Founder and CEO

Richard Gilbert P.E

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I. ABOUT OUR COMPANY



California Energy Designs has been setting the gold standard in energy efficient HVAC/R and Plumbing designs for over four decades. Founded in 1977 by Professional Engineer Richard Gilbert, California Energy Designs serves Los Angeles and its outlying areas with several engineers licensed in additional states. Since its establishment, California Energy Designs has successfully completed over 12,000 commercial and residential projects.

California Energy Designs' organization facilitates rapid handling of all engineering projects. From the receipt of the order through completion of installation, each job is program-planned to eliminate delay. Our exclusive

activity in HVAC, plumbing design, and energy evaluation, gives us an appreciative understanding of each customer's problems. We produce fast accurate quality designs and calculations for HVAC and plumbing systems through streamlined processes, using engineering originality.

Our experience, specialization, and dedication to efficiency make us the leader in Southern California efficient HVAC/R and plumbing design. Commercial or residential, California Energy **Designs** provides creative engineering for efficient and custom HVAC/R and energy solutions.

A. Core Values

California Energy Designs' employees embody the core values of innovation, imagination, creativity, engineering excellence, and teamwork, to provide both large and small scale customers with the best quality in service.

B. Office Philosophy

Company Philosophy requires that all employees be fully informed about our policies, procedures, and conditions that affect them in their work environment. Opportunity is provided for each employee to express opinions, discuss complaints and misunderstandings, and to seek information on any and all matters affecting individual employment matters. The best interest of the firm and its employees is served by adhering to the following standards:

- Employee compensation is directly related to the individual's contribution to the firm.
- The firm encourages and aides each employee in individualized professional development programs.
- Company hiring and promotion policies provide equal opportunity for all.
- The Company maintains reasonable hours, holidays, and vacations, and other benefits along with working conditions conducive to a high level of productivity.

C. Purpose

This handbook has been prepared to inform new employees of the policies and procedures of California Energy Designs and to establish the company's expectations. It is not all inclusive or intended to provide strict interpretations of our policies; rather, it offers an overview of the work environment. This handbook is not a contract, expressed or implied, guarantying employment for any length of time and is not intended to induce an employee to accept employment with the company.

California Energy Designs reserves the right to unilaterally revise, suspend, revoke, terminate or change any of its policies, in whole or in part, whether described within this handbook or elsewhere, in its sole discretion. If any discrepancy between this handbook and current company policy arises, conform to current company policy. Every effort will be made to keep you informed of the company's policies, however we cannot guarantee that notice of revisions will be provided. Feel free to ask questions about any of the information within this handbook.

This handbook supersedes and replaces any and all personnel policies and manuals previously distributed, made available or applicable to employees.

D. At-Will Employment

Employment at California Energy Designs is "at-will." This means that employees are free to resign at any time. Similarly, California Energy Designs may terminate the employment relationship at any time, with or without cause or prior notice, as it deems appropriate.

Employees that wish to resign and remain in good-standing with the company are asked to give two-weeks' notice as courtesy. This will enable California Energy Designs to arrange for a replacement and assist in the smooth transition of responsibilities. In addition, because the employment relationship is at-will, California Energy Designs may change its employment policies from time to time at its discretion.

E. Equal Opportunity Employer

California Energy Designs is committed to equal employment opportunity. We do not discriminate on any basis protected by state and federal law, meaning that we do not base employment decisions on any Legally Protected Characteristics possessed by the employee or any person with whom the employee is associated. Legally Protected Characteristics encompass the following:

- Race
- Sex (including pregnancy, childbirth and related medical conditions)
- Gender
- Religion (including religious dress and grooming practices)
- National origin
- Ancestry
- Physical or mental disability
- Medical condition
- Marital status
- Registered domestic partner status
- Sexual orientation

(Equal Opportunity Employer Continued)

- Age (age 40 and over)
- Genetic information
- Military and/or veteran status
- Lawful change of name
- California driver's license with a "federal limits apply" notation; and
- Any other basis prohibited by state or federal law.

California Energy Designs' Equal Employment Opportunity policy governs all aspects of employment, including hiring, assignments, training, promotions, compensation, employee benefits, employee discipline and discharge, and all other terms and conditions of employment. It prohibits supervisors and managers from making such decisions based in any way on any Legally Protected Characteristic.

California Energy Designs offers reasonable accommodations to qualified employees with physical or mental disabilities to the extent the accommodation will enable them to perform the essential functions of the job and will not create an undue hardship for them, or those around them. The Company also offers reasonable accommodation for an employee's religious beliefs or observance.

If you believe that you need reasonable accommodation because of a disability or for religious practices or observance, please speak with your supervisor.



II. GENERAL POLICIES

A. Open Door Policy

California Energy Designs strives for an open environment that encourages employees to participate in decisions affecting them and their daily responsibilities. We believe that open and direct communication will produce a productive workplace, enhance the quality of decisions, and ultimately improve the quality and value of our products and services.

Employees who have job related concerns or complaints are encouraged to discuss them with their supervisor or any other management representative with whom they feel comfortable. The discussion should occur as soon as possible after the events causing the employee's concern. We cannot guarantee that California Energy Designs will make the changes you suggest or resolve your concern in the way you would prefer, but your voicing your concerns will give us the opportunity to address them and provide important feedback for us in our efforts to improve California Energy Designs and our work environment.

