



2989 ENTERPRISE ROAD
STE A
DEBARY, FL 32713

Employee Manual

2025

Welcome to Ace Air Conditioning & Electrical!

Dear Employee,

We're very happy to welcome you to Ace Air Conditioning & Electrical (Ace). We want you to feel that your association with ACE will be a mutually beneficial and pleasant one.

Ace was founded in 1979 in Debary, FL, as a family-owned business dedicated to providing top-notch residential HVAC installations and services across Central Florida. With a foundation built on hard work and an unwavering commitment to customer satisfaction, Ace has grown significantly while maintaining our strong focus on serving our Central Florida clients.

In 2002, we expanded our capabilities by launching our New Construction Division, which today operates in multiple states. This expansion has established Ace as one of the most sought-after and experienced mechanical contractors in the industry. Our specialty lies in restaurants and hotels, where we consistently excel and are recognized for our expertise.

In 2011, we further diversified by adding an Electrical Division, which now serves residential and new construction electrical contracts throughout Central Florida. Collectively, we conduct business in over 48 states, sustaining strong relationships with hundreds of clients and vendors.

Our continued success is a direct result of our dedicated employees, who embody our Company's core values every day. At Ace, we value Honesty & Integrity, a Winning Attitude, Collaboration & Teamwork, and Engagement & Commitment—principles that guide our practices and decision-making in every aspect of our operations.

1. Honesty & Integrity

We value transparency and integrity by communicating clear expectations in every interaction. We provide our customers with straightforward answers, all available options, and transparent pricing, enabling them to make the best decisions. For our employees, we clearly articulate company goals and provide honest feedback on their performance. We uphold the highest standards by doing the right thing, making sound decisions, and maintaining accountability for our actions. We fulfill our commitments without cutting corners, ensuring that both our service and work reflect our integrity.

2. A Winning Attitude with a Hunger for Achievement

We value a winning attitude by embracing change, new ideas, and innovation in how we provide services and perform our jobs. Our employees are open to and actively seek new opportunities that drive business profitability and continuous improvement. We take pride in our work, always striving for excellence and exceeding expectations. A winning attitude also means focusing on personal and professional development to ensure satisfaction and growth for both ourselves and our customers.

3. Collaboration & Teamwork

We value collaboration and teamwork by connecting with each other, our customers, and the communities we serve. Working together to achieve our goals is key to our success. We listen, seek opportunities to assist, and go beyond our responsibilities to support one another. We aim

to create a culture where every team member understands the big picture and contributes to delivering excellent service, leaving a positive impression in everything we do.

4. Engagement & Commitment

We value engagement and commitment by fostering a culture of involvement at every level. Our employees are dedicated to the company's mission and demonstrate this through their proactive approach to work and commitment to our values. Engaging with our customers and communities is essential to our success. We ensure that everyone is aligned with our goals and motivated to contribute their best, creating an environment where commitment is reflected in every action and decision.

You have joined an established organization that has an outstanding reputation for quality products and services. We hope you find satisfaction and take pride in your work here.

Sincerely,

Sott Palmateer
President

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You're Part of Our Team...

The only things we require for employment, compensation, advancement, and benefits are performance and a good team attitude. As a member of Ace's team, you will be expected to perform your job, contribute your talents, time, and uphold our company values. Our mission is to:

Provide Essential Services with excellent results while building relationships.

Ace is "at will." No one will be denied opportunities or benefits on the basis of age, sex (including gender identity, sexual orientation, and pregnancy), color, race, creed, national origin, religious persuasion, marital status, political belief, or disability that does not prohibit performance of essential job functions; nor will anyone receive special treatment for those reasons.

Your Various Benefits With Ace Air Conditioning

You may not have thought about it, but the value of your benefits amounts to a considerable sum each year in addition to the wages or salary you earn.

These are just some of the benefits Ace provides for eligible employees each year:

- Company Events or Outings
- Dental Insurance
- Education Assistance
- Employee Purchases (Discounts on Company Merchandise/Services)
- Bereavement Leave
- Medical Insurance
- Paid Holidays
- Paid Vacation Days
- Paid Personal Days
- FMLA
- Personal Leave of Absence
- Profit Sharing 401K Plan
- Service Awards
- Supplemental Insurances
- Social Security
- Unemployment Compensation Insurance
- Workers' Compensation Insurance

What You Can Expect From Ace Air Conditioning

Ace's established employee relations position is to:

1. Operate an economically successful business so that a consistent level of steady work is available.
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex (including gender identity, sexual orientation, and pregnancy), color, race, creed, national origin, religious persuasion, marital status, political belief, or disability that does not prohibit performance of essential job functions.
3. Pay all employees according to their effort and contribution to the success of our business.
4. Review wages, employee benefits and working conditions constantly with the objective of providing maximum benefits in these areas, consistent with sound business practices and market industry.
5. Provide paid vacations and holidays to all eligible employees.
6. Provide eligible employees with medical, disability, retirement and other benefits.
7. Dedicate ourselves to "Total Quality" & "Constant and Never-ending Improvement."
8. Develop competent people who understand and meet our objectives, and who accept with open minds the ideas, suggestions and constructive criticisms of fellow employees.
9. Assure employees, after talking with their manager, an opportunity to discuss any problem with officers of Ace Air Conditioning.
10. Make prompt and fair adjustment of any complaints which may arise in the everyday conduct of our business, to the extent that is practicable.
11. Respect individual rights and treat all employees with courtesy and consideration.
12. Maintain mutual respect in our working relationship.
13. Provide buildings and offices that are attractive, comfortable, orderly and safe.
14. Promote employees based on their ability and merit.
15. Make promotions or fill vacancies from within Ace whenever possible.
16. Keep all employees informed of the progress of Ace Air Conditioning, as well as the company's overall aims and objectives.
17. Do all these things in a spirit of friendliness and cooperation so that Ace will continue to be known as "a great place to work!"

What Ace Expects From You

Your first responsibility is to know your own duties and how to do them promptly, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow employees and maintain a good team attitude. How you interact with fellow employees and those whom Ace serves, and how you accept direction can affect the success of your department. In turn, the performance of one department can impact the entire service offered by Ace Air Conditioning. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability. The result will be better performance for the company overall, and personal satisfaction for you.

You are encouraged to grasp opportunities for personal development that are offered to you. This manual offers insight on how you can positively perform to the best of your ability to meet and exceed Ace expectations.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making Ace a company where you can approach your manager, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of Ace. (Please look at the section describing the submission of Suggestions.) We're all human, so please communicate with each other and with management.

Remember, you help create the healthful, pleasant and safe working conditions that Ace intends for you. Your dignity and that of fellow employees, as well as that of our customers, is important.

Ace needs your help in making each working day enjoyable and rewarding.

Purpose of This Manual

This Manual has been prepared to inform you about Ace's history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued employee and the conduct expected from you.

The policies in this manual are to be considered as guidelines. Ace, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Manual at any time without prior notice. Any such action shall apply to existing as well as future employees with continued employment being the consideration between the employer and employee. No one other than the President of Ace may alter or modify any of the policies in this Manual. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an employee. When provisions are changed, you will be given replacement pages for those that have become outdated.

No employee manual can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is in our person-to-person conversations that we can better know each other, express our views, and work together in a harmonious relationship.

Should any provision in this Employee Manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Manual, but only the subject provision.

We hope this Manual will help you feel comfortable with us. We depend on you – your success is our success. Please don't hesitate to ask questions. Your manager will gladly answer them. We believe you will enjoy your work and your fellow employees here. We also believe you will find Ace a good place to work.

We ask that you read this Manual carefully and refer to it whenever questions arise. This manual replaces (supersedes) all other previous manuals for Ace as of August 19, 2024.

Section 1 - Employment

Personnel Administration

Your Personnel File

Employment Classifications

Full-Time Employees

Part-Time Employees

Temporary Employees

"Non-Exempt" and "Exempt" Employees

Employment Policies

Anniversary Date

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Security Checks

Spouse Accepts Employment From a Competitor

Spouse Works For a Competitor

We Need Your Ideas

Standards of Conduct

Unacceptable Activities

Disciplinary Actions

Dismissal

Personnel Administration

The task of handling personnel records and related personnel administration functions at Ace has been assigned to the Human Resource (HR) Department. Questions regarding insurance, wages, and interpretation of policies may be directed to both your immediate manager and the HR Department.

Your Personnel File

Keeping your personnel file up to date can be important to you about pay, deductions, benefits and other matters. If you have a change in any of the following items, please be sure to notify your manager or HR Department as soon as possible:

1. Legal name
2. Home address
3. Home telephone number
4. Person to call in case of emergency
5. Number of dependents
6. Marital status
7. Change of beneficiary
8. Driving record or status of driver's license, if you operate any Ace vehicles
9. Military or draft status
10. Exemptions on your W-4 tax form

Coverage or benefits that you and your family may receive under Ace's benefits package could be negatively affected if the information in your personnel file is incorrect.

Since Ace refers to your personnel file when we need to make decisions in connection with promotions, transfers, layoffs and recalls, it's to your benefit to be sure your personnel file includes information about completion of educational or training courses, outside civic activities, and areas of interest and skills that may not be part of your current position here.

You may see information which is kept in your own personnel file if you wish, and you may request and receive copies of all documents you have signed. Please ask your manager to make arrangements for you with the HR Department.

Employment Classifications

Full-Time Employees

At the time you are hired, you are classified as either full-time, part-time or temporary and are also told whether you qualify for overtime pay. Unless otherwise specified, the benefits described in this Manual apply only to full-time employees. All other policies described in this Manual and communicated by Ace apply to all employees, except for certain wage, salary and time off limitations applying only to "non-exempt" (see the definition that follows) employees. If you are unsure of which job classification your position fits into, please ask your manager.

An employee who has successfully completed the Introductory Period (see the Employment Policies section for definition) of employment and who works at least thirty (30) hours per week is considered a full-time employee.

If you were a full-time employee and were laid off, you will be considered a full-time employee upon return to work, if you were not on layoff for longer than one (1) year.

If you were a full-time employee and have been on an approved leave of absence, upon return you will be considered a full-time employee, provided you return to work as agreed in the provisions of your leave.

Part-Time Employees

An employee who works less than a regular thirty (30) hour work week is considered a part-time employee. If you are a part-time employee, please understand that you are not eligible for benefits described in this Manual, except as granted on occasion, or to the extent required by provision of state and federal laws.

Temporary Employees

From time to time, Ace may hire employees for specific periods of time or for the completion of a specific project. An employee hired under these conditions will be considered a temporary employee. The job assignment, work schedule and duration of the position will be determined on an individual basis.

Normally, a temporary position will not exceed six (6) months in duration, unless specifically extended by a written agreement. Summer employees are considered temporary employees.

If you are a temporary employee, please understand that you are not eligible for benefits described in this Manual, except as granted on occasion, or to the extent required by provision of state and federal laws. Those temporary employees classified as "non-exempt" (see the definition that follows) who work more than forty (40) hours during any work week will receive overtime pay.

"Non-Exempt" and "Exempt" Employees

At the time you are hired, all employees are classified as either "exempt" or "non-exempt." This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of forty hours (40) per work week. These employees are referred to as "non-exempt" in this Manual. This means that they are not exempt from (and therefore should receive) overtime pay.

Note: See "Wage & Salary Policies" in the "Compensation & Performance" section of this Manual for a full description of overtime payment policies.

Exempt employees are managers, executives, managers, professional staff, technical staff, outside sales representatives, officers, directors, owners and others whose duties and responsibilities allow them to be "exempt" from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred or promoted.

Employment Policies

Anniversary Date

The first day you report to work is your "official" anniversary date. Your anniversary date is used to compute various conditions and benefits described in this Manual.

Aptitude & Ability Tests

Ace reserves the right to use aptitude and ability tests to determine applicant qualifications before offering a position to an individual. If you have a disability which will affect your ability to take such a test, it is important that you advise a Company representative of this so that a reasonable accommodation can be arranged. Requested accommodations may include accessible testing sites, modified testing conditions, and accessible testing formats. Ace reserves the right to require medical documentation concerning the need for the accommodation.

At Will Employment

All employment and compensation with Ace is "at will" which means that your employment can be terminated with or without cause, and with or without notice, at any time, at the option of either Ace or yourself, except as otherwise provided by law.

Business Hours

Our regular operating hours are 8 AM to 5 PM Monday through Friday. It may however become necessary to work extended hours based on the daily customer workload. Most employees are assigned to work a forty (40) hour work week. Every schedule includes a built-in lunch break, either 1 hour or ½ hour, which you are required to take. Please note that working through lunch to arrive late, leave early, or work extra time is not permitted.

Confidential Information

Our customers and suppliers entrust Ace with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, Ace earns the respect and further trust of our customers and suppliers.

Your employment with Ace assumes an obligation to maintain confidentiality, even after you leave our employment.

Any violation of confidentiality seriously injures Ace's reputation and effectiveness. Therefore, please do not discuss Ace business with anyone who does not work for us, and never discuss business transactions with anyone who does not have a direct association with the transaction. Even casual remarks can be misinterpreted and repeated, so develop

the personal discipline necessary to maintain confidentiality. If you hear, see or become aware of anyone else breaking this trust, consider what they might do with information they get from you.

If you are questioned by someone outside the company or your department and you are concerned about the appropriateness of giving them certain information, remember that you are not required to answer, and that we do not wish you to do so. Instead, as politely as possible, refer the request to your manager or to the President.

No one is permitted to remove or make copies of any Ace records, reports or documents without prior management approval.

Because of its seriousness, disclosure of confidential information could lead to dismissal.

As an employee of Ace, you have access to personal and confidential information. All Ace business must be kept strictly confidential. You may be required to sign a Confidential Information Agreement to this effect.

Background Investigation

Following the requirements imposed by the Federal Truth-In-Lending and the Fair Credit Reporting Acts, Ace may conduct a pre-employment background check on all applicants who are offered and who accept an offer of employment. Your employment with us may be conditional upon our review of the information in the background check. Ace reserves the right to conduct this credit check at any time after you have been employed. Remember, you have certain legal rights to discover and to dispute or explain any information prepared by the background checking company.

