



Kern Construction, LLC.

Employee Manual

January 2020

Welcome to Kern Construction, LLC.

On behalf of the entire company, I would like to welcome you to our organization and wish you the most success.

It is our belief that every employee contributes directly to the success and growth of this company; therefore, we hope that you will take pride in becoming a member of our team.

Kern Construction, LLC. makes every effort to provide a safe and healthy work environment for each and every person under our direction. This handbook was designed to describe certain expectations of our employees, and outline the policies, programs and benefits available to all eligible employees. Employees should make every effort to familiarize themselves with Kern Construction policies and procedures listed in this manual as soon as possible, because it may answer any question you have about our company. In the event you have a question concerning policies, procedures, benefits, etc., do not hesitate to contact our office for assistance.

We hope your experience working with us will be an enjoyable and rewarding one. Once again, welcome!

Sincerely,
Jason Kern
President

TABLE OF CONTENTS

Welcome Letter

SECTION 1-INTRODUCTION

- 1.1 Changes in Policy
- 1.2 Employment Applications
- 1.3 At Will Employment Relationship

SECTION 2-EMPLOYMENT CATAGORIES

SECTION 3-EMPLOYMENT POLICIES

- 3.1 Employee Medical Exam
- 3.2 Non-Disclosure/Confidentiality
- 3.3 New Employee Orientation
- 3.4 Probationary Period for New Employees
- 3.5 Office Hours
- 3.6 Lunch Periods
- 3.7 Break Periods
- 3.8 Personnel Files
- 3.9 Personnel Data Changes
- 3.10 Inclement Weather/Emergency Closings
- 3.11 Employee Performance Review and Planning Sessions
- 3.12 Outside Employment
- 3.13 Corrective Action
- 3.14 Employment Termination
- 3.15 Safety
- 3.16 Employee Requiring Medical Attention
- 3.17 Building Security
- 3.18 Insurance on Personal Effects
- 3.19 Supplies; Expenditures; Obligating the Company

- 3.20 Expense Reimbursement
- 3.21 Parking
- 3.22 Visitors in the Workplace
- 3.23 Immigration Law Compliance
- 3.24 Conflict of Interest
- 3.25 Privacy Rights and Limitations

SECTION 4-STANDARDS OF CONDUCT

- 4.1 Business Ethics
- 4.2 Attendance/Punctuality
- 4.3 Absence Without Notice
- 4.4 Equal Employment Opportunity and Anti-Harassment Policy
- 4.5 Hiring Relatives
- 4.6 Fraternalization
- 4.7 Telephone Use
- 4.8 Public Image
- 4.9 Drug and Alcohol Policy
- 4.10 Tobacco Products
- 4.11 Electronic Communications
- 4.12 Workplace Violence
- 4.13 Social Media Policy

SECTION 5-WAGE AND SALARY POLICIES

- 5.1 Wage or Salary Increases
- 5.2 Timekeeping
- 5.3 Overtime
- 5.4 Paydays
- 5.5 Deductions and Offsets

SECTION 6-BENEFITS

- 6.1 Cobra Benefits

6.2 Vacation

6.3 Record Keeping

6.4 Holidays

6.5 Jury Duty

6.6 Military Leave

6.7 Family and Medical Leave Policy

SECTION 7-EMPLOYEE COMMUNICATION

7.1 Bulletin Board

7.2 Open Door

7.3 Solicitation and Distribution

SECTION 1

INTRODUCTION

This manual is designed to acquaint you with Kern Construction, LLC. and provide you with information about working conditions, benefits and policies affecting your employment.

The information contained in this manual applies to all employees of Kern Construction, LLC. Adherence to the policies described in this manual is considered a condition of continued employment. However, nothing in this manual alters an employee's at will status. The contents of this manual shall not constitute nor be construed as a promise of employment or as a contract between the company and any of its employees. Employment with the company is not for a fixed or definite term and may be terminated at the will of either party. The manual is a summary of our policies, which are presented here only as a matter of information.

All employees are responsible for reading, understanding and complying with the provisions of this manual. The company's objective is to provide you with a work environment that is constructive to both personal and professional growth.

1.1 CHANGES IN POLICY

This manual supersedes all previous employee manuals and memos that may have been issued from time to time on subjects covered in this manual.

However, since our business and our organization are subject to change, the company reserves the right to interpret, change, suspend, cancel or dispute with or without notice all or any part of our policies, procedures and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by the company, and after those dates all superseded policies will be null.

No individual supervisor or manager has the authority to change policies at any time. If you are uncertain about any policy or procedure, speak with your direct supervisor or Human Resources.

1.2 EMPLOYMENT APPLICATIONS

We rely upon the accuracy of information contained in the employment application and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

1.3 AT WILL EMPLOYMENT RELATIONSHIP

You enter into employment voluntarily, and you are free to resign at any time for any reason or no reason. Similarly, Kern Construction, LLC. Is free to conclude the relationship with any employee at any time for any reason or no reason. Following the probationary period, employees are required to follow the employment termination policy (see section 3.14).

SECTION 2

EMPLOYMENT CATAGORIES

Employees may include exempt, non-exempt, regular full-time, regular part-time, and temporary persons. None of these classifications guarantee employment for any specified period of time.

EXEMPT

Employees whose positions meet specific criteria established by the Fair Labor Standards Act (FLSA) and who are exempt from overtime pay requirements.

NON-EXEMPT

Employees whose positions do not meet FLSA criteria and who are paid one and one half their regular rate of pay for hours worked in excess of 40 hours per week.

REGULAR FULL-TIME

Employees who have completed their initial 90-day probationary period and who are regularly scheduled to work 40 hours or more per week. Generally, they are eligible for the company's benefit package, subject to the terms, conditions, and limitations of each benefit program.

TEMPORARY (FULL-TIME OR PART-TIME)

Those whose performance is being evaluated to determine whether further employment in a specific position or with the company is appropriate, or individuals who are hired as interim replacements to assist in the completion of a specific project or to temporarily supplement the workforce. Employment beyond any initially stated period does not in any way establish a change in employment status. Temporary employees retain that status until they are notified of a change. They are not eligible for any of the company's benefit program.