No employee will be disciplined or otherwise penalized for raising a good faith concern. This open-door policy is an important tool for maintaining California Energy Designs' environment of mutual respect and for resolving individual or group differences informally without fear of retaliation

B. Anti-Retaliation

It is California Energy Designs' intent to protect its integrity, ensure the highest standards of conduct among its employees, and adhere to all applicable laws and regulations. California Energy Designs therefore encourages employees to report any reasonable belief that a legal violation has potentially occurred due to any policy, practice or activity by California Energy Designs or its employees, customers, or vendors. Reports of any such potentially improper activity may be submitted on a confidential basis to any member of the Executive Team or Office Management. Alternatively, the employee may provide an anonymous report, but anonymous reports must include sufficient specific facts to enable California Energy Designs to investigate the matter.

California Energy Designs will not retaliate against an employee who, in good faith, reports any potentially improper activity, whether to California Energy Designs or to a government enforcement agency. Nor will California Energy Designs tolerate any other employee retaliating against or attempting to influence the employee for such reports. Any employee who engages in retaliation will be subject to discipline up to and including termination of employment.

California Energy Designs will conduct a prompt and appropriate investigation into all reports of potentially improper activity. All employees are required to cooperate with The Company's internal investigations by providing any requested information and truthfully and fully answering questions. Failure to cooperate with or impeding an investigation, or knowingly providing false information, will result in disciplinary action.

Reports of potentially improper activity and related investigations will be kept confidential to the extent possible, consistent with the need to conduct an appropriate investigation. Anyone found to have engaged in improper activity will be subject to disciplinary action up to and including termination of employment. Civil liability or criminal prosecution of the wrongdoer may also result.

C. Employment Eligibility and Authorization

As a result of the Immigration Reform and Control Act of 1986, any offer of employment is conditioned upon satisfactory proof of a prospective employee's identity and legal ability to remain and work in the United States. California Energy Designs is required to complete and retain on file I-9 documentation and California Energy Designs will coordinate the record-keeping requirements under the regulations. If you are not a citizen of the United States, but have permission to work in this country, it is your responsibility to immediately report any changes in your visa status to Office Management.

D. Employee Probationary Period

Appointees to full-time/part-time exempt and non-exempt positions are subject to a probationary period. The purpose of a probationary period is to assess the new employee's job performance and work behavior, as well as his/her job related character, conduct and attitude. It is also a time to identify the employee's special talents and capabilities and how they can contribute to the goals and objectives of the work unit. During this time, the employee has the opportunity to assess whether or not the position fulfills his/her personal career goals. The probationary period starts on the first full-day of employment and concludes on their 90th day of work.

E. Employee Classification

The Fair Labor Standards Act (FLSA) and the DLSE (Division of Labor Standards Enforcement) requires that all employees be classified as "Exempt" or "Non-Exempt" according to the overtime provisions of the law. Furthermore, California Energy Designs classifies employees as "full-time" or "part-time." Discussion of employment status should occur prior to your first day of employment. If you are unsure of your employment status, notify your Supervisor or Office Manager immediately.

E1. Exempt Employees

In accordance with Labor Code 515.5, fixed salary employees who perform executive, administrative, or professional level tasks may be exempt from receiving overtime wages. Employees classified as "exempt" are paid salary and are expected to work beyond their normal hours when necessary to accomplish their work related goals.

E2. Non-Exempt Employees

Non-Exempt Employees are paid overtime compensation in accordance with state and federal wage and hour requirements. Unless an alternative workweek schedule has been adopted, overtime is paid as follows: (1) One and one-half times the employee's regular rate of pay for hours worked over 8 in a day, over 40 in a workweek, and up to 8 hours on the seventh consecutive day of work in the workweek; and (2) twice the employee's regular rate of pay for hours worked over 12 in a day and over 8 on the seventh consecutive day of work in a workweek.

E3. Full Time Employees

Full-time employees are scheduled 40 hours or more per week and have completed a 90-day probationary period. They are entitled to specific employment benefits, such as paid time-off, health insurance, and paid holidays.

E4. Part-Time Employees

Non-Exempt Employees are paid overtime compensation in accordance with state and federal wage and hour requirements. Unless an alternative workweek schedule has been adopted, overtime is paid as follows: (1) One and one-half times the employee's regular rate of pay for hours worked over 8 in a day, over 40 in a workweek, and up to 8 hours on the seventh consecutive day of work in the workweek; and (2) twice the employee's regular rate of pay for hours worked over 12 in a day and over 8 on the seventh consecutive day of work in a workweek.


F. Background Checks

California Energy Designs strives to hire the best-qualified individuals, and background and reference checks are an important part of this process. When a background or reference check is needed in respect to hiring or other employment decisions, The Company conducts such checks in compliance with applicable federal, state, and local governing laws.

G. Access to Personnel Files

California Energy Designs maintains a personnel file on each employee. These files are kept confidential to the extent possible. Current and past employees may review their personnel file upon request.

It is important that personnel files accurately reflect each employee's personal information. Employees are expected to inform the company of any change in name, address, home phone number, home address, marital status, number of dependents or emergency contact information.



Please Contact the Office Manager to Make Any Updates to Your Personnel File or to Request a Copy of Your File.