Customer Relations

The success of Ace depends upon the quality of the relationships between Ace Air Conditioning, our employees, our customers, our suppliers and the general public. Our customers' impression of Ace and their interest and willingness to purchase from us is greatly formed by the people who serve them. In a sense, regardless of your position, you are Ace's ambassador. The more goodwill you promote, the more our customers will respect and appreciate you, Ace and Ace's products and services.

1. Act competently and deal with customers in a courteous and respectful manner, reflecting our commitment to honesty and integrity.
2. Always communicate pleasantly and respectfully with other employees, fostering collaboration and teamwork.
3. Follow up on orders and questions promptly, provide businesslike replies, and perform duties in an orderly manner, demonstrating engagement and commitment.
4. Take great pride in your work and strive to do your very best, embodying a winning attitude.

These are the building blocks for your and Ace's continued success. Thank you for adding your support.

Driver's License & Driving Record

Employees whose work requires operation of a motor vehicle must present and maintain a valid driver's license and a driving record acceptable to our insurer. You will be asked to submit a copy of your driving record to Ace from time to time. Any changes in your driving record must be reported to the personnel department immediately. Failure to do so may result in disciplinary action, including possible dismissal.

Note: See "Traffic Violations" and "Use of Company Vehicle" in the "Other Policies" section of this Manual for further information.

Equal Employment Opportunity

Ace has a long-standing record of nondiscrimination in employment and opportunity because of race, color, religion, creed, national origin, ancestry, disability, sex or age.

It is the policy of Ace to:

- * Strictly follow personnel procedures that will ensure equal opportunity for all people without regard to race, color, religion, creed, national origin, sex (including gender identity, sexual orientation, and pregnancy), age, ancestry, marital status, disability, veteran or draft status;
- * Comply with all the relevant and applicable provisions of the Americans with Disabilities Act ("ADA"). Ace will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability.
- * Make reasonable accommodations wherever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the duties and assignments connected with the job and provided that any accommodations made do not require significant difficulty or expense.
- * Achieve understanding and acceptance of Ace's policy on Equal Employment Opportunity by all employees and by the communities in which the company operates;
- * Thoroughly investigate instances of alleged discrimination and take corrective action if warranted;
- * Be continually alert to identify and correct any practices by individuals that are at variance with the intent of the Equal Employment Opportunity Policy.

At this time, Ace would like to reaffirm this policy and call upon all personnel to effectively pursue the policy as stated.

Note: Throughout this Employee Manual, masculine pronouns such as he, his, or him shall be construed to include both sexes.

Former Employees

Depending on the circumstances, Ace may consider a former employee for re-employment. Hiring of a former employee is highly dependent upon the circumstances of that employee's previous departure from the company. Such applicants are subject to Ace's usual pre-employment procedures. To be considered, an applicant must have been in good standing at the time of their previous termination of employment with Ace and must have provided at least two weeks advance notice of their intention to terminate their employment with Ace Air Conditioning.

Reinstatement of Benefits (Bridging)

In the event you return to work for Ace Air Conditioning, regardless of the length of your previous employment and length of time since you terminated your employment with Ace, your benefits shall accrue as if you were a new/first-time Ace employee.

Harassment Policy

Ace intends to provide a work environment that is pleasant, healthful, comfortable, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort - verbal, physical, visual - will not be tolerated.

What Is Harassment?

Harassment can take many forms. It may be, but is not limited to words, signs, jokes, pranks, intimidation, physical contact, or violence. Harassment is not necessarily sexual in nature.

Sexually harassing conduct may include unwelcome sexual advances, requests for sexual favors, or any other verbal or physical contact of a sexual nature that prevents an individual from effectively performing the duties of their position or creates an intimidating, hostile or offensive working environment, or when such conduct is made a condition of employment or compensation, either implicitly or explicitly.

Responsibility

All Ace employees, and particularly managers, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate manager or any management representative with whom they feel comfortable. When management becomes aware that harassment might exist, it is obligated by law to take prompt and appropriate action, whether the victim wants the company to do so or not.

Reporting

Any incidents of harassment must be immediately reported to a manager or other management representative. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone

involved. Any employee found to have harassed a fellow employee or subordinate will be subject to severe disciplinary action or possible discharge. Ace will also take any additional action necessary to appropriately remedy the situation. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

Ace accepts no liability for harassment of one employee by another employee. The individual who makes unwelcome advances, threatens or in any way harasses another employee is personally liable for such actions and their consequences. Ace will not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

Health Examinations

Ace reserves the right to require an employee to participate in a health examination to determine the employee's fitness to perform his/her essential job functions. All such health exams shall be paid for by the company.

How You Were Selected

We carefully select our employees through written application, personal interview and reference checks. After all available information was carefully considered and evaluated, you were selected to become a member of our team.

This careful selection process helps Ace to find and employ people who are concerned with their own personal success and the success of Ace Air Conditioning; people who want to do a job well and who can carry on their work with skill and ability; and people who are comfortable with Ace and who can work well with our team.

Introductory Period

Your first ninety (90) days of employment at Ace are considered an Introductory Period, and during that period you will not accrue benefits described in this Manual unless otherwise required by law. This Introductory Period will be a time to get to know your fellow employees, your manager and the tasks involved in your job position, as well as becoming familiar with Ace's products and services. Your manager will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a try-out time for both you, as an employee, and Ace, as an employer. During this Introductory Period, Ace will evaluate your suitability for employment, and you can evaluate Ace as well. At any time during this first ninety (90) days, you may resign without any detriment to your record. If, during this period, your work habits, attitude, attendance or performance do not measure up to our standards, we may release you. If you take approved time off in excess of five workdays during the Introductory Period, the Introductory Period may be extended by that length of time.

At the end of the Introductory Period, your manager will discuss your job performance with you. This review will be much the same as the normal job performance review that is held for regular full-time or part-time employees on a semi-annual basis. During the discussion, you are encouraged to give your comments and ideas as well.

Please understand that completion of the Introductory Period does not guarantee continued employment for any specified period, nor does it require that an employee be discharged only for "cause."

A former employee who has been rehired after a separation from Ace of more than one (1) year is considered an introductory employee during their first ninety (90) days following rehire.

Job Descriptions

We maintain a job description for each position in Ace Air Conditioning. When your duties and responsibilities are changed, your job description will be updated. If you wish to see your job description, please ask your manager or the HR Department.

Each new employee will be shown their job description upon commencement of work at Ace Air Conditioning. These statements clearly list each employees' responsibilities and objectives for their position. The Job Position Statement lists the criteria considered for performance evaluations, which in turn are used for promotions and increases in wages and benefits.

Knowledge of Ace Air Conditioning

After having learned to competently perform your own duties, your next step is to familiarize yourself with other Ace activities. This can prove valuable to you, our customers and Ace as well. Ace may provide additional "cross-training."

Knowledge of the services and products of Ace will help you avoid the "I don't know" syndrome. Our customers' confidence in you increases as you are able to answer their basic questions. However, please don't pretend you know the answer or try to guess the answer when you are uncertain. If you are unsure of the correct information, refer the inquiry to your manager, or to a person more qualified to respond.

Non-Compete Agreement

Certain employees, including but not limited to executives, managers, outside/field salespeople, and others in key positions, may be required to sign a Non-Compete Agreement as a condition of employment. This agreement is carefully crafted by our attorneys to comply with applicable state and federal laws, ensuring that it is reasonable in scope, duration, and geographic area. The Non-Compete Agreement is intended to protect the company's legitimate business interests without unduly restricting the employee's future employment opportunities. Employees will be provided with sufficient time to review the agreement before signing.

Outside Employment

What you do on your free time is your own business. However, if you are employed by Ace in a full-time position, Ace will expect that your position here is your primary employment. Any outside activity must not interfere with your ability to properly perform your job duties at Ace Air Conditioning.

If you are thinking of taking on a second job, it would be wise to notify your manager immediately. He or she will thoroughly discuss this opportunity with you to make sure that it will not interfere with your job at Ace nor pose a conflict of interest.

Proof of U.S. Citizenship and/or Right to Work

Our company participates in E-Verify, a program that verifies the proof of U.S. citizenship and/or the right to work. In compliance with federal regulations, all applicants must complete and sign the Federal Form I-9, Employment Eligibility Verification Form, before beginning employment. Additionally, all hired applicants are required to present documents that verify their identity and eligibility to work in the United States.

Relatives

If you and members of your immediate family are employed by Ace, one may not supervise the other nor may they work in the same department. If the employees are unable to develop a workable solution, the President of Ace will decide which employee may be transferred in such situations. For purposes of this section, your immediate family includes your spouse, and yours and/or your spouse's: children, siblings, parents, and grandparents.

Should two present employees that work together or supervise each other enter a personal, non-work-related relationship, one or both employees may have to be transferred.

Employees working in the HR Department may not be related or enter a romantic relationship with any employee of Ace.

Salesperson Agreement

When you are hired in or promoted to the position of salesperson, you will be asked to sign an agreement that cites certain terms and conditions regarding your position as a salesperson. The purpose of this agreement, among other things, is to clearly establish the terms for commission payment, territory assignment, etc.

Security Checks

Ace may exercise its right to inspect all packages and parcels entering and leaving our premises.

Spouse Accepts Employment From a Competitor

Should your spouse accept employment with a competitor firm, Ace reserves the right to terminate your employment with us.

Spouse Works For a Competitor

Should your spouse be employed with a competitor firm, Ace reserves the right not to hire you or to terminate your employment with us.

We Need Your Ideas

Ask any of our employees who have worked with us for a long time and they will probably tell you of the many changes and improvements that have come about in their departments since they first joined us. We believe the person doing a job is in the best position to think of ways of doing it more easily, more efficiently, and more effectively. If you think of a better way of doing your job or the job of a fellow employee, discuss it with your manager, who will welcome your suggestions and ideas.

Note: See "Suggestions" in the "Other Policies" section of this Manual for specific instructions on submitting suggestions.

Remember, there may be areas in Ace's operation that can be improved. These could be in service, production methods, equipment, communications, safety, ways to reduce costs, losses, and/or waste, or other improvements you may see a need for. Please give us the benefit of your unique experience and thoughts. Your contributions, as well as those of others, could expand your profit-sharing 401K! Also, make sure to document your innovations and money-saving efforts and have them placed in your personnel file (include dates, detailed descriptions of your contributions, estimates from the accounting department regarding cost savings or profits generated, etc.) – these may favorably affect your wage, salary or promotion reviews.

Standards of Conduct

Whenever people gather to achieve goals, some rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. Some people have problems with "rules" and "authority figures," and past experience may have justified these thoughts and feelings; however, at Ace Air Conditioning, we hold ourselves to a high standard of quality where the rules and authority figures simply assure that quality is maintained.

By accepting employment with us, you have a responsibility to Ace and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend upon fellow workers to follow the rules of conduct, then our organization will be a better place to work for everyone.

Unacceptable Activities

We always expect each person to act in a mature and responsible way. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. Your avoidance of these activities will be to your benefit as well as the benefit of Ace Air Conditioning. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please see your manager for an explanation.

Occurrences of any of the following activities and violations are subject to disciplinary action and because of their seriousness, may result in immediate dismissal without warning. This list is not all-inclusive, and, notwithstanding this list, all employees remain employed "at will."

- * Willful violation of any company rule; any deliberate action that is extreme in nature and is obviously detrimental to Ace's efforts to operate profitably.
- * Willful violation of security or safety rules or failure to observe safety rules or Ace safety practices; failure to wear required safety equipment; tampering with Ace equipment or safety equipment.
- * Negligence or any careless action which endangers the life or safety of another person.
- * Being intoxicated or under the influence of controlled substance drugs while at work; use or possession or sale of controlled substance drugs in any quantity while on company premises except medications prescribed by a physician which do not impair work performance.
- * Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
- * Engaging in criminal conduct or acts of violence or making threats of violence toward anyone on company premises or when representing Ace Air Conditioning; fighting, or horseplay or provoking a fight on company property, or negligent damage of property.

- * Insubordination or refusing to obey instructions properly issued by your manager pertaining to your work; refusal to help on a special assignment.
- * Threatening, intimidating or coercing fellow employees on or off the premises – at any time, for any purpose.
- * Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of company property, or the property of fellow employees, customers, suppliers, or visitors in any manner.
- * Theft of company property or the property of fellow employees; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.
- * Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by Ace Air Conditioning; alteration of company records or other company documents.
- * Violating the non-disclosure agreement; giving confidential or proprietary Ace information to competitors or other organizations or to unauthorized Ace employees; working for a competing business while an Ace employee; breach of confidentiality of personnel information.
- * Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another employee on the job; willfully restricting work output or encouraging others to do the same.
- * Immoral conduct or indecency on company property.
- * Conducting a lottery or gambling on company premises.
- * Any act of harassment, sexual, racial or other; telling sexist or racial-type jokes; making racial or ethnic slurs.
- * Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your manager; mistakes due to carelessness or failure to get necessary instructions.
- * Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of your manager; stopping work before time specified for such purposes.
- * Sleeping on the job; loitering or loafing during working hours.
- * Excessive use of company telephone for personal calls.
- * Leaving your workstation during your work hours without the permission of your manager, except to use the rest room.
- * Smoking & Vaping while on company property.
- * Creating or contributing to unsanitary conditions.
- * Posting, removing or altering notices on any bulletin board on company property without permission of an officer of Ace Air Conditioning.
- * Failure to report an absence or late arrival; excessive absence or lateness.
- * Filling your own order or invoicing or ringing up your own order.
- * Buying company merchandise for resale.
- * Obscene or abusive language toward any manager, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on company premises.
- * Speeding or careless driving of machinery or any other company vehicles.
- * Failure to immediately report damage to, or an accident involving company equipment.

- * Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on company premises.
- * Failure to maintain a neat and clean appearance in terms of the standards established by your manager; any departure from accepted conventional modes of dress or personal grooming; wearing improper or unsafe clothing.
- * Failure to use your timecard; alteration of your own timecard or records or attendance documents; punching or altering another employee's timecard or records or causing someone to alter your timecard or records.

Disciplinary Actions

Unacceptable behavior that does not lead to immediate dismissal may be addressed as follows:

1. 1st Warning; Verbal or Written
2. Final Warning
3. Dismissal

Written Warnings will include the reasons for dissatisfaction and any supporting evidence. You will have the opportunity to defend your actions when the warning is issued. Disciplinary actions may also include fines, suspensions, or other appropriate measures.