PROBATIONARY PERIOD FOR NEW EMPLOYEES

New employees go through an initial 90 day period of adjustment. This introductory period is to provide the employee with an opportunity to learn about the company and his/her job and may be extended or shortened at the discretion of management. Additionally, this introductory period gives the company a reasonable period of time to evaluate the employee's performance. Under appropriate circumstances, this introductory period may be extended. As is true at all times during an employee's employment with the company, employment is not for any specific period of time and may be terminated at will by either party.

SECTION 3

EMPLOYMENT POLICIES

3.1 EMPLOYMENT MEDICAL EXAM

To help ensure that employees are able to perform their duties safely, a post-offer, pre-employment medical examination will be required.

After an offer has been made to an applicant entering a designated job category, a medical exam will be performed at the company's expense by a healthcare professional of the company's choice. The offer of employment and assignment to duties is contingent upon satisfactory completion of the exam indicating that the applicant is able to safely perform the essential functions of the position with or without reasonable accommodations without posing a significant risk of substantial harm to the health or safety of the individual him/herself or to the safety of others, if that risk cannot be eliminated or reduced below the level of a "direct threat" by reasonable accommodation.

Current employees may be required to take medical exams to determine fitness for duty when job related and consistent with business necessity. Such exams will be scheduled at reasonable times and intervals and performed at the company's expense.

Information on an employee's medical condition or history will be kept separate from other employee information and maintained confidentially. Access to this information will be limited to those who only have a legitimate need to know.

3.2 NON-DISCLOSURE/CONFIDENTIALITY

The protection of confidential business information and trade secrets is vital to the interest and success of Kern Construction, LLC. Such confidential information includes, but is not limited to, the following examples:

- Financial information
- Customer lists
- Marketing strategies
- Pending projects and proposals
- Proprietary production process
- Technological prototypes
- Personnel records

Employees are not to access, copy, modify, forward, or disclose such information to unauthorized individuals. All employees are required to sign a non-disclosure agreement as a condition of employment (or at time of separation). Employees who are unsure about the confidential nature of specific information must ask their supervisor for clarification.

3.3 NEW EMPLOYEE ORIENTATION

Orientation is an ongoing process that is designed to make the new employee feel comfortable, informed about the company, and prepared for their position. New employee orientation is conducted by a human resources representative and supervisors, and includes an overview of the company history, an explanation of the company core values, vision, and mission; position requirements and company goals and objectives. In addition, the new employee will be given an overview of compensation and benefit matters and complete any necessary paperwork.

Employees are presented (when applicable) with all codes, keys, and procedures needed to navigate within the workplace. The new employee's supervisor then introduces the new hire to staff throughout the company, reviews their job description and scope of position, explains the company's evaluation procedures, and works with the employee on job functions.

3.4 PROBATIONARY PERIOD FOR NEW EMPLOYEES

The probationary period for regular full-time and regular part-time employees lasts approximately 90 days from date of hire. The company may extend or shorten the probationary period, at its sole discretion. During this time employees have the opportunity to evaluate our company as a place to work and management has its first opportunity to evaluate the employee. During this introductory period, both the employee and the company have the right to terminate employment without advanced notice.

Upon satisfactory completion of the probationary period, a 90-day review will be given and benefits will begin as appropriate. All employees, regardless of classification or length of service, are expected to meet and maintain company standards for job performance and behavior (see section 4, standards of conduct).

3.5 OFFICE HOURS

Kern Construction, LLC. Office is typically open for business from 8:00 a.m. to 4:00 p.m. Monday through Friday, except for holidays (see section 6.4, holidays).

The standard work week is 40 hours of work (see section 5.3, overtime). In the computation of various employee benefits, the employee work week is considered to begin on Monday (starting at 12:01 a.m.) through Sunday (ending at 12:00 a.m.), unless a supervisor makes another arrangement with the employee.

3.6 LUNCH PERIODS

Employees are generally allowed a one-hour lunch break, unless otherwise specified by the supervisor. Lunch breaks generally are taken between the hours of 11: a.m. and 2:00 p.m. on a staggered schedule so that the absence does not create a problem for co-workers or clients.

3.7 BREAK PERIODS

Kern Construction, LLC. generally, provides paid breaks during production activities at the following times 9:00 a.m.-9:15 a.m., lunch, 3:00 p.m.-3:15 p.m., unless otherwise specified by the supervisor.

If employees have unexpected personal business to take care of, they must notify their direct supervisor at least 01 day in advance of the needed leave, other than in the event of an emergency. Personal business should be conducted on the employee's own time.

Employees who do not adhere to the break policy will be subject to disciplinary action, including termination.

3.8 PERSONNEL FILES

Employee personnel files generally include the following: job application, job description, resume, records of participation in training events, compensation information, records of disciplinary action and documents related to employee performance.

Personnel files are the property of Kern Construction, LLC. and access to the information is restricted. Only management personnel of Kern Construction, LLC. who have a legitimate reason to review the file are allowed to do so.

Employees who wish to review their own file should contact their supervisor or Human Resources. With reasonable advance notice, the employee may review his/her personnel file in company's office and in the presence of their supervisor or Human Resources. Employees may not copy, remove, add to or modify the contents of their personnel files without the express permission of Human Resources.

3.9 PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify their supervisor or human resources of any changes in personnel data such as:

- Mailing address
- Telephone numbers
- Name and number of dependents
- Individuals to be contacted in the event of an emergency
- Valid email address

An employee's personnel data should be accurate and current at all times.

3.10 INCLIMATE WEATHER/EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. The decision to close the office will be made at the discretion of management.

When the decision is made to close the office, employees will receive official notification from their supervisors.

Time of from scheduled work due to emergency closings will be unpaid for all non-exempt employees.

3.11 EMPLOYEE PERFORMANCE REVIEW AND PLANNING SESSIONS

Supervisors will conduct performance reviews and planning sessions with all regular full-time and regular part-time employees after six months of service. Supervisors are free to conduct informal performance reviews and planning sessions more often if they choose.