III. CONDUCT GUIDELINES

Employees are at all times expected to conduct themselves with professionalism, courtesy, and respect in their dealings with each other and with other business contacts, such as clients, customers and vendors. In addition, dress, grooming personal cleanliness, and workspace cleanliness standards contribute to the morale of all employees and affect the business image we present to clients. Employees are expected to present a businesslike appearance consistent with the nature of their job. This policy may be subject to certain exceptions related to an employee's religion and/or disability. Employees who have specific questions about appearance and dress should contact Office Management or their Supervisor.

California Energy Designs strives to maintain a workplace environment that is well functioning and free from distraction. As part of that effort, the company requires that employees maintain a neat and clean appearance that is appropriate for the workplace. California Energy Designs understands that creativity and focus are key to engineering, therefore we encourage employees to wear what makes them feel the most comfortable and most productive.

While in the presence of clientele, visitors, customers, and the public, all employees are expected to maintain a professional and businesslike image. Certain job sites may require the use of protective clothing, these articles are generally available at the job-site.

A. Drugs and Alcohol

Employees are prohibited from unlawfully consuming, distributing, possessing, selling, or using controlled substances while on duty. In addition, employees may not be under the influence of any controlled substance, such as drugs or alcohol, while at work, on company premises or engaged in company business. Prescription drugs or over-the counter medications, taken as prescribed, are an exception to this policy. Anyone violating this policy may be subject to disciplinary action, up to and including termination



B. Role Expectations

All positions are required to respect the instructions and/ or directions of Supervisors, to respect the time, budget, and code requirements of any assignment, to be open to constructive feedback from superiors and peers, and to conduct themselves in a manner which promotes a safe, comfortable, communicative, and intimidation free working environment.

B.1 Consulting Engineers

Under direct supervision of the project manager, you will play an integral role in the successful and timely completion of projects. A consulting engineer should have knowledge of the principles of mechanical engineering and be well-versed in their application. Some sample duties and responsibilities include:

- Assist in the drafting and design of HVAC equipment;
- Assist in the drafting and completion of plumbing design;
- Provide support to project team (plumbing design, HVAC, CAD) when necessary;
- Implement and apply mechanical engineering principles to meet the needs of the project team;
- Understand the impact of structural and other building components on the design of HVAC and plumbing systems.
- Knowledge of building and safety standards;
- Occasional trips to plan check office;
- Interaction with project team and architects to ensure project standards are being met.

B.2 CADD Operator

The CADD Operator will provide leadership and vision to the firm in the area of CADD. As Senior CADD Operator you will directly support Project Managers and will play an integral part in the successful completion of our large and small scale projects. As Associate CADD operator you will directly support the needs of the Senior CADD Operator and Project Manager. Some sample duties and requirements include:

- Ability to correctly use CADD and/ or Revit software;
- Creation of technical drawings based on specifications and calculations;
- Development, implementation, and enforcement of CADD Standards;
- Organization of the CADD Environment;
- Maintenance of CADD Software Inventory;
- Supply technical support for CADD software;
- Provide training and supervision of in-house CADD users;
- Interaction with clients to ensure project standards are being met;
- Maintain CADD document archive and retrieval for projects;
- Creation and maintenance drawing completion schedules;
- Photography of recent projects;
- Monitor and maintain server (daily back-ups, clean up files, etc.).



(B. Role Expectations Continued)

B.3 Project Manager

As a Project Manager, you will participate in the bidding, sale and management of a project from beginning to end. You will also be responsible for the delegation of tasks to CADD Operators and Consulting Engineers throughout the office. Project Managers play an integral role in the on-boarding of new engineers and are responsible for training or delegating the training of new staff. Some sample duties and requirements include:

- Be a main contact for customers;
- Development of project schedules;
- Development of HVAC, plumbing drawings, and specifications;
- Development of a project billing schedule;
- Collection of project bills from customer.

B.4 Office Manager

Effective communication skills are integral to the success of each project. The office manager will help efficiently streamline all customer needs. As Office Manager, you will get the opportunity to do everything from working directly with the CEO, to preparing financial data, to maintaining day-to-day office functions. This position requires a self motivation and the ability to handle high volume communication. Some sample duties and requirements include:

- Greeting all visitors and clients;
- Answering telephones;
- Answering and responding to emails;
- Management of accounts payable and receivable;
- Preparation of financial reports, invoices, outstanding invoices and payroll;
- Generate billing information for Project Managers;
- Maintenance of Quickbooks and Excel financial or project related spreadsheets;
- Entering and logging data such as; work hours and minutes for all board meetings;
- Reporting office equipment malfunctions;
- Maintaining office tidiness.

Again, these lists are meant to highlight duties and expectations; it is not all inclusive and is subject to change. It is your responsibility to stay informed about the expectations and duties of your role. If you need to clarify any of these duties, please do so with your Supervisor.

C. Attendance and Punctuality

C1. Operating Hours

California Energy Designs observes a 40 hour work week, 8 hours per day, 5 days per week. Regular working hours may vary with each employee, but will occur between 7:00am and 6:00pm, Monday through Friday. The office observes traditional weekends and is closed on Saturday and Sunday. Depending on job-classification, some employees may come in on weekends as needed. This should be arranged with your Supervisor and/ or Office Management.