All relevant facts will be reviewed carefully, and you will have a full opportunity to explain your conduct before a decision is made. A second opinion from the President or another senior management member will be obtained before dismissal.

Note: These disciplinary steps do not apply to employees within the probationary period, and no warnings need to be issued during this time or prior to dismissal.

Dismissal

Employment with Ace Air Conditioning is "at will," meaning it can be terminated by either party, at any time, with or without cause or notice, except as provided by law.

If your performance is unsatisfactory due to lack of ability, rule violations, or failure to meet job requirements, you will be notified of the problem. If satisfactory improvement does not occur, you may be dismissed. Some incidents may result in immediate dismissal. Upon dismissal, all benefits and compensation, including accrued bonuses, are forfeited.

Section 2 - Compensation & Performance

Wage & Salary Policies

- Basis for Determining Pay
- Call Back Pay
- Computing Pay
- Deductions From Paycheck (Mandatory)
- Deductions (Other)/Direct Deposit
- Repayment of Company Loan/Payroll Advance
- Error in Pay
- Overtime Pay
- Work Performed on Company Holidays
- Pay Period & Hours
- Paycycle
- Paycheck Distribution
- Inclement Weather & "Acts of God"
- Termination & Severance Pay
- Timecards/Records
- Wage Assignments (Garnishments)

Performance & Compensation Reviews

- Performance Reviews
- Compensation Reviews

Work Schedule

- Absence or Lateness
- Attendance
- Breaks/Rest Periods
- Closure After Starting Time
- Closure Prior to Starting Time
- Company Scheduled Closures
- Excessive Absenteeism or Lateness
- Lunch Period
- Record of Absence or Lateness

Wage & Salary Policies

It is Ace's desire to pay wages and salaries that are competitive with other employers in the marketplace in a way that will be motivational, fair and equitable, variable with individual and company performance and in compliance with all applicable statutory requirements.

You are employed by Ace and will be carried directly on our payroll. No person may be paid directly out of petty cash or any other such fund for work performed. The only exception to this policy is where a contract relationship exists with a bona fide contractor.

Application

Ace applies the same principles of fairness and external comparability to all employees, regardless of organizational level, sex, religion, national origin, age or race.

Basis for Determining Pay

Your pay is influenced by three factors:

1. The nature and scope of the job
2. What other employers pay their employees for comparable jobs
3. Individual performance

Job Scope

Through a process called job evaluation, the scope, responsibility, impact and required skills and abilities of each job at Ace are compared. The result is a relative ranking of all jobs, from high to low. Job evaluation is independent of any employee or his performance.

External Comparability

Once jobs are ranked, jobs are compared with external market data. Each job is assigned a range of pay, including a minimum and a maximum. Periodically Ace will examine the market conditions to ensure ongoing comparability. Changes in pay ranges will be made as needed and as the company can afford, to maintain market comparability.

Individual Pay

An individual's pay within this range will depend on his sustained performance over time. Each year every employee will have a performance review with his manager or supervisor. During that review, significant performance events that occurred throughout the year will be discussed.

The overall performance rating will influence the wage/salary adjustment. Through individual performance and by increasing job responsibilities and moving to higher level jobs, you have significant impact on your pay.

Call Back Pay

Occasionally, you may be asked to return to work after you have left the premises for the day or on unscheduled weekends. If this occurs, you will be guaranteed a minimum of two (2) hours of pay. If you work longer than two (2) hours, you will be paid for the time you actually work.

Computing Pay

Should you be one of our "salaried" employees whose pay is not based on an hourly rate, there may be times when it is necessary to compensate you for some daily or hourly pay. When this is necessary, Ace will compute your time based on a forty (40) hour work week.

Deductions From Paycheck (Mandatory)

Ace is required by law to make certain deductions from your paycheck each time one is prepared. Among these are your federal, state and local income taxes and your contribution to Social Security as required by law. These deductions will be itemized on your check stub. The amount of the deductions may depend on your earnings and on the information, you furnish on your W-4 form regarding the number of dependents/exemptions you claim. Any change in name, address, telephone number, marital status or number of exemptions must be reported to your manager or the HR Department immediately, to ensure proper credit for tax purposes. The W-2 form you receive for each year indicates precisely how much of your earnings were deducted for these purposes.

Any other mandatory deductions to be made from your paycheck, such as court-ordered attachments, will be explained whenever Ace is ordered to make such deductions. Some states may require other payroll deductions.

Note: See "Wage Assignments (Garnishments)" later in this section for further information.

Deductions (Other)/Direct Deposit

It may be possible for you to authorize Ace to make additional deductions from your paycheck, such as for tool deductions, payroll savings plans, etc., or to deposit your paycheck directly into your savings or checking account at a participating bank. Contact the HR Department for details and the necessary authorization forms.

Repayment of Company Loan/Payroll Advance

Funds you owe to Ace may be deducted from current wages according to the terms and conditions agreed upon at the time of your advance or loan from Ace Air Conditioning.

Note: See "Payroll Advances" in the "Other Policies" section of this Manual for further information.

Errors In Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell your manager immediately. He or she will take the necessary steps to research the problem and to assure that any necessary correction is made properly and promptly.

Overtime Pay

From time to time, it may be necessary for you to perform overtime work in order to complete a job on time. All overtime must be approved in advance by your manager. When it is necessary to work overtime, you are expected to cooperate as a condition of your employment. There are two types of overtime work:

- 1. Scheduled Overtime:** Scheduled overtime work is announced in advance and generally will involve an entire department or operation. This type of overtime becomes part of the required work week of the people who are members of the department or operation. If you need to be excused from performing scheduled overtime, please speak with your manager. He or she will consider your situation and the requirements of the department or operation in deciding whether you may be excused from performing the scheduled overtime.
- 2. Incidental Overtime:** Incidental overtime is not scheduled; it becomes necessary in response to extenuating circumstances. It is extra time needed to complete work normally completed during regular hours. Incidental overtime may become necessary when an illness or emergency keeps co-workers from being at work as anticipated. It may require you to return to the workplace for emergency work. The opportunity to perform incidental overtime will be given first to the employee who normally performs the task. If that employee cannot perform the overtime, the manager will offer the overtime to a suitably qualified person who is available to perform the overtime work.

If you are a "non-exempt" employee and you perform overtime work, you will be paid one and one-half (1.5) times your regular hourly wage for any time over forty (40) hours per week that you work. If, during that week, you were away from the job because of a job-related injury, paid holiday, jury duty, vacation taken in single-day increments, or paid sick time, those hours not worked will not be counted as hours worked for the purpose of computing eligibility for overtime pay.

Work Performed on Company Holidays

Full-time "non-exempt" employees who work on a Company holiday will receive their normal wages for their worked hours and the holiday hours.

Note: See "Holiday Policies" in the "Benefits" section of this manual for further information.

Pay Period & Hours

Our payroll work week begins on Monday at 12:01 a.m. and ends on Sunday at 12:00 midnight.

Pay Cycle

Fiscal Pay Period/Weekly:

(52 pay periods per year. Payday is on Friday afternoon for services performed for the one (1) week period ending the previous Sunday.

Paycheck Distribution

Paychecks may be:

- Available after 4:00 pm on Friday – No exceptions
- Distributed by your manager on the jobsite on occasion.
- Signed for in person
- Directly deposited to the checking or savings account you specify.
- Mailed to your home address if written request submitted to the HR Department.

Paychecks may not be:

- Picked up by anyone other than who the check is written to.
- Picked up until after the work shift on Friday afternoon.

Inclement Weather & "Acts of God"

Unfortunately, you will not be paid when work is not available due to circumstances not within Ace's control; the following are examples of such circumstances.

- * Operations cannot commence or continue due to threats to employees or property or when recommended by civil authorities.
- * Public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities, or sewer system.
- * The interruption of work is caused by an "Act of God" (inclement weather, fire, flood, earthquake, avalanche, etc.) or some other cause not within Ace's control.

Termination & Severance Pay

Ace hopes and expects that you will give at least two weeks' notice in the event you intend to leave our employ. Ace does not pay severance pay. When you leave Ace, you will be paid only for actual time worked. If bonuses paid to said employee, and if employment ends before bonus is paid out for any reason, bonus will be forfeited and not paid. Upon dismissal, all benefits and compensation including accrued bonuses, are forfeited.

Timecards/Records

By law, we are obligated to keep accurate records of the time worked by "non-exempt" employees. This is done by the employee time clock and other written documentation.

You are to use the timeclock or timekeeping application when you arrive to work, when taking lunch breaks, and when you depart work at the end of your shift. A punch is also required for all brief absences like a doctor's or dentist's appointment. All employees are required to keep the office advised of their departures from and returns to the premises during the workday.

Your weekly timesheet statement will indicate the total hours you worked. You are responsible for reviewing and signing your weekly timesheet; field employees must review online. If you forget to punch in or make an error, your manager must make the correction and you and your manager must initial the correction. All corrections for the prior week must be submitted to payroll before Wednesday for it to reflect timely.

You are not permitted to punch in more than fifteen (15) minutes before your scheduled starting time nor more than fifteen (15) minutes after your scheduled quitting time without your manager's approval. In the event you are unable to physically clock out by scanning your card, you must contact your supervisor prior to leaving the office to inform them of your ending time. No one may use another's card or application to record hours worked. Tampering with another's time is cause for disciplinary action, including possible dismissal, of both employees. Do not alter another person's record, or influence anyone else to alter your record for you. In the event of an error in recording your time, please report the matter to your manager immediately. Replacement charges for lost or negligent damage timecards are \$8 per card.

Wage Assignments (Garnishments)

We hope you will manage your financial affairs so that we will not be obligated to execute any court-ordered wage assignment or garnishment against your wages. However, whenever court-ordered deductions are to be taken from your paycheck, you will be notified. As required by law the Company will honor all garnishments, withholding orders and tax levies that appear to be lawful and proper. The company has no obligation to dispute the lawfulness of any garnishment with holding order, or tax levy. An employee who wishes to dispute a garnishment, withholding, or tax levy does so at his or her own expense, without involving the company.

In addition, administration fees may be deducted from your paycheck for the cost of properly filing and complying with the court orders.

Note: See "Deductions From Paycheck (Mandatory)" earlier in this section for further information.

Performance & Compensation Reviews

Performance Reviews

Your manager is continuously evaluating your job performance. Day-to-day interaction between you and your manager should give you a sense of how your manager perceives your performance. However, to avoid haphazard or incomplete evaluations, Ace conducts a formal review once a year for each employee.

Performance reviews will be conducted near the employee's anniversary date. New employees may be reviewed more frequently. A review may also be conducted in the event of a promotion or change in duties and responsibilities.

During formal performance reviews, your manager will consider the following things, among others:

- * Adherence to Job Position Statement and Company Policies
- * Attendance, initiative and effort
- * Knowledge of your work
- * Attitude and willingness
- * The quality and quantity of your work
- * The conditions under which you work

The primary reason for performance reviews is to identify your strengths and weaknesses in order to reinforce your good habits and develop ways to improve in your weaker areas. This review also serves to make you aware of and to document how your job performance compares to the goals and description of your job. This is a good time to discuss your interests and future goals. Your manager is interested in helping you to progress and grow in order to achieve personal as well as work-related goals—perhaps he or she can recommend further training or additional opportunities for you.

In addition to individual job performance reviews, Ace periodically conducts a review of job descriptions to ensure that we are fully aware of any changes in the duties and responsibilities of each position, and that such changes are recognized and adequately compensated.

Annual review dates will be based off your prior review date and not your actual hire date.

Compensation Reviews

Wage and salary increases are based on merit alone, not length-of-service or the cost-of-living. Having your compensation reviewed does not necessarily mean that you will be given an increase.

Ace conducts compensation reviews semi-annually on or about each employee's anniversary date, following their semi-annual performance review. Any wage or salary increases will appear in the pay period ending after the dates they are granted. Wage and salary increases may be retroactive in the case of late reviews, at the discretion of the President.

Work Schedule

The normal work week consists of five (5) days, eight (8) hours long, Monday through Friday, however overtime may be necessary depending upon our workload and your specific position. Your schedule of daily work hours will be given to you by your manager. You will be notified promptly whenever a change is necessary. Should you have any questions concerning your work schedule, please ask your manager.

Attendance and Absence Policy

At Ace Air Conditioning, we understand that emergencies, illnesses, or unavoidable personal matters may occasionally prevent you from reporting to work. We provide personal days for this purpose. However, consistent attendance is crucial to maintaining our high level of service to clients and supporting your team members.

If you are unable to report to work or will be late, you must contact your direct supervisor as soon as possible to allow for necessary arrangements. If you know in advance that you will need to be absent, it is your responsibility to request time off from your supervisor, who will help determine when it would be best for you to take leave. For unexpected absences or late arrivals, it is required that you speak directly with your supervisor. If your supervisor is unavailable, you may leave the information with another manager. Notifying the receptionist, dispatcher, voicemail, or a colleague is not sufficient. If you are unable to call in yourself due to illness or an emergency, you should have someone else contact your supervisor on your behalf.

Acceptable Communication Method for Schedule and Attendance Updates from Field Employees: A group text message to both the field manager and field coordinator is acceptable for communicating schedule changes or attendance issues. Please ensure both are included in the message to avoid miscommunication and ensure all relevant parties are informed.

Absenteeism and Tardiness

To promote accountability and fairness, the following guidelines apply:

1. **Excessive Absenteeism:** Two (2) absences within a 30-day period will be considered excessive and will prompt a conversation with your supervisor, which may result in a written warning. Absences will be treated as “events,” meaning that multiple consecutive days missed for the same reason (e.g., a three-day illness) will be considered a single event, not multiple absences. For absences lasting 3 or more consecutive days, documentation is required to confirm your ability to return to work and to support the reason for your absence. Additionally, even if the absence is for the same reason, the employee is still required to call in each day prior to their scheduled shift.
2. **No Call, No Show (NCNS):** Failure to notify your supervisor of your absence before the start of your workday will be considered a No Call, No Show (NCNS) violation. Two consecutive NCNS occurrences will be considered job abandonment.
3. **Tardiness or Leaving Early:** Three (3) incidents of tardiness or leaving early within a 30-day period will be considered excessive. As with absences, tardiness or leaving

early will be addressed with a written warning and could lead to further disciplinary action if the behavior continues.