Performance reviews and planning sessions are designed for the supervisor and the employee to discuss his/her current job tasks, encourage and recognize attributes, and discuss positive, purposeful approaches for meeting work-related goals. Together, the employee and supervisor discuss ways in which the employee can accomplish goals or learn new skills. The planning sessions are designed for the employee and his/her supervisor to make and agree on new goals, skills, and areas for improvement.

Kern Construction, LLC. Directly links wage and salary increases with performance. Performance review and planning sessions can have a direct effect on any changes in employee's compensation.

New employees will be reviewed at the end of their probationary period (see section 3.4, Probationary period for new employees). After the initial review the employee will be reviewed from time to time or as often as necessary.

3.12 OUTSIDE EMPLOYMENT

Employees may hold outside jobs in non-related businesses or professions as long as the employee meets the requirements and performance standards of their job description with Kern Construction, LLC. From time to time employees may be required to work beyond normally scheduled hours, or they may be given different work schedules. Employees must perform work when requested. In cases of conflict, the employee's obligation to the company must be given priority. Kern Construction, LLC.'s office space, equipment, and materials are not to be used for outside employment. Employees may not perform work for outside jobs while on the clock for Kern Construction, LLC.

3.13 CORRECTIVE ACTION

Kern Construction, LLC. holds each of its employees to certain work rules and standards of conduct (see section 4, standards of conduct). When an employee deviates from these rules and standards, Kern Construction, LLC. will take disciplinary action, up to and including termination.

For minor violations, corrective action at Kern Construction, LLC. will generally be progressive in nature.

The usual sequence of progressive corrective actions includes an oral warning, a written warning, and finally termination of employment. The action to be taken will be at the discretion of Kern Construction, LLC. in deciding which initial corrective action would be appropriate, a supervisor will consider all circumstances, including the seriousness of the infraction, and the employee's previous record.

Kern Construction, LLC. considers certain conduct and violations of standards as grounds for immediate termination of employment. These may include but are not limited to: theft in any form, insubordinate behavior, vandalism or destruction of company property, being on company property during non-business hours, the use of company equipment or company vehicles without prior authorization from company management, dishonesty, harassment, retaliation, violence of any type, falsification of records, gross negligence, unauthorized absence from work during working hours, conviction of a felony, willful violation of a rule or policy, time keeping violations, divulging company business practices, and misrepresentations to a customer, a prospective customer, the general public, or an employee.

3.14 EMPLOYMENT TERMINATION

Below are a few examples of some of the most common circumstances under which employment is terminated:

- Resignation-voluntary employment termination initiated by an employee.
- Termination-involuntary employment termination initiated by Kern Construction, LLC.
- Layoff-involuntary employment termination initiated by Kern Construction, LLC. for non-disciplinary reasons.

When a non-exempt employee intends to terminate his/her employment with Kern Construction, LLC. he/she shall give Kern Construction, LLC. at least two (2) weeks written notice. Exempt employees shall give at least four (4) weeks written notice.

Since employment with Kern Construction, LLC. is based on mutual consent, both the employee and Kern Construction, LLC. have the right to terminate employment at will, with or without cause. When an employee cannot be contacted, he/she will be terminated as “voluntarily quit”.

Any employee who terminates employment with Kern Construction, LLC. must return all files, records, keys, and any other materials that are the property of Kern Construction, LLC. within 24 hours of separation. Failure to return the property of Kern Construction, LLC. will be considered theft. All thefts will be pursued with applicable law enforcement.

Employee benefits will be affected by employment termination in the following manner. Benefits generally end on the employee’s last day of employment. Some benefits may be continued at the employee’s expense (see section 6, benefits) if the employee elects to do so. The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations.

3.15 SAFETY

The purpose of this section is to introduce employees to Kern Construction, LLC.’s safety policy. For further information on safety policies & procedures please refer to the Kern Construction, LLC HSE Manual. Kern Construction, LLC. provides information to employees about workplace safety and health issues through regular internal communications such as:

- Training sessions
- Safety meetings
- Bulletin board postings
- Memos/alerts
- Other written communications

Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Employees must immediately report any unsafe conditions to their supervisor. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report, or where appropriate, remedy such situations, may be subject to disciplinary action including termination of employment.

In the case of an accident that results in an injury, property and/or equipment damage, regardless of how insignificant the injury (see section 3.16, Employee requiring medical attention)/property/equipment damage may appear, employees should notify their supervisor immediately.

If an employee is unsure how to operate a piece of machinery or equipment, or he believes that it may not be in a safe condition to operate, the employee should report the same to his direct supervisor. Under no circumstance is any person allowed to operate any piece of equipment without being properly qualified.

3.16 EMPLOYEE REQUIRING MEDICAL ATTENTION

In the event an employee requires medical attention, whether injured or becoming ill while at work, the employee will be assessed by a Kern Construction, LLC. Choice of physician. If it is necessary for the employee to be seen by the doctor or go to the hospital, the employee will be transported by a representative of Kern Construction, LLC.

A physician's "Return to Work" notice will be required.

3.17 BUILDING SECURITY

All employees who are issued keys to the office are responsible for their safekeeping. The last employee, or designated employee, who leaves the office at the end of the business day assumes the responsibility to ensure that all doors are securely locked, the alarm system is armed (if applicable), thermostats are set on appropriate evening and/or weekend settings, and all appliances

and lights are turned off with exception of the lights normally left on for security purposes. Employees are not allowed on company property after hours without prior authorization from management.

3.18 INSURANCE ON PERSONAL EFFECTS

All employees should be sure that their own personal insurance policies cover the loss of property, including but not limited to vehicles, occasionally left at the office and/or in the parking lot. Kern Construction, LLC. Assumes no risk for any loss or damage to personal property.

3.19 SUPPLIES; EXPENDITURES; OBLIGATING THE COMPANY

Only authorized persons may purchase supplies in the name of Kern Construction, LLC. No employee whose regular duties do not include purchasing shall incur any expense on behalf of Kern Construction, LLC. Or bind Kern Construction, LLC. By any promise or representation without written approval from management.