Your regular work schedule should be discussed with your Supervisor prior to your first day of employment and finalized no later than the end of your first work week.

C2. Attendance

California Energy Designs understands that absences occur. Excessive absences, however, interfere with the operation of our clients' businesses. Our clients depend upon our engineers being on time and showing up every day for work. To maintain a productive work environment, California Energy Designs expects employees to be reliable and punctual in reporting for work at their regularly scheduled start time.

If you know you are going to arrive after your designated starting time, you must inform your Supervisor by telephone at least one hour before your scheduled start time on the day of the absence or tardiness and on each additional day of absence.

C3. Absence Due to Illness

Employees who are absent from work for two or more days due to illness may be asked to present a physician's statement. In case of illness of more than five days or repeated absences of 2 or more days in duration, Office Management must determine whether or not the absence qualifies for Family Medical Leave of Absence/California Family Right Act (FMLA)/CFRA). If it does, you will be advised of any required and necessary paperwork.

Full-time employees who have completed a 90-day probationary period are eligible for 32 hours of paid sick leave, described later in this manual.

C4. Tardiness

Tardiness will not be tolerated. You are also expected to remain at work through the end of your schedule except for regularly scheduled breaks or authorized leaves. You are expected to return from lunch on time as well. Employees who must leave work early are required to notify their Supervisor before leaving the office.

Excessive absenteeism and/or tardiness or an inappropriate pattern of absences and/or tardiness can lead to disciplinary action, up to and including immediate termination. Absences during an approved leave or for other legally protected purposes are not considered for disciplinary purposes.



C5. Unreported Absenses

Absences of three (3) consecutive working days without reporting to the employee's immediate supervisor are considered a voluntary resignation without notice and the employee will be terminated.

D. Rest and Meal Breaks

California Energy Designs provides rest breaks and meal periods to non-exempt employees in accordance with California legal requirements.

D1. Rest Breaks

Non-exempt employees are entitled to take paid rest breaks on days they work more than 3.5 hours total at the rate of a ten-minute paid rest break for every four-hour work period. Rest periods should be taken to the extent practicable in approximately the middle of the work period.

Full-time exempt employees are entitled to two ten-minute break periods, in approximately the middle of the morning and the afternoon. Rest breaks should be arranged with your supervisor to accommodate the work flow. Employees who choose to smoke during a rest break are not entitled to additional break time. California Energy Designs provides a smoke-free environment for its employees; employees who wish to smoke during their breaks must be at least 25ft away from the CED premises.

Employees who find that their work is preventing them from taking a rest break must notify their supervisor so that arrangements can be made. Unless the employee provides this notification, California Energy Designs will assume the employee is taking or voluntarily foregoing the rest breaks to which the employee is entitled.

D2. Meal Periods

Non-exempt employees who work more than a five-hour shift are provided with a 45-60-minute unpaid meal period each workday, which must be taken before the employee works more than five hours. Employees will be relieved of all duties during the meal period. Taking a timely 45-60-minute duty-free meal period is mandatory, except for those employees working six hours or less who may voluntarily waive their unpaid meal period.

A second unpaid meal period is provided on days the employee works more than 10 hours, which must be started before work time exceeds 10 hours. The second meal period is also mandatory, except that employees who work 12 hours or less and took the first meal period may voluntarily waive the second meal period.

Non-exempt employees must record the time they leave for and return from the meal period on their time sheets. Employees who fail to comply with this policy will be subject to disciplinary action.

D3. Meal Period Waiver

Employees may waive their meal period under one of two conditions, (1) their work shift is six hours or less, (2) under mutual consent of the employer and employee. Each time a meal is waived a dated and signed meal waiver form must be filled out and returned the same day. You can request a meal waiver form from Office Management.

E. Company Property

E1. Proper Usage

Company property, such as equipment, vehicles, telephones, computers, and software, is not for private use. These devices are to be used strictly for company business and are not permitted off grounds unless authorized. Company property must be used in the manner for which it was intended.

Files or programs stored on company computers may not be copied for personal use. The Company retains the right to access all company property including computers, desks, file cabinets, storage facilities, and files and folders, electronic or otherwise, at any time. All documents, files, voice-mails and electronic information, including e-mails and other communications, created, received or maintained on or through company property are the property of the company, not the employee. Therefore employees should have no expectation of privacy over those files or documents.

Please keep personal use of company property to a minimum.

E2. Return of Company Property

Upon termination or resignation, employees are required to surrender any company property they possess. Company property must be returned in a timely fashion to the Office Manager, your Supervisor or Leadership at California Energy Designs.

F. Vehicle Policy

F1. Eligibility

Employees eligible for assignment of a company vehicle are selected at the discretion of the Chief Executive Officer. Eligibility will be assessed based on job description and working hours spent outside of the office. Prior to vehicle assignment, eligible employees must prove that he/she has a valid driver's license which has not expired, been suspended, or revoked.

F2. Withdrawal of Company Vehicle Privilege

The privilege of driving and operating a company vehicle may be withdrawn for any of the following reasons:

- Abuse or misuse of the vehicle or failure to comply with the rules and procedures stipulated by this policy.
- A driving record which becomes deficient during the course of operating a company vehicle.
- A conviction or guilty plea to driving a company car under the influence of alcohol or an illegal controlled substance will be terms for withdrawal of company vehicle privileges.
- Suspension or termination (voluntary or involuntary) from CED employment will result in immediate discontinuation of company vehicle privileges.