4. **Documentation Requirements:** After 3 or more consecutive days of absence, documentation is required to confirm that you are fit to return to work and to support your reason for time off. This does not excuse the absence but ensures proper verification. Failure to provide the required documentation will result in disciplinary action, up to and including separation of employment.

Workstation Expectations

You are expected to be at your workstation and ready to work at the beginning of your assigned daily work hours. Except for approved breaks and lunch, you should remain at your workstation during your workday. If you need to leave your workstation, please inform your supervisor of where you are going and when you expect to return.

Note: See "Excessive Absenteeism or Lateness" later in this section for further information.

Breaks/Rest Periods

You are entitled to one (1) lunch break if you work more than a six (6) hour workday total. No other breaks will be given under any circumstances, unless directly approved by your manager.

In the unlikely event of an emergency or unusual condition, your manager may ask you to change or postpone your lunch break in order to finish a project.

Please keep in mind that Ace is a smoke free workplace. This means that no cigarettes/tobacco can be used on the premises and no breaks will be given for smoking or vaping (outside of your normal lunch break as detailed above).

Closure After Starting Time

If severe weather conditions exist and the President (or designated representative) decides to close Ace for the remainder of the day, you will be notified as soon as possible by your manager. If you are sent home before having worked two (2) hours, you will be paid for two (2) hours of work. If you are sent home after having worked two (2) hours, you will be paid for the time that you actually worked.

If your manager asks that you remain at work after Ace has closed because of severe weather conditions, you will be paid at regular time for the remaining hours that you work beyond the announced closing time.

Closure Prior to Starting Time

Unfortunately, non-exempt employee will not be paid when work is not available due to circumstances not within Ace's control. Exempt employees, will not be paid when work is

not available due to circumstance not within Ace's control for 5 days/full week or more (i.e. weather/hurricane closures).

Company Scheduled Closures

For scheduled closures, if you chose to use a vacation or personal day it must be written on your time sheet and signed by your manager. It does not require a request one (1) month in advance (i.e. the day after Thanksgiving).

If you are a salaried employee and Ace has scheduled closures you will be paid for those scheduled days not to exceed five (5) business days.

Excessive Absenteeism or Lateness

Excessive absenteeism, tardiness, or leaving early disrupts the workflow, increases the workload on your peers, and impacts the level of service we provide to our clients. Repeated violations of this policy will result in disciplinary action, up to and including termination.

We appreciate your attention to this policy and your commitment to being an engaged and reliable member of the Ace Air Conditioning team.

Lunch Period

If you work longer than six (6) hours, you will be given an unpaid lunch period. The time when lunch periods are scheduled varies among departments, depending on the needs of each department. Your manager will give you your lunch period schedule.

You are expected to take your full allotted time for lunch. You are requested not to perform any work during your regularly scheduled lunch period, unless specifically requested to do so by your manager. In that event, your lunch will be rescheduled, or you will be paid for the time that you worked. It is important to return to work on time at the end of your lunch period.

All employees are required to clock in and out for their breaks. It is paramount that all employee stop and take their required lunch break daily.

Record of Absence or Lateness

Your manager will make a note of any absence or lateness, and the reason, in your personnel file. Your attendance record will be considered when evaluating requests for promotions, transfers, leaves of absence, and approved time off, as well as scheduling layoffs, etc.

Section 3 - Benefits

The Benefits Package

- Paid Time Off
- Eligibility for Benefits

Paid Leaves of Absence

- Holidays
 - Recognized Holidays
 - Holiday Policies
- Vacations
 - Amount of Vacation
 - Vacation Policies
 - Accumulation Rights
 - Payment in Lieu of Vacation
 - Vacation Use for Salaried Employees
- Other Paid Leaves
 - Funeral (Bereavement) Leave
 - Jury Duty
 - Personal Leave

Unpaid Leaves of Absence

- Family Medical Leave of Absence
- Disability (Including Pregnancy) Leave of Absence
- Educational Leave of Absence
- Election Day
- Military Leave of Absence
- Personal Leave of Absence
- Accepting Other Employment or Going into Business
- Insurance Premium Payment During Leaves of Absence
- Returning From a Leave of Absence
- Insurance Coverage
 - Group Insurance
 - Optional Insurance
 - Termination of Insurance
- Government Required Coverage
 - Workers' Compensation
 - Unemployment Compensation
 - Social Security
- Other Benefits
 - Company Events
 - Education Assistance
 - Education/Training (Attending Seminars/Training Sessions)
 - Employee Purchases

The Benefits Package

In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits which will enhance your job satisfaction. We are certain that you will agree that the benefits program described in this Manual represents a very large investment by Ace Air Conditioning, and we trust that you will avoid abusing any of the program's benefits.

A good benefits program is a solid investment in Ace and its employees. It not only ensures the loyalty of long-time capable employees; it also helps to attract talented newcomers who can help Ace grow. Ace will periodically review the benefits program and will make modifications as appropriate to the company's condition.

Eligibility for Benefits

If you are a full-time employee, you will enjoy all the benefits described in this manual as soon as you meet the eligibility requirements for each particular benefit.

If you are a part-time employee, you will enjoy only those benefits which are required by law to be afforded to you, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

No benefits are available to you during your Introductory Period, except as otherwise provided by law.

Note: See "Introductory Period" in the "Employment" section of this Manual for further information.

Temporary employees are not eligible for benefits.

Paid Time Off

Ace provides eligible employees vacation and personal days to use when time away from work is needed. Eligibility for this benefit is calculated annually based on each employee's anniversary date. Any time off taken without vacation or personal hours available will be without pay. Once employment ends with Ace Air Conditioning, any unused vacation or personal days will not be paid.

Holidays

Only full-time employees are eligible for holiday pay.

You are not eligible to receive holiday pay during your Introductory Period. Nor are you eligible to receive holiday pay if you are a part-time employee or a temporary employee.

Recognized Holidays

The following holidays are recognized by Ace as paid holidays:

New Year's Day
Christmas Day
Independence Day

Thanksgiving Day
Labor Day
Memorial Day

Holiday Policies

You may take time off to observe your religious holidays. If available, you may use your vacation or personal days for this purpose, otherwise the time off is without pay. You must notify your manager at least ten business days in advance.

We schedule all national holidays on the day designated by common business practice.

If a holiday occurs during your scheduled vacation, you are permitted to take an extra day of vacation.

In order to qualify for holiday pay, you must work the full scheduled workday immediately before and after the holiday. Only approved planned time off will be considered exceptions to this policy.

You are not eligible to receive holiday pay when you are on a leave of absence.

If you are a salaried employee and you miss a workday, if your vacation or personal time is not available to cover the missed day, your future holiday pay can be used for this purpose.

If you are a salaried employee and Ace is scheduled to be closed additional days not specified in the Recognized Holidays list, you will be paid for those scheduled days not to exceed five (5) business days.

Vacations

Vacation is a time for you to rest, relax, and pursue special interests. Ace has provided paid vacation as one of the many ways in which we show our appreciation for your loyalty and continued service.

Only regular full-time employees are eligible for paid vacation. You are not eligible for paid vacation during your Introductory Period or until your completion of one year of service at Ace Air Conditioning. Nor are you eligible for paid vacation if you are a part-time or temporary employee.

Amount of Vacation

Full-time exempt and non-exempt employees are allocated vacation on the completion of their first year of service at Ace and for each year completed. The allocated vacation is based on your length of employment and added on the next pay period after the anniversary date, as follows:

<u>Years of Employment</u>	<u>Total days per Year</u>
Less than three (3)	5
Three (3) but less than ten (10)	10
More than ten (10)	15

Vacation Policies

Every effort will be made to grant you your vacation at the time you desire. The request will be granted if your absence will not negatively affect your department or Ace's operations. Usually, only one employee may be out on a vacation day in a department at any one time. If any conflicts arise in requests for vacation time, preference will be given to the employee with the most seniority.

Vacation must be submitted and approved by your manager at least one (1) month in advance. Exceptions may be made by Senior Management for unforeseen medical absences, death within immediate family, work closures, and jury duty if the employee submits approved supporting documentation to Human Resources.

For scheduled and unforeseen business closures, if you chose to use a vacation day it must be written on your timesheet and signed by your manager. It does not require a request one (1) month in advance (i.e. the day after Thanksgiving).

You may not receive advance vacation pay (for vacation time taken in excess of your vacation accrual balance) without written authorization from your manager. Such authorization is at the discretion of your manager and must be granted in advance of your vacation. Any amount of advanced vacation paid but not yet earned at the time of termination of employment will be deducted from your final paycheck.

All vacation time must be taken in full day increments, unless otherwise authorized in writing. If you are eligible for three (3) weeks of vacation, you may take only two (2) consecutive weeks at one time unless you receive written approval from your manager and senior management at least six (6) weeks in advance.

If you are on an approved leave of absence for less than thirty (30) days, your vacation eligibility will not be affected; should the leave extend beyond thirty (30) days, vacation time will not continue to accrue.

Accumulation Rights

Vacation time may be carried over and accumulated in subsequent calendar years. If employment ends for any reason, accrued vacation will be forfeited and not paid. Unused vacation time will roll over from year to year but has no cash value. Employees choosing to leave the company will not receive compensation for unused vacation time.

Payment in Lieu of Vacation

The purpose of a vacation is to provide you with a time to rest and relax; therefore, no additional wages or salary will be paid to you in lieu of a vacation. Vacation hours are paid at your basic straight time hourly rate and are not used in calculation when determining overtime hours.

Vacation Use For Salaried Employees

If a salaried employee is sick or requests a day off, their vacation or personal days will be used in place of the missing time. If the employee, does not have hours available their time off will be unpaid.

Other Paid Leaves

Bereavement Leave

You are entitled to take up to one (3) workday with pay to attend the funeral and take care of personal matters related to the death of a member of your immediate family. (A parent, spouse, spouse's parent, child, spouse's child by a former marriage, brother, sister, or grandparent.) Only regular full-time employees are eligible for paid bereavement leave and supporting documentation will be required prior to payment. Additional unpaid time off for bereavement is at the discretion of your manager and business needs.

With your manager's approval, you may take up to one full day without pay to attend funerals of other relatives and friends. If you prefer, unused personal leave or a day of earned vacation may be used for this purpose.

Paid time under this policy is given over and above any time allowed and earned under our Personal Leave policy.

Pay for a funeral leave will be made for actual time lost from work. If the death occurs at a time when work is not scheduled, payment will not be made. If a holiday or part of your vacation occurs on any of the days of absence, you may not receive bereavement pay in addition to holiday or vacation pay.

An excused absence for bereavement may not be retroactive, postponed or split.

Jury Duty

It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, we will permit you to take the necessary time off. Should your jury service extend beyond five (5) days you may be entitled to receive reimbursement from the state. Upon receiving a notice for jury duty, you must provide us with a copy of the notice as soon as possible and a copy of Jury Duty Certificate of Attendance. You must report for work if you are released from jury duty before the end of our workday or if you are temporarily released from jury duty.

Personal Days

As a full-time employee, and after your first year of employment at Ace is completed, you are eligible to take two (2) days off paid for any personal reason paid.—These two days account for sixteen (16) personal hours for you to use. You may use your personal days in units of no less than two hours at any one time. Personal days are intended to be used to accomplish personal business that cannot be accomplished during time other than your normal working hours. You are required to request personal time at least 48 hours in advance from your manager and obtain his or her approval. Under no circumstances will personal time be paid if advance notice was not given for the employees missed days or times. Exceptions may be made by Senior Management for unforeseen medical absences if the employee submits approved supporting documentation to Human Resources.

Unused personal days will roll over from year to year but will have no cash value. Employees choosing to leave the company will not receive compensation for unused personal time.

Unpaid Leaves of Absence

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with Ace but may not wish to submit your resignation. Under certain circumstances, you may be eligible for an unpaid leave of absence.

There are several types of unpaid leaves which you may be eligible for.

Family Medical Leave of Absence

In general, a leave of absence is an official authorization to be absent from work without pay for a specified period. Eligible employees may be entitled to job-protected family medical leaves of absence if they are unable to come to work due to medical conditions as described under the following Family and Medical Leave Act, which shall be administered in accordance with applicable State and Federal laws:

- 1) Employees are eligible if they have been actively employed for 12 months and worked at least 1250 hours (an average of 25 hours per week) during those 12 months.
- 2) Under the circumstances set forth below, each eligible employee shall have up to a total of 12 weeks leave during any one-year period/rolling back 12 months.
- 3) A family leave shall be granted upon the birth or adoption of a child of the employee, or upon the serious illness of the employee's child, spouse, or parent.
- 4) A medical leave shall be granted upon the employee's own serious illness.
- 5) Whenever possible, and subject to your health care provider's approval, absences for planned medical treatment should be scheduled so as not to unduly disrupt company operations.
- 6) Appropriate Health Certification will be required for this leave. Employee will be responsible for any doctor's fee associated with completing the forms.
- 7) In the event of a serious illness to the employee or his/her child, spouse, or parent, creating a need for unforeseeable family or medical leave, the employee should provide us with notice, as soon as practicable, of any needed time off, and a written doctor's certificate indicating the expected duration and nature of the illness, particularly as it relates to the employee's ability to come to work or the need for that employee's presence at home to care for a seriously ill family member.
- 8) Employees shall be required to give 30 days' advance notice in the event of a foreseeable medical treatment. To assist us in arranging work assignments during your absence, we ask that you give us prior notice, to the extent possible, of an

expected birth or adoption, as well as an indication, to the extent known, of your expected return date. To facilitate your return to work, we also ask that you provide us with two weeks advance notification of your intended return date. Failure to do so may delay your return date.

- 9) For purposes of this policy, a child is defined as a natural, adopted, or foster child, a stepchild or a legal ward. If the child is over 18, he/she must be unable to care for himself/herself due to a serious illness.
- 10) A parent is defined as the employee's natural, adoptive, or foster parent, stepparent, or legal guardian.
- 11) A serious illness is defined as listed below.