3.20 EXPENSE REIMBURSEMENT

Expenses incurred by an employee must have prior approval by a supervisor. Reimbursements must be submitted on a "Reimbursement Request Form" complete with attached receipts, approved by a supervisor, and then submitted to Accounts Payable.

3.21 PARKING

Employees must park their cars in areas indicated and provided by the company.

3.22 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees, visitors, and the facilities at Kern Construction, LLC., only authorized visitors are allowed in the workplace. Restricting

unauthorized visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors must enter through the main reception area, sign in, and sign-out at the front desk and wear the appropriate personal protective equipment (PPE) while on premises. Authorized visitors will be escorted to their destination and must be accompanied by an employee at all times.

3.23 IMMIGRATION LAW COMPLIANCE

Kern Construction, LLC. Only employs U.S. citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986, as amended.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Kern Construction, LLC. Within the past three years or if their previous I-9 is no longer retained or valid.

3.24 CONFLICTS OF INTEREST

The company relies on the good faith of its employees as they exercise their responsibilities with the company. The company fully respects employees' right to privacy in their personal affairs and financial activities. However, employees must avoid situations in which personal activities are or may appear to be in conflict with their responsibilities to the company. Generally, a conflict exists when personal interests or activities of an employee (or immediate family member) may influence the exercise of his or her independent judgement in the performance of one or more duties to the company. This may include:

- Ownership by an employee or by a member of the employee's family of a significant financial interest in any outside enterprise which does or seeks to do business with, or is a competitor of, the company.
- Serving as a director, officer, consultant, or employee of an outside enterprise which does, or is seeking to do business with, or is a competitor of, the company.
- Acting as a broker, go between, or otherwise for the benefit of a third party in transactions involving or potentially involving the company
- Any other arrangement or circumstance, including family or other personal relationships, which might dissuade the employee from acting in the best interest of the company.

It is not possible to list all situations or relationships which might create conflicts of interest problems since each situation must be evaluated on a case by case basis, employees should promptly disclose to their supervisor any circumstances which might constitute a conflict of interest or give the appearance of such a conflict. No employee shall suffer any adverse employment action as a result of having reported in good faith suspected unethical conduct by others under this policy.

3.25 PRIVACY RIGHTS AND LIMITATIONS

While the company at all times respects the interests of employees and their privacy, the company also has a right and duty to protect the safety of its employees, to safeguard company assets, and to enforce its workplace violence drug and alcohol, and other company policies. Therefore, all property, effects, and equipment on company property, or being used in connection with the performance of work on a company assignment, are subject to unannounced inspections by the company. Employees should not expect that any property or items that are brought or left at work are private. If an employee does not want any property or items inspected, do not bring them to work. Further, if the company reserves the right to inspect company equipment computers, telephone, voicemail, and electronic mail systems.

SECTION 4

STANDARDS OF CONDUCT

The work rules and standards of conduct for Kern Construction, LLC. Are important, and the company regards them seriously. All employees are required to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting the company's business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination of employment (see section 3.13, corrective action).

While not intended to list all forms of behavior that are considered unacceptable in the workplace, the following are non-exclusive examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment.

- Excessive absenteeism or any absence without notice (see section 4.2, attendance/punctuality and 4.3, absence without notice).
- Unauthorized absence from assigned work sites during the work day.
- Sleeping on the job.
- Theft or inappropriate removal or possession of property.
- Failure to report to management information relating to a theft, disappearance, damage, destruction, or improper use of company property or that of others.
- Falsification of timekeeping records (see section 5.2, timekeeping), applications, medical records, etc.
- Giving false or misleading information to the company or withholding other information required or requested by the company.
- Working under the influence of alcohol or illegal drugs (see section 4.9, drug and alcohol policy).
- Possession, distribution, sale, transfer or use of alcohol or illegal drugs in the workplace (see section 4.9, drug and alcohol policy).
- Possession of dangerous or unauthorized materials, such as firearms or explosives in the workplace.
- Fighting or threatening violence in the workplace.

- Boisterous or disruptive activity in the workplace.
- Negligence or improper conduct leading to damage of company-owned or customer-owned property.
- Insubordination including the refusal to comply with work orders, assignments, or other instructions of supervisor, or other disrespectful conduct.
- Unsatisfactory performance or conduct.
- Violation of safety and health rules.
- Smoking in unauthorized areas.
- Sexual or other unlawful or unwelcome harassment (see section 4.4, anti-harassment).
- Unauthorized use of telephones, or other company equipment (see section 4.7, telephone use).
- Using company equipment for purposes other than business.
- Unauthorized disclosure of business secrets or confidential information.
- Violation of personnel policies.

4.1 BUSINESS ETHICS

The company will comply with all applicable laws and regulations and expects its managers, supervisors, and employees to conduct business in accordance with the letter, spirit and intent of all relevant laws, and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgement, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, with the Operations Manager for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Kern Construction, LLC. Employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including termination of employment.

4.2 ATTENDANCE/PUNCTUALITY

The company expects that every employee will be regular and punctual in attendance. This means being in the office/shop/job-site, ready to work, at their starting time each day. Absenteeism and tardiness place a burden on other employees and on the company and can result in discipline, up to and including termination.

If you are unable to report to work for any reason, notify your supervisor BEFORE regular starting time. You are responsible for speaking directly with your supervisor about your absence. It is not acceptable to leave a message on your supervisor's voicemail, except in extreme emergencies. In the case of leaving a voicemail message, a follow-up call must be made as soon as possible.

If there comes a time when you see that you need to work some hours other than those that make up your usual work week, permission from your supervisor will be required at least two hours in advance. Each request for special work hours will be considered separately, in light of the employee's needs and the needs of the company. Such requests may or may not be granted at the sole discretion of the company.

4.3 ABSENCE WITHOUT NOTICE

When you are unable to work for any reason, employees are required to notify their supervisor as soon as possible. This will allow the company to arrange for temporary coverage of your duties, and helps other employees to continue work in your absence. If you do not report for work and the company is not notified of your status, it will be assumed that you have resigned/voluntarily quit, and you will be removed from the payroll.