F3. Personal Use of Company Vehicle

Company vehicles while intended primarily for CED business use, may also be used for commuting to and from work and for limited personal use. Any costs (gas, damages) associated with personal use of the company vehicle will not be the responsibility of CED. No other drivers (family, friends, etc.) are permitted to operate the company vehicle.

(F. Vehicle Policy Continued)

F4. Gas Card

During business hours, the 76 Gas Card is permitted for usage. The gas card is located in the CED office and is permitted for use only at the neighboring 76 station. After use of the 76 gas card, a receipt must be obtained, signed and given to the Office Manager along with the gas card itself. Fill up's that occur after business hours and that are not associated with business travel are not the responsibility of CED.

F5. Registration

All State insurance cards must be kept in the glove box at all times. Only you, the employee, are permitted to drive the company vehicle. Vehicle registration must also be kept in the glove box at all times. Registration expenses will be paid by CED. Submit registration renewals and maintenance receipts to the Office Manager.

F6. Driver Responsibility

Eligible drivers are responsible for driving their vehicles in a safe and professional manner. Employee drivers must know and abide by all driving/ traffic laws including but not limited to, seatbelt regulations, speed limit regulations, DUI/ DWI regulations, hands-free driving regulations (texting and driving, etc.). Company vehicles should not be used to transport hazardous materials such firearms, flammable items, and poisonous materials. If for any reason an employee's license is revoked, suspended, or restricted, it is mandatory that the Office Manager, CEO, or HR Manager be notified immediately. Any malfunctions (seatbelt or mechanical) that are not the result of driver error must be reported to the Office Manager, CEO, or HR Manger immediately.

F7. Vehicle Maintenance

Every driver of a company vehicle is expected to maintain his/her assigned vehicle in safe operating condition. Maintenance schedules outlined in your vehicle's owner's manual should be adhered to. Particular attention should be paid to the maintenance requirements for keeping the warranty of your vehicle in effect.

Documentation of any prescribed and completed service must be obtained and turned into the Office Manager immediately.

F8. Accidents

In the event of an accident:

- Call police immediately;
- Do not admit negligence or liability;
- Get name, address, and phone number of other party and any witnesses;
- Take photographs including:
 - Damage to your vehicle and any others involved in the accident;
 - The other driver;
 - The other driver's license or identification;
 - Other driver's insurance card.
- Exchange vehicle identification, insurance information (name and policy number);
- Complete accident report as soon as possible;
- Turn in all above information to Office Manager within 24 hours.

G. Disciplinary Action

G1. General Policy

California Energy Designs reserves the right to discipline and/or terminate any employee who violates company policies, practices or rules of conduct. Poor performance and misconduct are also grounds for discipline or termination.

The following actions are unacceptable and considered grounds for disciplinary action. This list is not comprehensive; rather, it is meant merely as an example of the types of conduct that this company does not tolerate. These actions include, but are not limited to:

- Engaging in acts of discrimination or harassment in the workplace;
- Being under the influence of a controlled substance or alcohol at work, on company premises, or while engaged in company business;
- Unauthorized use of company property, equipment, devices or assets;
- Intentional damage, destruction or theft of company property, equipment, devices or assets;
- Removing company property without prior authorization or disseminating company information without authorization;
- Falsification, misrepresentation or omission of information, documents or records;
- Lying;
- Insubordination or refusal to comply with directives;
- Failing to adequately perform job responsibilities;
- Excessive or unexcused absenteeism or tardiness;
- Disclosing confidential or proprietary company information without permission;
- Illegal or violent activity;
- Falsifying injury reports or reasons for leave;
- Possessing unauthorized weapons on premises;
- Disregard for safety and security procedures;
- Disparaging or disrespecting supervisors and/or co-workers;
- Moonlighting or doing side jobs involving HVAC & plumbing designs that rightfully should be done by CED.
- Any other action or conduct that is inconsistent with company policies, procedures, standards or expectations.

This list exhibits the types of actions or events that are subject to disciplinary action. It is not intended to indicate every act that could lead to disciplinary action. The company reserves the right to determine the severity and extent of any disciplinary action based on the circumstances of each case.

G2. Warnings

Any employee undergoing disciplinary review will be made aware in a manner that is respectful of privacy. The employee will be given a Warning Notice, which gives a specific and clear account of the actions that lead to disciplinary review. The employee will then have a chance to respond, in writing, to the claim.

G3. Outcomes

Discipline may take the form of oral warnings, written warnings, probation, suspension, demotion, discharge, or termination, in no particular order. The course of action will be determined by the company at its sole discretion as it deems appropriate.

IV. TIME OFF AND LEAVES



A. Holidays

Unless otherwise communicated by your supervisor, holidays falling on Saturday will be observed on the preceding Friday and those falling on Sunday will be observed on the succeeding Monday. California Energy Designs observes the following major holidays, with the office closed on those days.

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

A1. Holiday Pay

Holiday Pay -Full-time employees will be paid at the regular rate for each observed holiday. Part-time and temporary employees will not be compensated.