Definitions of a Serious Health Condition <i>(See 29 C.F.R. §§ 825.113-.115)</i>	
Inpatient Care	
<ul style="list-style-type: none"> • An overnight stay in a hospital, hospice, or residential medical care facility. • Inpatient care includes any period of incapacity or any subsequent treatment in connection with the overnight stay. 	
Continuing Treatment by a Health Care Provider (any one or more of the following)	
<p><u>Incapacity Plus Treatment:</u> A period of incapacity of more than three consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves either:</p> <ul style="list-style-type: none"> ○ Two or more in-person visits to a health care provider for treatment within 30 days of the first day of incapacity unless extenuating circumstances exist. The first visit must be within seven days of the first day of incapacity; or, ○ At least one in-person visit to a health care provider for treatment within seven days of the first day of incapacity, which results in a regimen of continuing treatment under the supervision of the health care provider. For example, the health provider might prescribe a course of prescription medication or therapy requiring special equipment. 	
<p><u>Pregnancy:</u> Any period of incapacity due to pregnancy or for prenatal care.</p>	
<p><u>Chronic Conditions:</u> Any period of incapacity due to or treatment for a chronic serious health condition, such as diabetes, asthma, migraine headaches. A chronic serious health condition is one which requires visits to a health care provider (or nurse supervised by the provider) at least twice a year and recurs over an extended period of time. A chronic condition may cause episodic rather than a continuing period of incapacity.</p>	
<p><u>Permanent or Long-term Conditions:</u> A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective, but which requires the continuing supervision of a health care provider, such as Alzheimer's disease or the terminal stages of cancer.</p>	
<p><u>Conditions Requiring Multiple Treatments:</u> Restorative surgery after an accident or other injury; or, a condition that would likely result in a period of incapacity of more than three consecutive, full calendar days if the patient did not receive the treatment.</p>	

- 12) Leave of absence rights available to you under other sections of our policy shall be counted towards the total time off available under this section.
- 13) Upon completion of a leave granted under this section, you shall be reinstated to your original position, or an equivalent one.
- 14) If, due to your own medical circumstances, you are no longer able to perform your original job, we will attempt to transfer you to alternate suitable work, if available.

- 15) While on a leave of absence provided for under this policy, we will continue your group health insurance benefits under the same terms as provided to other employees, for up to a maximum of 12 weeks leave time during a rolling back 12 months. The employee will continue to be responsible for his or her contribution for each coverage. The use of available and unused vacation and personal hours will be required during this process. If your leave extends beyond 12 weeks, you shall be offered the opportunity to purchase continuing coverage under state and federal COBRA continuation rules.
- 16) Other accumulated fringe benefits such as seniority, retirement, service credits, sick pay, vacation pay, etc., shall be preserved at the level earned as of commencement of the leave, but shall not accrue further during any such leave period.
- 17) Should you require an extended leave beyond the period described in this policy, we will seek to return you to a suitable position but cannot guarantee that one will be available. Nevertheless, you may be eligible for continuing disability pay benefits during this period in accordance with applicable insurance coverage.
- 18) Should you seek a Leave of Absence for reasons other than described above, we will evaluate such a request based on particular circumstances present at that time, including but not limited to your current and anticipated work responsibilities, performance, company needs, etc. Ace reserves the right to refuse such a request at its sole discretion.

Disability (Including Pregnancy) Leave of Absence

Ace may provide unpaid leave of absence for disability or pregnancy to employees, including those not eligible for FMLA, in compliance with the Americans with Disabilities Act (ADA). This includes employees who have not yet met the year of service or required hours of service. This leave is considered a reasonable accommodation under the ADA and is intended to support employees in managing their medical needs.

To request a disability leave of absence from your manager, you should submit, or have someone submit on your behalf, a statement of disability from your doctor. (Pregnancy-related conditions are treated as disabilities under this policy.) An approved disability leave may be initially granted for up to 6 weeks. If necessary, you may request extensions in thirty (30) day increments, up to a maximum of 90 days. Further extensions may be granted if they constitute a reasonable accommodation under the ADA and do not impose an undue hardship on Ace. Your job or a similar position will be held for you during your leave unless it causes undue hardship to the business. Whenever possible, you are required to give as much notice as possible of your pending need for a disability leave of absence.

In the case of pregnancy, please inform your manager as soon as possible of the date you and your doctor anticipate that you will begin your leave. Your job status will be protected to the extent that we will make every effort to allow you to return to your former position, or similar work if available, for which you may be qualified.

Benefits will not continue to accrue during a leave of more than thirty (30) calendar days. Employees on leave will be responsible for the full insurance premiums during this period if they wish to continue their benefits. Your group insurance booklet should be reviewed to determine your insurance coverage during a leave of absence. If your leave of absence results in a loss of coverage under our group health plan, you may be eligible for continuation of coverage under COBRA. You will receive a notice with information on your rights and responsibilities under COBRA.

If an employee is unable to return to work after the maximum allowed period of leave, employment may be terminated. However, the employee is welcome to reapply, subject to Ace's usual hiring policies.

Employees who develop an illness or physical condition requiring medical treatment or restrictions and precautions related to their health will be required to submit a physician's statement. This statement must confirm that continued full-time employment in their present position will not jeopardize their health or the safety of others. A similar statement is required upon return from a disability leave.

Should your attendance or job performance suffer during the period preceding and/or following a disability leave, we will accommodate you to the extent required by law. However, we are under no obligation to reduce or alter your essential job functions unless it is a reasonable accommodation under the ADA.

Educational Leave of Absence

An educational leave of absence may be approved, based on business needs, if the desired curriculum is of mutual benefit to you and to Ace Air Conditioning. Apply in the same manner as you would for a personal leave of absence.

Election Day

We encourage you to exercise your voting privileges in local, state, and national elections. However, since the polls are open for long periods, you are encouraged to vote before or after regular working hours.

Military Leave of Absence

If you are a full-time employee and are inducted into the U.S. Armed Forces, you will be eligible for re-employment after completing military service as describe in the Uniformed Services Employment and Reemployment Rights Act (USERRA) provided:

1. You show your orders to your manager as soon as you receive them.
2. You satisfactorily complete your active duty service.
3. You enter the military service directly from your employment with Ace Air Conditioning.

4. The period a service member has to make an application for reemployment or report back to work after military service is based on time spent on military duty. For service of less than 31 days, the service member must return at the beginning of the next regularly scheduled work period on the first full day after release from service, taking into account safe travel home plus an eight-hour rest period. For service of more than 30 days but less than 181 days, the service member must submit an application for reemployment within 14 days of release from service. For service of more than 180 days, an application for reemployment must be submitted within 90 days of release from service. A service member convalescing from injuries received during service or training may have up to two years from the date of completion of service to report to their job.

Personal Leave of Absence

In very special circumstances, Ace may grant a leave for a personal reason, but never for taking employment elsewhere or going into business for yourself. You should request an unpaid personal leave of absence from your manager. A personal leave of absence must not interfere with the operations of your department or Ace Air Conditioning. Your manager will submit your request to the appropriate member of management for final approval.

A personal leave of absence may be granted for up to thirty (30) days. If your leave is extended for more than thirty (30) days, vacation and other benefits will no longer continue to accrue. Consult your group insurance booklet to determine your insurance coverage during a leave of absence. A personal leave of absences is not a job protected leave. Failure to return from a leave at the time agreed will result in termination of employment.

Note: See " Insurance Premium Payment During Leaves of Absence" later in this section for further information.

Accepting Other Employment or Going Into Business While on Leave of Absence

If you accept any employment or go into business while on a leave of absence from Ace Air Conditioning, you will be considered to have voluntarily resigned from employment with Ace as of the day on which you began your leave of absence.

Insurance Premium Payment During Leaves of Absence

While you are on any type of unpaid leave of absence from Ace Air Conditioning, you will be responsible for paying the total premiums for your coverage. Failure to do so may result in loss of coverage and possible refusal by the insurance carrier to allow your coverage to be reinstated.

Returning from a Leave of Absence

You must contact the HR Department prior to the end of your leave to make arrangements on your return to work. Not all leaves are job protected leaves and some may require a

physicians release to return to work. Failure to return from a leave at the time agreed may result in termination of employment.

Insurance Coverage

Group Insurance

Ace is interested in the health and well-being of both you and your family. A comprehensive health and life insurance program is available for you and your family. We provide group insurance underwritten by a national insurance carrier. Before completion of 90 days/your Introductory Period, you will be given the opportunity to accept or decline the insurance coverages. If you choose coverages, your benefits begin after the completion of your 90days. Once selected, changes can only be made during open enrollment or if you experience a qualifying life status change.

The following benefits are offered, as defined and limited in the literature provided by our insurance company:

- * Group Term Life Insurance
- * Supplemental Insurances
- * Dental Care Coverage
- * Vision Care Coverage
- * Medical Health Care Coverage

When you choose insurance coverage, our insurance company provides a booklet describing your benefits; a copy of this will be given to you when you join the program. Ace has taken the time to carefully review the coverages and plans available. We have selected the plan we feel provides the best coverage for our employees

We pay 60% of the premiums for health insurance coverage on you. You pay 40% of the health insurance premiums for your own coverage plus 100% of the premiums for insurance coverage of your eligible dependents through payroll deduction. If you have chosen to participate in the health care insurance plan, deductions will start after 60 days of employment, to cover your first month's insurance premium. You will be notified of any increases to your premium.

In the event of your termination of employment with Ace or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program for a limited period of time at your or their own expense. (This does not affect the conversion privilege as stated in the insurance policy.) Any unpaid premium will be deducted from your final paycheck. Consult the HR Department for details.

Optional Coverage

You may obtain additional supplemental insurances (including vision & Dental) for your family by making the appropriate application during your enrollment period and agreeing to a deduction from your paycheck to pay the additional premium. The employee is responsible for the full premium of supplemental benefits.

Termination of Insurance

Your insurance will terminate when the insurance policy terminates, when you fail to make an agreed contribution to premium when due, when you cease to be eligible for coverage under the terms of our group insurance program, or when you cease to be employed as a regular full-time employee eligible for the insurance. Ace may, by continuing to pay the premium, keep your insurance in effect for a brief period if you cease to be an eligible employee for any reason other than resignation, dismissal, or failure to meet the terms of eligibility of our group insurance program.

Government Required Coverage

Workers' Compensation

The Florida Workers' Compensation Law is a no-fault insurance plan which is supervised by the state and one hundred percent (100%) paid for by Ace Air Conditioning. This law was designed to provide you with benefits for any injury which you may suffer in connection with your employment. Under the provisions of the law, if you are injured while at work, you are eligible to apply for Workers' Compensation.

What Is Workers' Compensation?

Florida's no-fault Workers' Compensation law was passed by the State legislature in the 1930's to guarantee prompt, automatic benefits to workers injured on the job.

Before Workers' Compensation, an injured worker had to sue his employer to recover medical costs and lost wages. Lawsuits took months and sometimes years. Juries and judges had to decide who was at fault and how much, if anything, would be paid. In most cases, the injured worker got nothing. It was a costly, time-consuming and unfair system.

Today, if you're unable to work because of a job injury, Ace and our Workers' Compensation Insurance carrier work together to take care of your medical expenses and pay you money to live on until you're able to come back to work—automatically, without delay or red tape.

Who Is Covered?

Every Ace employee is protected by Workers' Compensation.

What Is Covered?

Any injury is covered if it's caused by your job—not just serious accidents, but even first-aid type injuries. Illnesses may also be covered, if they're related to your job. For example, common colds and flu are not covered, but if you caught tuberculosis while working at a TB hospital, that's covered. The main question is if the injury or illness is the result of the performance of your job.

When Am I Covered?

Coverage begins the first minute you're on the job and continues anytime you're working for Ace Air Conditioning. You don't have to work a certain length of time, and there's no need to earn any minimum amount of wages before you're protected.

What Are the Benefits?

Florida law guarantees you three kinds of workers' compensation benefits:

- * **Medical care to take care of the injury, including not only doctor bills, but also medicines, hospital costs, fees for lab tests, x-rays, crutches and so forth** – There's no deductible and all costs are paid directly by our workers' Compensation Insurance carrier. If you do receive a bill, be sure to submit it to the HR Department or for payment through our insurance carrier.
- * **Rehabilitation services necessary to return to work** – Sometimes this is just an extension of medical treatment (for example, physical therapy to strengthen muscles). However, if the injury keeps you from returning to your usual job, you may qualify for vocational rehabilitation and retraining, too. Again, all costs are paid directly by Ace through our Workers' Compensation Insurance carrier.
- * **Cash payments for lost wages** – The most common kind of payments, for "temporary disability," will be made for as long as the doctor says you're unable to work. Additional cash payments may be made after you're able to work if there's a permanent handicap—for example, the amputation of a finger or loss of sight. If the injury results in death, payments will be paid to surviving dependents.

How Do I Get the Benefits?

All injuries, no matter how slight, must be reported immediately to your manager to assure consideration under Workers' Compensation Insurance, should complications develop later. Your manager will see that you receive medical attention and assist in completing injury reports.

If you sustain an injury, tell your manager what, where, when, and how it happened – enough information so that he or she can arrange medical treatment and complete the necessary reports. Later, you may be required to furnish your manager with written statements regarding the on-the-job accident so that we may accurately document the incident, and so you may receive all the benefits to which you are entitled. (Failure to do this could result in loss of benefits.) In an emergency, you may go directly to one of the medical facilities nearby.

Prompt reporting is the key. Benefits are automatic, but nothing can happen until your employer knows about the injury. Ensure your right to benefits by reporting every injury, no matter how slight. Even a cut finger can be disabling if an infection develops.

Lost Wages

Payments consist of a percentage of your average weekly wage, up to a maximum amount set by the State Legislature. The amount of the payments, and when and how they'll be paid, are regulated by State law. Only the State Legislature can change the law.

Workers' Compensation payments are tax free. There are no deductions for state or federal taxes or Social Security.

When are Lost Wages Paid?

If you report the injury promptly and the treating physician has taken you off work the Company's insurance carrier will be notified immediately. Each case is different, and each state may have different regulations our insurance carrier will work with the employer and employee to commence payment for lost wages. Usually, you should receive the first compensation check within 21 days and after that you should receive a check every two weeks until the doctor says you're able to go back to work. For extremely serious injuries, the payments may continue for life.