If you become ill while at work or must leave the office for some other reason before the end of the workday, be sure to inform your supervisor of the situation, failure to do so could be cause for disciplinary action up to and including termination.

4.4 EQUAL EMPLOYMENT OPPORTUNITY AND ANTI-HARASSMENT / DISCRIMINATION / RETALIATION POLICY

The company is committed to a work environment in which all individuals are treated with respect and dignity. Each employee has a right to work in a professional atmosphere promoting equal employment opportunities. Therefore, the company mandates that all relationships among persons in the workplace will be professional and without bias, prejudice, or harassment.

1. Equal Employment Opportunity-It is the policy of the company to ensure equal employment opportunity without discrimination or harassment on the basis of race, sex, color, national origin, age, religion, disability, citizenship, marital status, or any characteristic protected by law. The company prohibits and will not tolerate any such discrimination or harassment.

2. Harassment-It is Kern Construction, LLC.'s policy that it does not discriminate on the basis of race, sex, national origin, color, age, creed, religion, veteran's status, disability, genetic information, or another protected category. Further, Kern Construction, LLC. will not tolerate verbal or physical conduct by any employee which undermines employee morale; harasses, disrupts, or interferes with another's work performance; or which creates an intimidating, offensive, or hostile environment. This also includes conduct directed at an employee's relatives, friends or associates.

While all forms of discrimination or harassment are prohibited, Kern Construction, LLC. wants to emphasize that sexual harassment is specifically prohibited. Sexual harassment is any unwanted sexual advances, requests for sexual favors, or any other verbal or physical conduct sexual in nature. Each employee has a responsibility to maintain the workplace free of any form of sexual harassment. No supervisor shall threaten or insinuate, either explicitly or implicitly, that an employee's refusal to submit to sexual advances will adversely affect the employee's employment, evaluation, wages, advancement, assigned duties, work location/hours, or any other condition of employment or career development.

Sexually harassing conduct in the workplace, whether committed by supervisors or non-supervisory personnel, may, alone or in a cumulative effect, include, but is not limited to:

- sexual flirtations, obscene gestures, advances or propositions;
 - verbal abuse of a sexual nature; sexual innuendos, humor or jokes about sex, whistling, threats, sexual demands, etc ;
 - graphic or suggestive comments about an individual's dress or body;
 - insults or sexually degrading words to describe an individual;
 - the display in the workplace of sexually suggestive objects or pictures, including activities, etc.
- Or
- other similar offensive conduct.

Other prohibited harassing conduct in the workplace, whether committed by supervisors or non-supervisory personnel, may, alone or in a cumulative effect, include, but is not limited to:

- threats, intimidation or hostile acts;
- slurs or epithets about an individual;
- stereotyping or making jokes that belittle or make fun of an individual;
- distributing, circulating or posting written or graphic material; or
- other similar offensive conduct

Procedure for Making a Complaint

Any employee who believes that the actions or words of a supervisor or fellow employee constitute unwelcome harassment, discrimination, or a threat of any type has a responsibility to report or complain as soon as possible to his/her supervisor or directly to Human Resources. If a supervisor is notified of a complaint, Human Resources is to be notified immediately in person or by telephone by the supervisor. It is not necessary for an employee to complain first to the offending person in order to report harassment.

Kem Construction, LLC. recognizes that false accusations of harassment can have serious effects on innocent individuals and trusts that all employees will act responsibly and in good faith when reporting harassment.

Kem Construction, LLC. will not engage in or allow retaliation against any employee who makes a good faith complaint or participates in an investigation. Employees that feel they are being subjected to any kind of negative treatment due to filing a complaint or participating in an investigation should report the conduct immediately to the CEO or Human Resources.

Investigation

All complaints of harassment or discrimination will be investigated promptly and in as impartial and confidential a manner as possible by Human Resources, with advice of legal counsel. In all cases, the employees involved are to be advised of management's findings and conclusions. If the complaint is found to be valid, Kern Construction, LLC. will take prompt remedial action to end the harassment and to prevent a recurrence of any such misconduct. In addition, Kem Construction, LLC. may make subsequent inquiries to ensure that any such harassment has not resumed and that the subject of any such harassment has not suffered any retaliation.

All employees are expected to cooperate completely in any internal investigation conducted by the company and, where instructed, to keep such matters confidential. This shall include investigations conducted of another employee while that employee is on administrative or disciplinary suspension or cooperation with management or its representatives during complaint procedures. Failure of an employee to cooperate with any investigation as defined herein may result in disciplinary action up to and including termination.

Discipline

Any employee who is found to have engaged in harassment of another employee or discrimination, or to have threatened another employee, will be subject to disciplinary action, up to and including termination.

4.5 HIRING RELATIVES

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at

work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

Although Kern Construction, LLC. has no prohibition against hiring relatives of existing employees, we are committed to monitoring situations in which relatives work in the same area. In case of actual or potential problems, Kern Construction, LLC. will take prompt action. This can include reassignment or, if necessary, termination of employment for one or both of the individuals involved.

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

4.6 FRATERNIZATION POLICY

In addition to the company's policy against sexual harassment, it is our policy to ensure that the work environment is free from intimate, romantic, or dating between employees. Management believes that such relationships could lead to (or have the appearance of) sexual harassment in the workplace, and adversely affect company morale, operations, and productivity because (or appearance) of potential favoritism, bias, or unfair treatment.

The company does not intend to discourage friendship or social activity among company employees. The policy applies solely to employee relationships that develop (or have the appearance of developing) beyond a simple friendship, social relationship that results in an intimate, romantic and/or dating relationship. This policy applies to all employees.

Once the company learns that an intimate romance or dating relationship exists between employees, management will attempt to work with both employees to resolve the matter quickly and discreetly. The company will give the employees the option to either terminate the relationship or continue it, at which point, one employee will be required to resign.

4.7 TELEPHONE USE

Kern Construction, LLC. Telephones are intended for the use of serving our customers and in conducting the company business.

Personal usage during business hours is discouraged except for extreme emergencies. All personal telephone calls should be kept brief to avoid congestion on the telephone line.