B. Vacations

B1. Basic Policy

Full-time employees that have completed a 90-day probationary period are eligible for paid vacation. Paid vacation days are acquired on an accrual basis starting on the first day of an employee's seventh month of employment. A request for vacation must be submitted in writing at least 20 days prior to the vacation start date.

Accrued vacation time is considered wages earned. At the time of termination or resignation any unused vacation time will be paid back as part of the employee's final wages.

(B. Vacation Continued)

B2. Vacation Accrual

LENGTH OF EMPLOYMENT	ACCRUED VACATION DAYS
AFTER SEVEN MONTHS	(1) one day/per month
ONE THRU SIX YEARS	(10) ten days
SEVEN THRU FOURTEEN YEARS	(15) fifteen days
FIFTEEN YEARS +	(20) twenty days

C. Sick Leave

All employees who have completed a 90-day probationary period are authorized leave with pay in the event of personal illness, bodily injury, quarantine, physical or dental examinations or treatment, and exposure to contagious disease. Sick leave will not be authorized in conjunction with a vacation.

C1. Full-Time Employees

Each full-time employee who has completed a 90-day probationary period is authorized 32 hours of sick leave per year.

C2. Part-Time Employees

Each part-time employee (30-38 hrs. per week) who has completed a 90-day probationary period without absence is authorized for 24 hours of sick leave.

D. Maternity/ Paternity Leave

Maternity leave will be granted to employees upon request. The period of time will be agreed upon at the time such leave is granted and shall begin no later than the time recommended by the attending physician. Maternity leave will be considered as a leave of absence. Such leave will terminate no later than the date upon which the patient is released by the attending physician. Upon returning to the firm, the employee will be rehired in their previous position or in a position of equal pay and status. Notice of the decision to return to work should be given as early as possible. In accordance with the Family Rights Act and Family & Medical leave act, job reinstatement cannot be guaranteed after four-six weeks of leave.

E. Paid Family Leave

Employees who suffer a wage loss in order to care for an ill family member or for the birth or adoption of a new child may qualify for "Paid Family Leave" benefits from the State of California. Please note, this program is administered by the State of California, not by California Energy Designs. The state's Paid Family Leave (PFL) program provides partial wage replacement benefits during an absence for these purposes.

The PFL program does not provide additional leave, job protection or reinstatement rights beyond those provided by our policies or by applicable state or federal law. You apply directly to the state for Paid Family Leave benefits, and application forms are available from our Office Manager. Again, the program is administered by the State, not by California Energy Designs.

V. PAY PRACTICES

California Energy Designs follows a semi-monthly pay schedule with pay distributed on the first business day after the 1st and 15th calendar day of each month.

A. Payroll Deductions

California Energy Designs makes required deductions for Federal withholding (Income tax), State Income tax, Social Security (FICA), Medicare and SDI (State Disability Insurance), court ordered garnishments and child support.

You must authorize in writing any other deductions to be made from your paycheck. Your paycheck stub itemizes all deductions and provides information on your earnings for each pay period and for the year to date, as well as vacation and sick leave balances.

B. Payroll Record Access

In accordance with Labor Code Section 226(b), all current and former employees will have access to their payroll records. All employees are invited to contact Office Management in order to obtain a copy of their payroll records.

C. Overtime

C1. Overtime Exclusions

Employees shall be paid for their hours worked in accordance with all legal requirements. Employees who qualify as "Exempt" are excluded from overtime pay and are not subject to this policy. Non-exempt employees with alternative work-weeks may be excluded from overtime in some instances.

C2. Basic Policy

- All non-exempt employees, except some of those with approved alternative work schedules, qualify for overtime pay. Non-exempt employees are entitled to overtime pay and will be paid at the premium rate of one and one-half times the hourly rate for time worked in excess of 8 hours in one day or over 40 hours weekly, including Saturdays, Sundays and Holidays.
- Double-time will be paid for each hour worked over twelve hours on the same workday; time and one-half is paid for the first eight hours on the seventh consecutive day worked in the same workweek and double-time for all hours after eight on this seventh consecutive workday.
- When business conditions require, employees may be needed to work overtime. When this occurs, the employee's supervisor will make reasonable efforts to provide timely advance notice.
- All overtime worked by a non-exempt employee must be approved in advance by the employee's immediate supervisor.

D. Electronic Fund Transfer

Automatic payroll deposits to checking and/or savings accounts in most banks or credit unions are available. To obtain direct deposit complete an Automatic Payroll Deposit form which can be obtained from the Office Manager.

E. Time Keeping

Accurately recording time worked is the responsibility of every employee. Federal and state laws require California Energy Designs to keep an accurate record of time worked to calculate employee pay and benefits. Employees are required to record their work hours daily with the time they begin and end each work day.

- Completed timesheets should be turned in no later than 4pm on the 15th day and last day of every month. If the 15th day or last day of the month fall on a weekend, timesheets must be turned in the preceding Friday, with pay disbursed by the succeeding Monday.
- Failure to comply with California Energy Designs' timekeeping rules may lead to disciplinary action, including termination.

F. Business Travel and Reimbursement

F1. Short Trip Reimbursement

Short Trips are considered those to sites, client meetings, permit offices, and the like. When traveling from California Energy Designs to another point during the work day, all time is to be compensated and considered in calculating overtime, if the position is not classified as overtime exempt. Additionally, the employee must still count the normal meal period during this time.