Although Ace will pay for the time lost because of a work-related accident during the remainder of the normal workday in which the accident occurs, Workers' Compensation payments for lost wages aren't made for the first seven days you're unable to work (including weekends). However, if you're hospitalized or off work more than 21 days, payments may be made even for the first seven days.

What If There's a Problem?

Fortunately, most claims - better than 9 out of 10 - are handled routinely. After all, Workers' Compensation benefits are automatic, and the amounts are set by the Legislature. But mistakes and misunderstandings do happen. If you think you haven't received all benefits due you, please contact your manager.

If you're not satisfied with your manager's explanation, please speak directly with your HR Department. If the problem still can't be resolved, you can reach out directly to your medical claim insurance adjuster. Workers Compensation is governed by the state and the Company will take necessary steps to comply when this coverage is applicable. Employee can reach out to the applicable state department for unresolved WC concerns but should be completed after attempting to resolve with HR and Insurance adjuster.

Other Benefits

If the injury is very serious - one where you won't be able to work for a year or more - you may be eligible for additional benefits from Social Security. For information contact the nearest office of the Social Security Administration or discuss your situation with the claim's representative of Ace's Workers' Compensation Insurance carrier.

Employees returning to work after being absent due to an injury must report to their manager prior to beginning work and must bring a doctor's clearance for returning to duty.

Unemployment Compensation

Ace pays a percentage of its payroll to the Unemployment Compensation Fund according to Ace's employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period. Unemployment compensation provides temporary income for workers who have lost their

jobs. To be eligible you must have earned a certain amount and be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible.

Ace pays the entire cost of this insurance.

Social Security

The United States Government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, Ace is required to deduct this amount from each paycheck you receive. In addition, Ace matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

Other Benefits

Company Events

Ace sponsors at least one annual event and will send out communication with details prior to all events.

Education Assistance

We feel an individual who possesses a desire to continue their education, in addition to performing their full-time job, shows a commitment to improving themselves and their position within the company. To encourage and reward these individuals, Ace offers an Education Assistance benefit.

Full-time employees may continue their education in a related field and Ace may reimburse all or part of the registration and tuition costs. All courses must be pre-approved by your manager. Once the course is completed, submit a certified transcript of grades, with receipts for expenses. Ace will reimburse you as described below for the portion of the registration and tuition that was pre-approved. Incentives have been established to reward better than average performance.

Reminder: If you are taking a pre-approved seminar that offers continuing education credit, be sure to give your manager a copy of the Continuing Education Credit Certificate (or another document) to include in your personnel file.

In order to qualify for this Education Assistance benefit you must:

1. Advise your manager, prior to enrolling for the class, that you intend to take a course. Your manager will advise you whether the course is of a nature that Ace will approve for partial or total reimbursement of tuition and fees. If approved, you will receive confirmation in writing from the HR Department or the Operations Manager.
2. The course must be job-oriented and offered by an approved educational institution.
3. The amount of course reimbursement is based on the final grade you receive for the course, as follows:
A = 100% B = 80% C = 50% <C = 0%
4. You must have at least three (3) full years of service with Ace Air Conditioning.
5. If your employment with Ace terminates for any reason within one (1) year after completing the course, you must agree to pay Ace back the entire cost of the tuition/training.
6. If you are eligible to receive educational benefits from other sources, such as the Veterans Administration, Ace will not reimburse your educational expenses.

Education/Training (Attending Seminars/Training Sessions)

From time to time, Ace may arrange to have both formal and informal training programs to enable you to progress in your technical knowledge of our business. Several times a year, employees are selected to attend factory schools, workshops, or training programs. You will receive a normal paycheck while attending these schools or workshops. All or a portion of the expenses for off-premises training will be paid for by Ace depending on the nature of the course. Check with your manager for details.

Also, during any slow periods of work you should use the time to learn more about Ace Air Conditioning, its services and products. You may progress as you become more knowledgeable about your job and the jobs of the people around you. You are encouraged to ask questions about any aspect of Ace that is of interest or unclear.

If you become aware of a seminar that you believe is appropriate for enhancing your skills (and/or those of other employees), please bring it to the attention of your manager. Since these seminars are usually offered only at specified times in a geographical area, please be sure to notify your manager as far in advance as possible. This way, he or she can attempt to schedule workloads to accommodate your (and/or other employees') desire to attend the seminar.

Employee Purchases

As an employee of Ace Air Conditioning, you are entitled to purchase merchandise at 10% above Ace's cost, plus tax and freight if applicable. What you buy must be for your own personal use or that of your immediate family and not for resale or use by others.

Merchandise must be checked out by someone other than yourself, and you must have an invoice or sales receipt for all packages before leaving the building. The purchase may be paid for by check (with invoice number on the check) or charged. If you charge the purchase, you must pay the account in full within thirty (30) days or the outstanding balance will be deducted in full from your next paycheck. Non-stock items must be paid for in advance and are not returnable or exchangeable.

Note: See "Discounting" in the "Other Policies" section of this Manual for further information.

Section 4 - Other Policies

Bonuses
Borrowing Tools & Equipment
Employee Intranet
Communications
Community Activities
Company Meetings
Computer Software (Unauthorized Copying)
Contributions
Department Meetings
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Bonuses

It has been a practice of Ace to distribute annual merit bonuses when profits permit. Bonuses are determined based on attendance, attitude, cooperation, efficiency, initiative, knowledge, performance, salary and length of service as evaluated by your manager. While this is not a "policy" which applies to all, and is not guaranteed or automatic, we will continue this practice so long as possible. If employee is on a management bonus plan, and if employment ends before bonus is paid out for any reason, bonus will be forfeited and not paid. Upon dismissal, all benefits and compensation including accrued bonuses, are forfeited.

Borrowing Tools & Equipment

See "Personal Use of Company Property" later in this section.

Employee Intranet

The employee intranet site is our "official" way of keeping everyone informed about new policies, changes in procedures and special events. Information of general interest is posted regularly. Please form the habit of reading the intranet regularly so that you will be familiar with the information posted on it.

Only authorized personnel are permitted to post, remove or alter any notice on the intranet. If you want to have notices posted on Ace's intranet, see your manager for instructions.

Communications

Successful working conditions and relationships depend upon successful communication. Not only do you need to stay aware of changes in procedures, policies and general information, you also need to communicate your ideas, suggestions, personal goals or problems as they affect your work.

In addition to the exchanges of information and expressions of ideas and attitudes which occur daily, make certain you are aware of and utilize all Ace methods of communication, including this Employee Manual, discussions with your manager, memoranda, staff meetings, newsletters, training sessions, etc.

You will receive other information booklets, such as your insurance booklets, from time to time. You may take these booklets home so that your family may know more about your job and your benefits.

In addition, you may receive letters from Ace Air Conditioning. There is no regular schedule for distribution of this information. The function of each letter is to provide you and your family with interesting news and helpful information which will keep you up to date on the events here at Ace Air Conditioning.

Community Activities

Ace recognizes the importance of community participation. Our business is dependent upon the community for employees and for customers, and the community is dependent on our business for employment opportunities and for our products and services.

Ace encourages and supports your participation in service activities that contribute to the community. We will reimburse up to six (6) hours per year at your regular hourly rate and allow you to take eight (8) hours of normal work time to participate in an approved community service activity. The time must be scheduled at least two (2) weeks in advance and approved by your manager.

For reimbursement, provide your manager with a voucher from the community organization where you served, indicating the date and amount of time contributed. Some eligible service activities might include:

- * Blood drive
- * Community health screening
- * Community clean-up projects
- * Big Brothers/Big Sisters activities
- * Food drive
- * Toys for Tots
- * United Way drives
- * Community recycling center
- * Local museum
- * Red Cross
- * Assisting physically challenged or confined individuals (This must be through a community organization.)
- * Assisting elderly citizens (This must be through a community organization.)

Company Meetings

On occasion, we may request that you attend a company sponsored meetings. Food will generally be served at the meeting and presenters at the meeting will be compensated.

Computer Software (Unauthorized Copying)

Ace does not condone the illegal duplication of software. The copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U.S. Code states that "it is illegal to make or distribute copies of copyrighted material without authorization" (Section 106). The only exception is the users' right to make a backup copy for archival purposes (Section 117).

The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless a backup copy is not provided by the manufacturer. Unauthorized duplication of software is a Federal crime. Penalties include fines of as much as \$250,000, and jail terms of up to five years.

Even the users of unlawful copies suffer from their own illegal actions. They receive no documentation, no customer support and no information about product updates.

1. Ace licenses the use of computer software from a variety of outside companies. Ace does not own this software or its related documentation and, unless authorized by the software manufacturer, does not have the right to reproduce it.
2. With regard to use on local area networks or on multiple machines, Ace employees shall use the software only in accordance with the license agreement.
3. Ace employees learning of any misuse of software or related documentation within the company shall notify the department manager or Ace legal counsel.
4. According to the U.S. Copyright Law, illegal reproduction of software can be subject to civil damages and criminal penalties, including fines and imprisonment. Ace employees who make, acquire or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include dismissal.

Contributions

Ace makes donations to worthwhile charities and colleges in its own name. Contributions considered worthwhile include the United Way, health drives and community youth activities.

Contributions are made only in communities where we have a store location or where our employees benefit from these contributions. We make no contributions to churches or other organizations where such contributions will only benefit the members of that organization. The general rule is that the cause must be for the good of the entire community. All decisions concerning contributions are made by an officer of Ace Air Conditioning. Ace does not exceed its budgeted allowance for contributions.

Please make others aware of this policy should you be asked to solicit Ace for contributions which don't meet these standards.

Department Meetings

From time to time, your manager will schedule department meetings before, during, or after work. It's to your advantage to be at these meetings. They give you and your fellow workers a chance to receive information on Ace events, to review problems and possible solutions, and to make suggestions about your department or your job.

If your attendance at Department Meetings is mandatory, you will be informed in writing. Failure to attend may involve a penalty.

Note: See "Company Meetings" earlier in this section for further information.

Discounting

Employees giving discounts to friends is one of the most common abuses any company can face – we understand that it can be tempting to give friends a "good deal."

Yet, for every free or reduced-price item that a customer receives, there's yet another dent in the company's profitability. Remember, the smaller that this profitability becomes...

- * the less merchandise we can afford to buy;
- * the higher the prices we will have to charge;
- * the less likely we can afford to increase your pay;
- * the fewer employees we can afford to keep; and
- * the lower the chances that we can hire some much-needed help.

This is our company's policy concerning employee discounting:

The discount privilege is offered for the use of employees and the members of their immediate family. Under no circumstances should company products be removed from the premises unless accompanied by a receipt from Ace Air Conditioning. Employees are permitted to buy company products at a discount for personal use or to give as gifts, but it is an abuse of the discount privilege to buy items from Ace on behalf of people outside your immediate family. Ace considers such behavior a form of theft and violators will be treated accordingly.

When faced with the temptation to give discounts to friends, please decide against it. If you're being pressured, explain that you could lose your job over it (you could!). If you become aware of a fellow employee about to give a friend (or customer) an unauthorized discount, drop a hint – tell him or her something like "I don't think that's a good idea," or "Remember, that discount's just for employee use." If you know of others who have discounted or given away items in the past, please discuss the matter with your manager at your convenience.

We must continually work together to remove the threats posed by unauthorized discounting. This is an Ace priority.

Note: See "Theft" later in this section for further information.

Dress Code/Personal Appearance

Please understand that you are expected to dress and groom yourself in accordance with accepted business standards. Field employees are always required to wear their uniforms or tee shirts during working hours. Office staff should be business casual and avoid wearing t-shirts, flip flops, shorts, shirts with decals, or any other clothing that may be considered unprofessional.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and groomed during working hours or when representing Ace Air Conditioning. A good clean appearance bolsters your own poise and self-confidence and greatly enhances our company image. When working at a customer's site, please observe what the customer is wearing and dress appropriately.

Personal appearance should be a matter of concern for each employee. Hygiene is part of your personal appearance. If your manager determines your attire or personal appearance to be unprofessional, offensive, or inappropriate, you may be asked to leave your workplace until you are properly attired. You will not be paid for the time you are off the job for this purpose. Anyone who violates this standard will be subject to appropriate disciplinary action.

Employee Referral/Recruitment Bonus

Open positions will be posted on our intranet. You are encouraged to recommend and refer qualified candidates for employment with Ace Air Conditioning. If you know of someone who would like to work here, we will be glad to consider them for appropriate openings. Notify your manager and be sure the individual mentions your name when contacting Ace Air Conditioning.

Should your candidate be hired by Ace to a full-time skilled position, and that person satisfactorily completes 90 days of employment, you will receive a 400 bonus. This bonus entitlement does not apply to individuals who are normally responsible for the recruiting and hiring functions, nor to corporate executives. See HR Department for Referral Program information and requirements.

Entering & Leaving the Premises

At the time you are hired, you will be advised about the proper entrances and exits for our employees. You are always expected to abide by these rules. Failure to do so will lead to disciplinary action.

Entry After-Hours

You are not allowed to enter Ace property after normal working hours for any reason without the express approval of your manager or the manager on duty.

Exit Interviews

In the unfortunate event that employment at Ace is terminated an exit interview will be performed. An exit interview must be scheduled in advance with management At the exit interview, the following items must be turned in: All uniforms, Gas Cards, Company Phone, and all company provided tools that were issued to you. If any items are missing, they must be turned in or they will be deducted from your final paycheck.

Expense Reimbursement

You must have your manager's written authorization (requisition/purchase order, etc.) prior to incurring an expense on behalf of Ace Air Conditioning. To be reimbursed for all authorized expenses, you must submit an expense report/voucher accompanied by receipts and approved by your manager. Please submit your expense report/voucher each week, as you incur authorized reimbursable expenses. A reimbursement request can also be emailed receipts@aceac.com.

First Aid

Federal law ("OSHA") requires that we keep records of all illnesses and accidents which occur during the workday. The Florida state Workers' Compensation Act also requires that you report any illness or injury on the job, no matter how slight. If you hurt yourself or become ill, please contact your manager for assistance. If you fail to report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards which might be present on the job. Should you have any questions or concerns, contact the Human Resource Department or your manager for more information.

Gifts

Advance approval from management is required before an employee may accept or solicit a gift of any kind from a customer, supplier or vendor representative. Employees are not permitted to give gifts to customers or suppliers, except for certain promotional "premiums" (t-shirts, coffee mugs, pens, key chains, etc.) imprinted with the Ace logo or sales information.