To respect the rights of all employees and avoid miscommunication in the office/workplace, employees must inform family members and friend to limit personal telephone calls during business hours.

If an employee is found to be deviating from this policy, he/she will be subject to disciplinary action up to and including termination (see section 3.13, corrective action).

4.8 PUBLIC IMAGE

The company requires that all personnel dress appropriately for their job classifications. All employees are expected to arrive at work clean, well groomed, and neatly dressed. This is particularly important when visiting with, or being seen by, customers. When meeting with a customer, the dress code is more business oriented.

Apparel worn that has any statement with language that may be offensive to anyone, political, religious, or commercial (other than the manufacturers brand label), or with the name of companies other than Kern Construction, LLC., its clients, and/or its suppliers is prohibited. This policy is not intended to discriminate against any employee based on religion, race, disability, sex, gender, or any other personal characteristic. Consult your supervisor or the HR department if you have any questions concerning the appropriate work attire.

Employees are expected to comply with the following personal appearance standards:

- No employee will be permitted to wear unnatural hair colors (blue, green, pink, etc.)
- Piercing in any visible part of the body other than the ears while working is not allowed.
- Hair styles must be able to reasonably accommodate the required PPE per applicable job-site
- Employees with tattoos perceived to be offensive or provocative on the basis of race, sex, religion, etc. or by customer complaint, will be encouraged to identify appropriate solutions, such as covering the tattoo/s
- Clothing should be worn and fit in a manner that it does not expose the chest, abdomen, or buttocks area.
- Flip flops or beach sandals are never appropriate in the workplace.
- Certain employees may be required to meet special dress codes, grooming and hygiene standards, depending upon the nature of their job, such as wearing uniforms, operating equipment, or wearing safety equipment.
- All company uniforms must be worn as required by the company.

When an employee arrives at work in violation of this policy, they will be sent home until such apparel and/or appearance has been changed to conform with our policy. Employees will not be paid for time spent obtaining and changing into proper work attire.

***When required, all safety clothing and/or personal protective equipment (PPE) must be worn*.**

4.9 DRUG AND ALCOHOL POLICY

It is the policy of the company to maintain a workplace that provides a safe, efficient and professional environment for all employees and visitors. The use and abuse of drugs and alcohol pose a serious threat to the company's economic survival, and the privilege of providing service to our customers in a safe and efficient manner. The use and abuse of drugs and alcohol may also pose a threat the health, well-being, and safety to our employees. For these non-exclusive reasons, the company prohibits the use, possession, sale and/or distribution of all illegal drugs, drug-related paraphernalia, intoxicating substances or alcohol on company property, in company vehicles, or while engaged in company activities and work activities at any location. Being in possession of

and/or under the influence of drugs or alcohol while engaged in company activities and work activities at any location, while on company property, or while in company vehicles is also strictly prohibited.

To enforce this policy, the company will or may do the following:

- Enforce the monitoring policy described in this handbook
- Observe employees in the performance of job duties on a day-to-day basis
- Conduct the following types of drug and alcohol testing
 - Pre-employment
 - Post accident
 - Reasonable suspicion
 - Random
 - Return to duty
 - Follow-up testing

The company maintains a detailed anti-drug and alcohol misuse prevention plan, which governs the testing process and is at all times available for your review. Any employee who violates any portion of this policy will be subject to disciplinary action, up to and including termination. Any employee who refuses to take a drug or alcohol test or who alters a sample in any way will be subject to disciplinary action, up to and including termination. Applicants who test positive on a pre-employment drug or alcohol test will be denied employment. Applicants who refuse to take a drug or alcohol test or who alter a sample in any way will be denied employment.

Prescription drug use and use of other medications can also have a negative or adverse effect on maintaining a safe working environment. For this reason, only the person to whom a drug is prescribed may possess and use the prescription drug. All medications must be in a properly identified prescription container or a manufacturers' container if bought over the counter. Employees who perform safety sensitive functions and who are using medication that may prevent them from performing their jobs safely must contact their supervisor before reporting to work. The company reserves the right to consult with a physician to determine whether the use of a medication will affect the safe performance of job duties.

4.10 TOBACCO PRODUCTS

The use of tobacco products is not permitted anywhere on the company's premises except in authorized and designated locations. Employees must follow all rules posted in designated smoking areas and adhere to all policies associated with this policy (see section 3.7, break periods and 3.15, safety)

4.11 ELECTRONIC COMMUNICATIONS

The company's computer system, including its connection to the internet has been made available to certain employees for the benefit of the company and is to be used for business purposes. Any unauthorized use of the internet, through the company's system or with company equipment, is strictly prohibited.

Unauthorized use includes, but is not limited to, accessing, posting or downloading sexually explicit or pornographic material or material which contains offensive or discriminatory remarks based upon race, religion, sex, national origin, disability, or other protected class; posting information which contains confidential information about the company or its customers; engaging in computer hacking and related activities; attempting to evade or compromise the security of information contained on company computers; solicitation of orders or donation which are not company related; promoting personal political candidates or opinions; and engaging in any activity prohibited by law, including posting, copying, transmitting or otherwise reproducing information which has been authorized by others without the express permission of the author or copyright holder(s).

Use of company computers, including the internet connection, is limited to company personnel. Passwords must not be shared or revealed to anyone else, nor should any employee use the password of another.

1. Electronic Mail-The company's electronic mail ("email") system, and all information stored in company provided computers, belongs to the company. Like all other company property, the

computer and email systems are to be used only for business purposes and not for your own personal use.

All electronic mail, and other information stored in company computers, is subject to review by company management or its designee. Accordingly, you should not use company computers to send messages or store information that you do not want others to see.

The company's EEO and anti-harassment policy apply to all electronic mail communications. Thus, inappropriate or offensive content in electronic mail messages, such as racial, sexual or religious slurs or jokes, is strictly prohibited. Furthermore, just as the company does not permit the posting of items for solicitation on bulletin boards, employees may not use the electronic mail system for these purposes.

Violation of this policy, or violation of any other company policy through the use of electronic mail, may result in disciplinary action, up to and including immediate termination.