Expenses incurred by an employee for work purposes are reimbursed only in accordance with established California Energy Design's policy. This requires approval by an appropriate supervisor who does not have a personal or financial interest in the decision. California Energy Designs may reimburse employees prior to review and approval by the responsible supervisor, but upon review, any disallowed expenses shall be reimbursed to California Energy Designs by the person who initially received the reimbursement.



Occasional Site-Visits and Plan Check Visits May Be Required

V1. EMPLOYEE BENEFITS

Full-time exempt and non-exempt employees who have completed a 90 day probationary period are eligible for the benefits described in the succeeding sections.

A. Medical, Dental, Vision

- The company carries group health insurance for all full-time employees under Universal Care. The company also carries vision discounts through California Choice and dental discounts through Smile Saver.
- Spouses are eligible for the above described employee-sponsored insurance coverage.
- Dependents under the age of 26 are eligible for the above described employee-sponsored insurance coverage.
- California Energy Designs pays the full amount of these insurance premiums for the employee. Co-payments for doctors visits and prescriptions are the responsibility of the employee and will not be paid by California Energy Designs.

B. Retirement

California Energy Designs is now offering a retirement savings plan that helps meet individual employee retirement goals. The Fidelity SIMPLE-IRA Plan provides you with a tax-advantaged way to save for retirement. The Company will help you save for retirement by contributing to your SIMPLE-IRA.

The maximum you can contribute per year is \$10,000. If you are at least age 50 you can contribute \$12,000 per year. The Company will provide matching funds, dollar for dollar, up to 3% of your salary.

C. Workers' Compensation

As required by law, the company provides workers' compensation benefits for the protection of employees with work-related injuries or illnesses. Workers' compensation insurance provides coverage to employees who experience job-related injuries or illnesses.

The Company's workers compensation insurance is brokered by Secure Net.

If an employee is injured or becomes ill as a result of his/her job, it is the employee's responsibility to immediately notify a supervisor of their injury in order to receive benefits. Report every illness or injury to a supervisor, regardless of how minor it appears. The company will advise the employee of the procedure for submitting a workers' compensation claim.

If necessary, injured employees will be referred to a medical care facility. Employees should retain all paperwork provided to them by the medical facility. Failure to report a work-related illness or injury promptly could result in denial of benefits. An employee's report should contain as many details as possible, including the date, time, description of the illness or injury, and the names of any witnesses.

A separate insurance company administers the workers' compensation insurance. Representatives of this company may contact injured employees regarding their benefits under the plan. Additional information regarding workers' compensation is available from Office Management.

D. Educational Assistance

On an individual/circumstantial basis and at the discretion of California Energy Designs' Leadership, The Company does offer educational assistance to those desiring to further their education in the fields of Leed Energy Application and/ or Revit usage. If you are interested in educational assistance, please notify your Supervisor. Not all requests for educational assistance will be granted.

VII. WORKPLACE SAFETY

The company takes every reasonable precaution to ensure that employees have a safe working environment. Safety measures and rules are in place for the protection of all employees. Ultimately, it is the responsibility of each employee to help prevent accidents.

Employees should use all safety and protective equipment provided to them, and maintain work areas in a safe and orderly manner, free from hazardous conditions. Employees who observe an unsafe practice or condition should report it to a supervisor or Office Management immediately.

Employees are prohibited from making threats against anyone in connection with his/her work or engaging in violent activities while in the employ of the company. Any questions regarding safety and safe practices should be directed to Office Management.

In the event of an accident, employees must notify a supervisor immediately. Report every injury, regardless of how minor, to a supervisor immediately.

Physical discomfort caused by repetitive tasks must also be reported. For more information about on the job injuries, refer to the workers' compensation section of this handbook.

Employees should recognize any potential fire hazards and be aware of fire escape routes and fire extinguisher locations. Do not block fire exits, tamper with fire extinguishers or otherwise create fire hazards.

A. Cameras and Surveillance

Please be advised that there are security cameras placed throughout the office and outside the building. Placement of cameras shall only be considered for the security and safety of employees and customers or for legally mandated reasons. Cameras shall never be placed in areas where privacy would normally be expected, such as the restroom or any other areas deemed private. Camera placement must take into consideration any confidential material that could be visible.

B. Emergency Evacuation

In the event of an emergency, dial 911 immediately. If you hear a fire alarm or other emergency alert system, proceed quickly and calmly to the nearest exit. Once the building has been evacuated, only a Supervisor may authorize employees to reenter.



C. Sexual Harassment

C1. Policy Overview

It is the policy of California Energy Designs to maintain an environment for employees that is free of sexual harassment and all forms of sexual intimidation and exploitation. All members of California Energy Designs should be aware that the organization is concerned with sexual harassment and is prepared to take action to prevent and correct such behavior. Individuals who engage in such behavior are subject to discipline, up to and including termination.

Information concerning an allegation of sexual harassment will be handled as confidentially as possible. Any employee or agent of California Energy Designs who receives a complaint of sexual harassment or who otherwise learns of the occurrence of sexual harassment has the responsibility to take prompt steps to report the situation and ensure that the matter is addressed, even if the complainant refuses to be identified.