Grievances

Our goal is to maintain a comfortable working environment for everybody. We do this in several ways:

- * By treating each of you as an individual and encouraging your maximum development;
- * By recognizing that each of you is essential to the success and growth of Ace Air Conditioning; and
- * By maintaining direct communications with all our employees and ensuring that each one of you can speak directly and openly with our management team.

We believe that this type of communication, without interference from any outside party, is best for all concerned. Therefore, when you wish to express your problems, opinions, or suggestions, you will always find an open door and an attentive ear.

As time goes by and Ace grows, we will continue to listen and respond to your questions and comments.

Resolving Problems

Whenever you have a problem or complaint, we expect you to speak up and communicate directly with us. You can take the following steps:

1. First, talk to your immediate manager. Your manager is most familiar with you and your job and is, therefore, in the best position to assist you. Your manager works closely with you and is interested in seeing that you are treated fairly and properly. Most concerns can be quickly resolved at this step.
2. If your manager cannot help you resolve the matter, you can speak to their one-over-manager, who will give your problem or complaint prompt consideration.
3. If you feel you have been treated unfairly or a policy/legal violation has occurred you should speak directly with the HR Department or Operations Manager, who will keep the Company President informed as needed and launch a proper investigation to take necessary action.

Remember – it is always best to resolve problems right away. Little problems tend to turn into big problems; facts become confused; resentment and anger builds up. It is always best to get things off your chest before they get out of hand. If any disciplinary action occurs as a result of an investigation the details of such actions will not be shared with any employee other than the employee who is receiving the disciplinary action.

Housekeeping

Neatness and good housekeeping are signs of efficiency. You are always expected to keep your work area neat and orderly – it is a required safety precaution.

Easily accessible trash receptacles and recycling containers are located throughout the building. Please put all litter and recyclable materials in the appropriate receptacles and containers. Please don't put cigarettes out on the floor or throw ashes into any container not meant for that purpose. Always be aware of good health and safety standards, including fire and loss prevention.

Please report anything that needs repairing or replacing to your manager immediately.

Inspection of Packages

Ace reserves the right to inspect all packages or closed containers brought into or taken out of the work area.

Life-Threatening Illnesses

Ace recognizes that employees with a life-threatening illness, including, but not limited to, cancer, heart disease, and AIDS, may wish to continue to engage in as many of their normal pursuits as their condition allows, including work. These employees must be able to meet acceptable performance standards. Performing normal job functions must not exacerbate their condition. Medical evidence must indicate that their condition is not a threat to other workers.

Managers need to be sensitive to the employee's condition and ensure that the employee is treated consistently with other employees. Ace seeks to provide a safe work environment for all employees and customers. Therefore, precautions should be taken to ensure that any employee's condition does not present a health and/or safety threat to other employees or customers.

When dealing with situations involving employees with life-threatening illnesses, managers should:

- * Remember that an employee's health condition is personal and confidential, and reasonable precautions should be taken to protect information regarding an employee's health condition. Anyone inappropriately disclosing medical information is subject to disciplinary action, up to and including termination of employment.

- * Contact the HR Department if you believe that you or other employees need information about terminal illness, or a specific life-threatening illness, possible contagion, or if you need further guidance in managing a situation that involves an employee with a life-threatening illness.

- * Contact the HR Department to determine if a statement should be obtained from the employee's attending physician that continued presence at work will pose no threat to the employee, co-workers, or customers. Ace reserves the right to require an examination by a medical doctor.
- * Make reasonable accommodation for employees with a life-threatening illness provided that any accommodations made do not require significant difficulty or expenses.
- * Make a reasonable attempt to transfer employees with a life-threatening illness who request a transfer.
- * Be sensitive and responsive to co-workers' concerns.
- * Do not give special consideration beyond normal transfer requests for employees who feel threatened by a co-worker's life-threatening illness.
- * Be sensitive to the fact that continued employment for an employee with a life-threatening illness may sometimes be therapeutically important in the remission, recovery process, or may help to prolong that employee's life.

Managers

Your immediate manager is the person on the management team who is closest to you and your work. Your day-to-day contact with your manager gives you a chance to receive guidance and counsel regarding your assignments and the progress you make on your job. Your manager can show you how your work fits into the overall picture, teach you how to do things, explain the "hows" and "whys," and encourage you when things look a little tough.

Your manager is in complete charge of the department. He or she is responsible for the efficient operation of the department. Your manager has authority to hire and dismiss employees, to assign work, recommend and give pay increases, transfers or promotions, and to maintain order and discipline. This may be accomplished by the manager personally or through his or her assistant or coordinator.

Remember, your manager knows most of the answers, and, if not, knows where to get them. Your manager probably started in a job much like yours and can guide and help you. Your manager wants you to succeed. Please get to know your manager, and when you need help or have questions, complaints, problems or suggestions, contact your manager first. He or she is interested in your success, the success of every member of your department, and the overall success of Ace Air Conditioning.

Your manager is human, has many responsibilities, and needs your cooperation, assistance, and loyalty. He or she wants to help you - that's their job - so please ask, and please be willing to meet your manager halfway. If he or she cannot help you or answer your question, your question will be referred to someone who can. You can expect to be treated fairly and with respect. Like Ace Air Conditioning, your manager has a direct

interest in you. He or she wants you to consider him or her as your advisor, friend and mentor. Go to your manager for information about your job, your pay, or other matters of company policy.

Please don't overburden your manager with questions that can be answered by reading this manual or by checking boards. Do feel free to ask for clarification of regulations or responsibilities. Any problem that hinders the efficient completion of your responsibilities should be taken up with your manager.

Open Door Policy & Counseling

Normally, you will be expected to use the Grievance Procedure outlined earlier in this Manual to resolve a problem. However, if the problem or complaint is of a personal nature, or a very delicate matter, you may meet first with any member of management, including the President, to discuss it. He or she will decide if you should first discuss the problem with your immediate manager. If so, you will be directed to use the Grievance Procedure. If the complaint, suggestion, or question is of such a nature that resolution would be hampered by the Grievance Procedure, the management person you contact will take the appropriate action.

Outside Activities

No employee may take an outside job, either for pay or as a donation of his or her personal time, with a customer or competitor of Ace Air Conditioning; nor may they do work on their own if it competes in any way with the sales of products or services we provide our customers. If your financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, we would like to know about it. Before accepting any outside employment, it would be a good idea to discuss the matter with your manager.

Parking Lot

You are encouraged to use the parking areas designated for our employees. Please keep in mind that the parking spaces adjacent to or in front of our building are for customers and visitors only. Employee should use the front parking lot for parking their personal vehicles. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will avoid accidents, personal injuries, damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your manager.

Ace does not assume any liability for any loss or damages you may sustain.

Payroll Advances

Ace rarely advances or loans money to employees. In the event you must borrow against your paycheck, you must first discuss your situation with your manager. If he or she feels that your request is justified, a request must be submitted by the employee through the employee intranet. This process will allow management to receive notice of your request for review and approval and will serve as your acknowledgement for payroll deductions and processing fees.

Note: See "Deductions (Other)/Direct Deposit" in the "Compensation & Performance" section for further information.

Personal Phone Calls & Mail

Our telephone bills can be astronomical. Please keep personal phone calls to a minimum—they must not interfere with your work. You are permitted to make limited local area calls on company telephones for essential personal business during lunch or "break" periods only. Please do not abuse this privilege. Emergency calls regarding illness or injury to family members, changed family plans, or calls for similar reasons may be made at any time. Incoming urgent calls will be directed to you.

Personal Property

Due to the strict liability guidelines of our insurance carrier, under no circumstances are you allowed to keep personal equipment or vehicles on Ace property where damage or fire could result.

You are responsible for keeping your locker clean, sanitary, and orderly. Lockers may be inspected at any time, with or without notice, for cleanliness by Ace and periodically you will be asked to remove your possessions so that the lockers can be sanitized. Please understand that Ace cannot assume any responsibility for loss or damage to personal property of any employee. Upon separation, any unclaimed personal items will be discarded after 30 days.

Personal Use of Company Property

If you want to use Ace equipment or tools during or after work hours for personal benefit, you must have the approval of your manager. You must have a written pass before removing the equipment or tools from Ace property. You understand and agree that Ace is not liable for personal injury incurred during the use of company property for personal projects. As an Ace employee, you accept full responsibility for all liabilities for injuries or losses which occur, or for the malfunction of equipment. You are responsible for returning the equipment or tools in good condition, and you agree that you are required to pay for any damages that occur while using the equipment or tools for personal projects.

Promotion Policy

It is our policy to advise all employees about advancement opportunities by email or other suitable methods. Please submit your request for consideration for a specific position directly to your manager.

Whenever a position becomes available, every effort will be made to fill it by promoting a qualified employee. Promotions will be awarded based on individual interviews, skills, abilities, and past job performance, as well as length of service if two people have similar/equal qualifications. By utilizing all opportunities for education and performing your job excellently, you may become qualified to fill a position of greater skill, responsibility and value at Ace Air Conditioning. Ace will always continue to look outside the company for potential employees as well.

Whenever you are learning a new job, or if your abilities are unknown in a job, you will be classified as a trainee during the time necessary for you to gain experience to do the job. The length of training time for any given job is governed by the experience required for that job and your learning ability. You will be reviewed every ninety (90) days while training. At these reviews, you may receive an increase in pay, timed so that upon completion of the training period, you will be receiving a wage comparable to others in the job.

Property & Equipment Care

It is your responsibility to understand the machines you need to use to perform your duties. Good care of any machine that you use during your employment, as well as the conservative use of supplies, will benefit you and Ace Air Conditioning. If you find that a machine is not working properly or in any way appears unsafe, please notify your manager immediately so that repairs or adjustments may be made. Under no circumstances should you start or operate a machine you deem unsafe, nor should you adjust or modify the safeguards provided.

References

Ace does not respond to oral requests for references. All requests must be in writing and on company letterhead. In the event you leave the employ of Ace we may be able to provide references to potential employers, depending upon the circumstances, your employment history, etc. However, you must first sign a "reference release" waiver, allowing us to release reference information beyond merely confirming that you worked at Ace for a specific period and your position.

As an employee, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, and you receive a request for a reference, you should forward the request to the HR Department for a response.

Reinstatement

See "Former Employees" in the "Employment" section for information on reinstatement.

Resignation

While we hope both you and Ace will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your job with Ace Air Conditioning. If you anticipate having to resign your position with Ace Air Conditioning, you are expected to notify your manager at least two (2) weeks in advance of the date that you must leave.

Restricted Areas

In the interest of safety and security, certain portions of Ace's facilities may be restricted to authorized personnel only. Such areas will be clearly marked. Some areas may be designated no smoking or vaping areas as well.

Note: See "Smoking/Vaping" later in this section for further information.

Return of Company Property

Any Ace property issued to you, such as product samples, tools or uniforms, must be returned to Ace at the time of your dismissal or resignation, or whenever it is requested by your manager or a member of management. You are responsible to pay for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck, and you may be required to sign a wage deduction authorization for this purpose.

Safety Rules

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all Ace activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production. Please refer to our Safety Manual for additional topics and procedures.

Please report all injuries (no matter how slight) to your manager immediately, as well as anything that needs repair or is a safety hazard. Below are some general safety rules. Your manager or department head may post other safety procedures in your department or work area:

- * Avoid overloading electrical outlets with too many appliances or machines.
- * Use flammable items, such as cleaning fluids, with caution.
- * Walk – don't run.

- * Use stairs one at a time.
- * Report to your manager if you or a co-worker becomes ill or is injured.
- * Ask for assistance when lifting heavy objects or moving heavy furniture.
- * Smoke/Vape off company premises.
- * Keep cabinet doors and file and desk drawers closed when not in use.
- * Never empty an ash tray into a waste basket or open receptacle.
- * Sit firmly and squarely in chairs that roll or tilt.
- * Wear or use appropriate safety equipment as required in your work.
- * Avoid "horseplay" or practical jokes.
- * Start work on any machine only after safety procedures and requirements have been explained (and you understand them).
- * Use air hoses only for the use intended. Avoid blowing air at yourself or anyone else.
- * Wear appropriate personal protective equipment, like shoes, hats, gloves, goggles, spats, hearing protectors, etc., in designated areas or when working on an operation which requires their use.
- * Keep your work area clean and orderly, and the aisles clear.
- * Stack materials only to safe heights.
- * Watch out for the safety of fellow employees.
- * Use the right tool for the job and use it correctly.
- * Wear gloves whenever handling castings, scrap, barrels, etc.
- * Operate motorized equipment only if authorized by your immediate manager. All operators must be licensed by Ace Air Conditioning.

Remember, failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions.

Safety Rules When Operating Machines & Equipment

- * Machine guards must be in place while machines are in operation.
- * Loose clothing, jewelry or rings must be removed before operating machinery.

- * You must have steel toe shoes and (if necessary) prescription eye protection to start the job.
- * Required personal protective equipment, except for prescription glasses and steel toe shoes, will be issued to you by your manager.

Replacement for mandatory personal protective equipment which has been purposely destroyed or lost may be purchased by you at cost. You may purchase personal protective equipment that is not mandatory through Ace at a reduced cost.

We will continue to provide a clean, safe and healthy place to work and we will provide the best equipment possible. You are expected to work safely, to observe all safety rules and to keep the premises clean and neat. Remember that carelessly endangering yourself or others may lead to disciplinary action, including possible dismissal.

Security

Maintaining the security of Ace buildings and vehicles is every employee's responsibility. Develop habits that ensure security as a matter of course. For example:

- * Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- * Know the location of all alarms and fire extinguishers and familiarize yourself with the proper procedure for using them, should the need arise.
- * When you leave Ace's premises make sure that all entrances are properly locked and secured.

Seniority

Many of your benefits, like vacations, are determined by seniority. Also, seniority is one of the factors recognized when making promotions. Therefore, seniority is very important to you as an employee.

You must complete an Introductory Period when you are hired. During this period, you carry no seniority rights. If you are retained after the Introductory Period, you will be credited with seniority. Your seniority will reflect your length of employment beginning on the date on which you began work (anniversary date).