2. Downloading Files-All files downloaded from the internet must be checked for possible computer viruses. Unless a user is certain that his or her virus checking software is current and operational, be sure to check with management for assistance in downloading files or software from the internet. Users should also be sensitive to the size of files downloaded from the internet and the possible adverse effect of large downloads, such as graphics and multi-media files, on the performance of the company network.

3. Software/Settings-Settings should not be modified, nor software added or removed from any company computer unless instructed to do so by management.

4. External Connections-Users may not establish internet or other external network connections that could allow unauthorized persons to gain access to the company network.

Users may connect personal computers to the network as long as the latest security patches are installed on the computer, management has approved this action, and appropriate virus scanning software has been installed.

5. Monitoring Usage-The Company may, in its discretion, monitor use of the internet or company computer equipment, including the content of electronic mail, postings and downloads, as well as the names of the internet sites visited and personal file directories, without specific or advance notice to the user. By using the company network or equipment, users are deemed to have consented to this monitoring.

4.12 WORKPLACE VIOLENCE

The company is committed to providing a safe work environment for its employees. Part of that commitment is a ZERO TOLERANCE policy against any type of actions that could be considered violent or intimidating. If an employee engages in violence in the workplace, or threatens violence in the workplace, discharge will result. No talk of violence or joking about violence will be tolerated.

"Violence" includes physically harming another, shoving, pushing, harassing, intimidating, coercing, brandishing weapons, and threatening or talking of engaging in such activities. In an effort to fulfill this commitment for a safe work environment, access to the Company's property is limited to those with a legitimate business interest. Further, all employees entering the property must possess and display company identification.

The Company specifically prohibits the possession of weapons by any employee while on company property. Employees are also prohibited from carrying a weapon when performing services off of the company's premises.

The behavior described above or any other behavior an employee considers to be threatening or potentially dangerous should be reported immediately to a supervisor, and, if warranted, to the local authorities. The key to preventing injury or damages is reporting an incident quickly. All

cases will be promptly investigated. No employee will be subject to retaliation, intimidation or discipline as a result of reporting violence under this policy.

4.13 SOCIAL MEDIA POLICY

At Kern Construction, LLC., we understand that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities.

To assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use of social media.

This policy applies to all associates who work for Kern Construction, LLC., or any of its subsidiary companies.

Guidelines

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with Kern Construction, LLC., as well as any other form of electronic communication.

The same principles and guidelines found in Kern Construction, LLC. policies and three basic beliefs apply to your activities online.

Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow associates or otherwise adversely affects members, customers, suppliers, people who work on behalf of Kern

Construction, LLC. or Kern Construction, LLC.'s legitimate business interests may result in disciplinary action up to and including termination.

Unless you are specifically directed to do so by management, you should not make any representations on social media or to the press on behalf of the company.

While we respect an individual's right to express themselves, please be aware that the Constitutional protections afforded free speech do not apply only to the government's limitations on one's free speech, and they do not apply in the context of private employment.

You can and will be held responsible in the workplace for what you communicate on social media.

Know and Follow the Rules

Carefully read these guidelines and Kern Construction, LLC.'s written policies and procedures, including but not limited to the Discrimination & Harassment Prevention Policy, and ensure your postings are consistent with these policies.

Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be Respectful

Always be fair and courteous to fellow associates, customers, members, suppliers or people who work on behalf of Kern Construction, LLC. Also, keep in mind that you are more likely to resolved work-related complaints by speaking directly with your co-workers or by utilizing our open door policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could

be viewed as malicious, obscene, threatening or intimidating, that disparage customers, members, associates or suppliers, or that might constitute harassment or bullying.

Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or company policy.

Also keep in mind that the things that you post on social media impact your image, reputation and the way that others think of you just as much as the things that you say in person. The Company considers this in determining the type of persons that it wants to associate with.

Be Honest and Accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered.

Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about Kern Construction, LLC., fellow associates, members, customers, suppliers, people working on behalf of Kern Construction, LLC. or competitors

Post Only Appropriate and Respectful Content

Maintain the confidentiality of Kern Construction, LLC. trade secrets and private or confidential information. Trades secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications.

Respect financial disclosure laws. It is illegal to communicate or give a "tip" on inside information to others so that they may buy or sell stocks or securities. Such online conduct may also violate state and federal law.

Do not create a link from your blog, website or other social networking site to a Kern Construction, LLC. website without identifying yourself as a Kern Construction, LLC. associate.

Express only your personal opinions. Never represent yourself as a spokesperson for Kern Construction, LLC. If Kern Construction, LLC. is a subject of the content you are creating, be clear and open about the fact that you are an associate and make it clear that your views do not represent those of Kern Construction, LLC., fellow associates, members, customers, suppliers or people working on behalf of Kern Construction, LLC.

If you do publish a blog or post online related to the work you do or subjects associated with Kern Construction, LLC, make it clear that you are not speaking on behalf of Kern Construction, LLC. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of Kern Construction, LLC."

Using Social Media at Work

Refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by your manager or consistent with company policy. Do not use Kern Construction, LLC. email addresses to register on social networks, blogs or other online tools utilized for personal use.

Retaliation is Prohibited

Kern Construction, LLC. prohibits taking negative action against any associate for reporting a possible deviation from this policy or for cooperating in an investigation. Any associate who

retaliates against another associate for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Media Contacts

Associates should not speak to the media on Kern Construction, LLC.'s behalf without being directed to do so by Executive Management.

All media inquiries should be directed to Human Resources or Legal departments.

For More Information

If you have questions or need further guidance, please contact your HR representative

SECTION 5

WAGE AND SALARY POLICIES

5.1 WAGE OR SALARY INCREASES

Employee compensation is reviewed periodically. Increases will be determined on the basis of performance, adherence to company policies and procedures, ability to meet or exceed duties per job description and achieve performance goals (see section 3.11, performance review/planning sessions), and company performance.

Although the company's salary ranges and hourly wage schedules may be adjusted on an ongoing basis, Kern Construction, LLC. does not grant "cost of living" increases.