Office Management and/ or qualified personnel, will investigate all complaints. California Energy Designs will not tolerate any retaliation against any employee who reports, complains about, or participates in an investigation regarding a complaint of harassment, even if that complaint is ultimately determined to be unfounded. Any such retaliatory conduct will result in discipline, up to and including termination. Any employee, however, who makes a false claim of sexual harassment with malice or reckless disregard for the truth, will be subject to discipline up to and including termination.

C2. Definition of Sexual Harassment

Sexual harassment is defined as unwelcome, unsolicited verbal, physical or sexual conduct: (1) where submission is made an explicit or implicit term or condition of an individual's employment, status or progress; (2) where submission or rejection of such conduct is used as the basis for making employment decisions or other decisions affecting the individual; or (3) conduct which has the purpose or effect of substantially interfering with the individual's job or other performance or which creates an intimidating, hostile or offensive work or educational environment. Sexual harassment does not refer to occasional compliments or other generally accepted social behavior. It refers to conduct which is offensive, not welcomed by those to whom it is directed and inappropriate to the work environment.

Examples of sexual harassment include:

- Offering employment benefits in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances;
- Offensive sexual or gender-related verbal "kidding," derogatory jokes, comments or abuse; unwelcome sexual overtures;
- Pressure or demand for sexual activity, including continuing to express personal interest after such interest has not been affirmatively reciprocated/welcomed, when the initiator of such activity is in a position of power with respect to the recipient of the conduct;
- Offensive or unwanted physical contact, including inappropriate touching, patting, pinching, kissing, brushing against another's body or otherwise invading the "space" normally afforded one's colleagues, or co-workers in a work environment;
- Comments about an individual's body, whether or not intended to be complimentary;
- Visual displays of suggestive, erotic or degrading sexually-oriented images;
- Retaliation for reporting or threatening to report sexual harassment.

D. Reporting Harassment, Discrimination, Retaliation

California Energy Designs will promptly investigate all reports of prohibited discrimination, harassment or retaliation, that are brought to its attention. The investigation will be conducted by qualified personnel in as confidential manner as is practical and appropriate under the circumstances, recognizing that some disclosure will be necessary to effectively investigate the complaint.

The investigation process will give persons accused of prohibited conduct notice of the nature of the allegations and a meaningful opportunity to respond. All individuals, including managers and supervisors, have a duty to cooperate in California Energy Designs' investigation of workplace misconduct. Investigations will be documented and tracked to ensure that reasonable progress is made and timely closure achieved. Upon completing its investigation, California Energy Designs will make findings and conclusions based on the evidence. If it determines that misconduct has occurred, the Company will take appropriate remedial action.

Individuals found to have violated company policy will be appropriately disciplined. Discipline may range from a verbal or written warning, to suspension or demotion, up to and including termination of employment. California Energy Designs will communicate its findings and intended actions to the individual complainant and to the person accused of misconduct.

Failing to cooperate or providing false information during an investigation, or retaliating against any individual who has made a report or otherwise participated in an investigation under this policy, will result in disciplinary action, up to and including termination.

E. Visitors

Inform Office Management promptly if you are expecting any visitors. Provide Management with the names of each visitor, associated company (if applicable), their reason for visit, and the time at which you are expecting them.

This policy protects California Energy Designs from any unwanted intrusions and also reflects our dedication to creating a safe working environment.



VIII. LEAVING THE COMPANY

A. Resignation

A resignation is a voluntary statement from an employee who wishes to terminate one or all of his/her assignments. An employee who wants to leave in good standing will give his or her supervisor at least two weeks (10 working days) written notice for a voluntary termination.

B. Termination

Employment with the company is on an at-will basis and may be terminated voluntarily or involuntarily at any time. Upon termination, an employee is required to:

- Continue to work until the last scheduled day of employment;
- Turn in all reports and paperwork required to be completed by the employee when due and no later than the last day of work;
- Return all files, documents, equipment, keys, access cards, software or other property belonging to the company that are in the employee's possession, custody or control, and turn in all passwords to his/her supervisor;
- Participate in an exit interview as requested by your Supervisor.

X. RECEIPT FORM

I, _____ (print) have received my copy of the Employee Handbook. The employee handbook describes important information about California Energy Designs (CED). I understand that the Employee Handbook contains only general guidelines and information. It is not intended to address all possible applications of, or exceptions to, the general policies and procedures described. I understand the procedures, policies and benefits described here may be modified or discontinued from time to time. It is my responsibility to stay current on company policies and procedures. Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document.

I have entered into my employment relationship with California Energy Designs voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or CED can terminate the relationship at will, with or without cause, at any time, so long as there is not violation of applicable federal or state law.

This manual and the policies and procedures contained herein supersede any and all prior practices, oral or written representations, or statements regarding the terms and conditions of your employment with CED. By distributing this handbook, the Company expressly revokes any and all previous policies and procedures which are inconsistent with those contained herein.

I understand that, except for employment at-will status, any and all policies and practices may be changed at any time by CED, and the company reserves the right to change my hours, wages and working conditions at any time. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the President of CED has the ability to adopt any revisions to the policies in this handbook.

I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

Employee's Signature

Employee's Name (Print)

Date



CALIFORNIA ENERGY DESIGNS
2018 REVISED HANDBOOK