Service Awards

Each year, Ace honors its long-term employees by presenting service awards at an annual company function. Service awards will be given after you have completed five, ten, fifteen, twenty, and twenty-five years of service.

The awards are as follows:

Bronze	Five Years of Service	\$250
Silver	Ten Years of Service	\$500
Gold	Fifteen Years of Service	\$800
Gold with Ruby	Twenty Years of Service	\$1000
Gold with Diamond	Twenty-Five Years of Service	\$1500
Platinum	Thirty Years of Service	\$2000

Smoking/Vaping

Ace discourages its employees from smoking and vaping. Smoking & vaping is regarded as a poor health habit which can detract from performance and is often offensive to co-workers and/or customers. While we cannot regulate employee conduct off the job or outside of work hours, we feel it is our responsibility to provide a workplace free of exposure to hazardous substances, and we have therefore established our facility and business as a smoke-free workplace. All employees are expected to abide by this policy while at work.

If you choose to continue smoking, you can do this while in vehicles offsite or while on your lunch break. Smoking will not be allowed on Ace property, customer homes or jobsites. Special smoke breaks will not occur for any staff other than normal lunch breaks. This applies to all tobacco products.

Solicitations & Distributions

Solicitation for any cause during working time and in working areas is not permitted. You are not permitted to distribute non-company literature in work areas at any time during working time. Working time is defined as the time assigned for the performance of your job and does not apply to break periods and mealtimes. Working areas do not include the lunchroom or the parking areas. Solicitation during authorized meal and break periods is permitted so long as it is not conducted in working areas. However, employees are not permitted to sell chances, merchandise or otherwise solicit money or contributions without management approval.

Persons not employed by Ace are prohibited from soliciting or distributing literature on company property.

Substance Abuse

Ace is a Drug Free Workplace and has a vital interest in maintaining safe, healthful, and efficient working conditions for its employees. Being under the influence of a drug or alcohol on the job may pose serious safety and health risks not only to the user, but to all those who work with the user, as well as our customers.

Ace also recognizes that its own health and future are dependent upon the physical and psychological health of its employees. Accordingly, Ace has established the following guidelines about use, possession or sale of alcohol or drugs:

- * Ace will maintain pre-employment screening practices designed to prevent hiring individuals who use illegal drugs or individuals whose use of legal drugs or alcohol indicates a potential for impaired or unsafe job performance. Random drug screening will be done throughout the year to ensure the ongoing safety of all employees.
- * The manufacture, possession, use, distribution, sale, purchase, or transfer of, or being under the influence of, alcohol or illegal drugs is strictly prohibited while on Ace premises or while performing company business. Holiday gifts of alcohol, which are given or received by employees, but are not opened or consumed on company premises, although not encouraged, would not be considered a violation of this policy.
- * Employees will not be permitted to work while under the influence of drugs or alcohol. Individuals who appear to be unfit for duty may be subject to a medical evaluation which may include drug or alcohol screening. A failed drug or alcohol screening will be at the expense of the employee. Refusal to comply with a fitness-for-duty evaluation or a failed test may result in disciplinary action up to and including discharge.
- * Off-the-job illegal drug use which could adversely affect an employee's job performance or which could jeopardize the safety of other employees, the public or company facilities, or where such usage could jeopardize the security of company finances or business records, or where such usage adversely affects customers' or the public's trust in the ability of the company to carry out its responsibilities, will not be tolerated. Employees who are involved in or suspected of involvement in off-the-job drug activity will be considered in violation of this policy.
- * Employees undergoing prescribed medical treatment with a controlled substance that may affect the safe performance of their duties are required to report this treatment to their manager through their personal physician.

Ace recognizes that alcoholism/drug abuse is a form of illness that is treatable in nature. The company shall not discriminate against employees based on the nature of their illness. No employees shall have their job security threatened by their seeking of assistance for a substance abuse problem. The same consideration for referral and treatment that is afforded to other employees having non-drug/alcohol related illnesses shall extend to them.

- * Every effort shall be made to provide an early identification of a substance abuser, to work with and assist the employee in seeking and obtaining treatment without undue delay.
- * Early identification of the substance abuser shall be based upon job performance and related criteria, as well as resulting impairment on the job from the job activities. The manager of the employee shall bring such information to the attention of the designated representative for further evaluation. An employee who voluntarily seeks treatment for a substance abuse problem which requires a leave of absence for treatment shall be granted such leave of absence and further shall be eligible for benefits under the specifications of the existing leave policy and insurance policy.

Nothing in this policy is construed to prohibit the corporation from its responsibility to maintain a safe and secure work environment for its employees or from invoking such disciplinary actions as may be deemed appropriate for actions of misconduct by virtue of their having arisen out of the use or abuse of alcohol or drugs or both.

Suggestions

We encourage all employees to bring forward their suggestions and good ideas about how our company can be made a better place to work, our products improved, and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your immediate manager. He or she can help you bring our idea to the attention of the people in the company who will be responsible for possibly implementing it.

All suggestions are valued and listened to. When a suggestion from an employee has merit, we provide for special recognition of the individual(s) who had the idea. The recognition may include monetary rewards.

Theft

Internal theft causes serious problems for Ace Air Conditioning. Although taking small items of Ace property many seem inconsequential, the cumulative effect can be very large. Stealing from the company is like stealing from yourself. Losses from theft immediately affect our ability to increase salaries and can jeopardize the profitability of the company.

Property theft of any type will not be tolerated by Ace Air Conditioning. We consider property theft to be the unauthorized use of company services or facilities or the taking of any company property for personal use. The following list of examples is not all-inclusive but provides illustrations of several activities which are unacceptable.

- 1. Use of company copy machines for personal use.** The office copiers are not provided as a free service to employees. If you wish to use a company copier for personal use, please follow the established procedure for reimbursement of Ace Air Conditioning. Failure to do so is a form of property theft.
- 2. Use of computers.** Ace's personal computers (the personal computers in the office, or laptops made available for work away from the office) are to be used exclusively for

business purposes unless you receive permission from your manager and arrange to reimburse Ace Air Conditioning.

- 3. Purchase of company products (manufacturing and distribution companies).** Ace offers employees a wide selection of the products manufactured or distributed by Ace at a discount. The discount privilege is offered for the use of employees and the members of their immediate family. Under no circumstances should company products be removed from the premises unless accompanied by a receipt from Ace Air Conditioning. Employees are permitted to buy company products at a discount for personal use or to give as gifts, but it is an abuse of the discount privilege to buy items from Ace on behalf of people outside your immediate family. Ace considers such behavior a form of theft and violators will be treated accordingly.
- 4. Taking of company property.** No item purchased or supplied by Ace should ever be removed from company premises without express authorization of your immediate manager and the proper paperwork associated with the situation. This rule applies to all company property including raw materials used in manufacturing plants, mechanics' tools, computers, and even pens and paper. All employees may be subject to random searches as they leave company facilities. Your manager has been given detailed instructions on the circumstances in which he or she can authorize you to borrow company equipment or to take samples of your work home. A checkout procedure will be used, and if you fail to return any item removed on schedule, the value of the items will be charged against your paycheck and you may be subject to disciplinary action for theft.

Penalty Clause

The penalty for any incidence of unauthorized possession or removal of company property is immediate dismissal. All examples of unauthorized possession or removal of company property, regardless of the employee's past record, seniority, or the dollar value of the item, will be treated equally. If you are dismissed because of unauthorized possession or removal of company property, the reason for your dismissal will be provided to any future employer that contacts Ace Air Conditioning. In addition, you may be subject to prosecution.

Excerpted with permission from a 1988 special report, Thieves at Work: An Employers Guide to Combating Workplace Dishonesty (BSP 98) published by The Bureau of National Affairs, Inc.

Tool Allowance

Some field positions may qualify for a tool allowance. This is an additional benefit to assist the employee with the purchase of their personal tools. Employees are eligible to use this benefit after the 90days introductory period. The tool allowance is not considered wages and it will not be paid at any time including upon separation of employment.

Traffic Violations

If you are authorized to operate a company vehicle in the course of your assigned work, or if you operate your own vehicle in performing your job, you will be considered completely responsible for any accidents, fines or traffic violations incurred. Your manager will advise you on what to say and do (and what not to say and do) in the event of a vehicular accident.

Transfers

Transfer from one position to another may be required or requested from time to time. Such transfers (up, down, or laterally) will be made with a possible adjustment in pay. Transfers for more than thirty (60) days will be considered permanent transfers.

In the unlikely event that you are permanently transferred for Ace's benefit to a lower position, your wage may need to be adjusted to suit the new position. If you are permanently transferred to a lower position because there is no work in your department, your wage must be reduced to suit the job to which you are transferred.

Uniforms

We provide uniforms which certain employees must wear while at work. Uniforms are always required to be worn. Upon termination of employment, the uniforms must be returned, or the cost will be deducted from your final paycheck.

Use of Company Vehicle

If you are authorized to use an Ace company vehicle for business, you must adhere to the following policies and procedures when driving and fueling the vehicles:

1. You must not use the vehicle for personal use. If the vehicle is found being used after business hours or for non-business activities, you will subject to disciplinary action up to and including termination.
2. You must be a licensed driver. You must immediately notify management if your license status changes during your employment at Ace Air Conditioning. You must not drive under any circumstances if your license is not valid, even if directed so by other employees.
3. You must not use your own personal vehicle for any company business, or anything related to work.
4. You must have a driving record acceptable to our insurer. If the insurer doesn't accept your driving record, your employment with Ace could be in jeopardy.
5. If you are involved in an accident, you may be liable for damages caused by the accident, included cost of repair for any vehicle or structure damaged.
6. You are responsible for following all the manufacturer's recommended maintenance schedules to maintain valid warranties and for following the manufacturer's recommended oil change schedule and maintenance requirements.
7. You are responsible for paying any moving violation tickets. Please park in appropriate areas, as Ace will not pay parking fines.

8. You are responsible to abiding by any local, state, and federally enforced driving laws applicable in the state you are in.
9. Safety is a priority. All vehicles are equipped with outer and inner dashcams that have the capability to record video and audio, as well as provide access to direct communication with all vehicle occupants for safety, to prevent distracted driving, and for compliance with driving laws and company policies.
10. You must always keep the vehicle clean, and washed, and vacuumed as often as necessary. You will be reimbursed for your reasonable expense of keeping the vehicle clean. Please retain receipt for reimbursement. Van inspections will be performed periodically at management's discretion.
11. You must not under any circumstances allow persons not authorized or employed by Ace to operate or ride in the vehicle.
12. **GAS CARD USE.** If you are authorized to use a gas card, you must fuel the vehicle only at gas stations that accept Wright Express. Vehicle can only be filled with gas during **NORMAL** working hours. Before fueling, verify the station takes the gas card type. You should attempt to pay at the pump when possible instead of inside. When fueling, you will need to enter your pin (last 4 of social security number) and the correct vehicle mileage. Ensure all mileage entered is correct and rounded up from the tenths of a mile (ex. 21800.9 = 21801). If the employee enters the mileage incorrectly, when the bill is reviewed by accounting, if the mileage is found incorrect the employee's pay will be docked \$25 per transaction. Under **NO** circumstances will gas be paid for or reimbursed to the employee when the gas card could have been used.
13. Employee's personal tools are not insured against theft. It is the employee's option to leave their personal tools in the company van, or to remove them nightly. Unlocked trucks are the employee's responsibility if employee or company tools become missing.
14. Each truck is to be equipped with company-supplied tools as listed on the tool inspection forms for each department. Tools and van are to be issued and signed for by vehicle driver. Tools then become driver's responsibility.
15. **Responsibility** – Once tools are issued; driver will be accountable for tools' whereabouts and condition. Lost tools or damaged tools due to misuse will be replaced by company as necessary and charged to the employee.
16. If your keys are lost, see your manager immediately. A loaner key will be provided. The cost of the replacement key will be charged to the employee. Some key replacements can be as much as \$200.
17. If you are a service technician, member of management or have management's permission to take the company vehicle home with you, you understand the vehicle can be removed, taken, towed or driven from your home or residence at any time with no notice at the complete discretion of Ace along with the entire contents of the vehicle including any personal tools contained in the vehicle. Any personal tools contained in the vehicle will be returned to you and available for pickup within 48 hours from the warehouse.

Note: See "Driver's License & Driving Record" in the "Employment" section of this Manual and "Traffic Violations" earlier in this section for further information.

Visitors

Our insurance coverage and good common sense prohibits unescorted visitors in our facilities. Visitors are not permitted on Ace property without prior permission from your manager; no visitors are permitted in working areas. If you are expecting visitors, please request permission from your manager and ask your visitors to see your manager when they arrive.

Violations of Policies

You are expected to abide by the policies in this Manual. Failure to do so will lead to appropriate disciplinary action. A written record of all policy violations is maintained in everyone's personnel file.

A partial list of causes for possible disciplinary action ("Unacceptable Activities") is presented under "Standards of Conduct" in the "Employment" section of this Manual. This list is not to be considered all-inclusive.

Workplace Monitoring, Recording, and Surveillance (Audio/Visual)

In order to promote employee and customer safety, our commitment to client satisfaction, security of the facilities, and other legitimate business purposes Ace Air Conditioning, Inc. reserves the right to Audio/Visual Monitoring, Recording, and Surveillance during ordinary business. There should be no expectation of privacy in the workplace except in private areas such as restrooms.

Ace Air Conditioning, Inc. Always conducts video/audio surveillance of its premises. Surveillance cameras are installed on the building overseeing all public areas. For the purpose of this policy the company premises also extend to company provided vehicles. As part of Ace's safety program all company vehicles are equipped with outer and inner dashcams that have the capability to record video and audio, as well as provide access to direct communication with all vehicle occupants.

Members of the management team may listen in and/or record customer service lines to ensure employees are being respectful and responsible to clients. Calls may be monitored or recorded for training purposes to critique customer service skills and provide feedback on job performance as needed. In addition, customers will need to be notified of possible monitoring through the provision of "this call may be monitored for quality assurance and training purposes" prior to connection.

Please remember that company equipment such as computers, phones, and vehicles are provided for business purposes. Employees are subject to disciplinary action up to and including separation of employment for any policy violation found while monitoring or recording. Access to surveillance and recordings is limited to management staff only and will only be used for business reasons.