5.2 TIMEKEEPING

Accurately recording hours worked is the responsibility of every non-exempt (Hourly) employee. Kern Construction, LLC. does not pay for extended breaks or time spent on personal matters.

The time sheet is a legal document. Altering, falsifying, tampering with time records, or recording time on another team member's time record will result in disciplinary action, up to and including termination of employment.

Authorized personnel will review time records each week. Any changes to an employee's time record must be approved by his/her supervisor. Questions regarding the timekeeping system or time sheets should be directed to the Operations Manager.

Employees should check to ensure that they are paid properly every pay period. If an employee spots an error, he or she must immediately notify their supervisor, who will verify that an error has been made and work to correct it.

5.3 OVERTIME

Kern Construction, LLC. provides services 24 hours per day, 7 days per week. Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 per week (or based on customer specific policy) at a rate of one and one-half times the non-exempt employee's regular hourly rate. Paid time off on personal time, holidays, or any leave of absence will not be considered hours worked when calculating overtime. In addition, vacation time does not constitute hours worked.

All overtime work performed by an hourly employee must receive their supervisor's prior authorization. Overtime worked without prior authorization from the employee's supervisor may result in disciplinary action. The supervisor's signature on a timesheet authorizes pay for overtime hours worked.

5.4 PAYDAYS

All employees are paid on a weekly basis. The workweek begins on Monday and ends on Sunday. In the event that a regularly scheduled payday falls on a holiday, employees will receive their check on the day prior to the holiday when possible.

Paychecks (if not deposited) will not, under any circumstances, be given to any person other than the employee without written authorization. Paychecks may also be mailed to the employee's address or deposited directly into an employee's bank account upon request.

5.5 PAY DEDUCTIONS AND OFFSETS

The law requires the company to make certain deductions from every employee's compensation. Among these are applicable Federal, State, and Local Income Taxes. The company also must deduct Social Security taxes (FICA), Medicare, and matching programs required by law, on each employee's earnings.

Voluntary deductions for benefits are made following the completion of the any required authorization forms, and prescribed waiting period.

Pay offsets are pay deductions taken by the company, usually to help pay off a debt or obligation to the company for such items as pay advances, safety equipment, or subsistence/travel advances.

Garnishment of wages may occur as a result of a court order. A garnishment is legal permission to collect part of an employee's pay directly from the company. Although the company does not wish to become involved in an employee's private matters, we are compelled by law to administer the court's orders. Once received, a garnishment must remain in effect and payroll deductions continued until a written release is received from the appropriate agency. If you dispute or question a garnishment or court order, it is your responsibility to contact the appropriate agency and arrangement for a correction and/or written order/release of the obligation.

SECTION 6

BENEFITS

Kern Construction, LLC. has established a variety of employee benefits programs designed to assist employees and their families in meeting burdens that can result from illness and disability and to help plan for retirement. This portion of the handbook contains a very general description of benefits to which employees may be entitled. Please understand that this general explanation is not intended to, and does not, provide you with all the details of these benefits. Therefore, this handbook does not change or otherwise interpret the terms of the official plan documents. Employee rights can be determined only by referring to the full text of the official plan documents, which are available for examination from the human resources department. To the extent that any of the information contained in this handbook is inconsistent with the official plan documents, the provision of the official documents will govern in all cases. The following benefits are available for eligible employees:

- Group Health Insurance
- Group Dental Insurance
- Group Vision Insurance
- Short Term Disability
- Long Term Disability
- Accidental Death and Dismemberment Insurance
- 401-K
- Vacation

Kern Construction, LLC. reserves the right, in its sole discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the benefits plans described herein. Further, the company reserves the exclusive right, power, and authority, in its sole discretion, to administer, apply and interpret the benefit plans described herein, and to decide all matters in connection with the operation or administration of such plans.

6.1 COBRA BENEFITS

The Federal Consolidated Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Kern Construction, LLC.'s health plan when a "qualifying event" would normally result in the loss of eligibility.

Some common qualifying events are resignation, termination of employment for reasons other than gross misconduct, or death of an employee; a reduction in an employee's hours or leave of absence, divorce or legal separation and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Kern Construction, LLC.'s group rates plus an administration fee. Kern Construction, LLC. provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Kern Construction, LLC.'s health insurance plan. The notice contains important information about the employee's rights and obligations.

6.2 VACATION

Only full time Non-Exempt (Hourly) or Exempt (Salary) based employees are eligible for paid vacation. Paid vacation days are measured in 8-hour days. Vacation days must be used in the year in which they are granted. Unused vacation may be carried over from year to year (2 year maximum) with prior approval from management. Employees may elect to receive payment in lieu of taking vacation, provided the request is made prior to the end of the calendar year.

Vacation time must be requested on a Vacation Request Form (available in the Office), at least 7 days in advance, and must be approved by (2) members of management. Any scheduling conflicts that arise will be decided on a "seniority" basis, and/or will be otherwise resolved by the discretion of management. Approved vacation request forms must be submitted to payroll and recorded.

Non-Exempt Employees (hourly)

No vacation time is granted in the first 3 months of employment. On the first day of the 4th month of employment, hourly employees may begin to accrue a maximum of Five (5), Eight (8) Hour days paid vacation. The vacation eligibility period will be per calendar year. Unused vacation may be carried over from year to year (2 year maximum) with prior approval from management.

Kern Construction, LLC. Reserves the right to apply paid time off at any given time.

NOTE: VACATION POLICY CHANGES MAY BE MADE AT ANY TIME, WITHOUT PRIOR NOTICE BY KERN CONSTRUCTION, LLC.

6.3 RECORD KEEPING

The payroll department maintains vacation days granted and used. Each employee is responsible for verifying his/her pay stub to make sure the correct amount of hours appear.

6.4 HOLIDAYS

Kern Construction, LLC. observes the following PAID HOLIDAYS per year:

1. New Years Day
2. Good Friday
3. Memorial Day
4. Fourth of July
5. Labor Day
6. Thanksgiving Day
7. Day After Thanksgiving
8. Christmas Eve
9. Christmas Day

Management reserves the right to adjust the holiday schedule, if necessary.

6.5 JURY DUTY

Employees will be granted time off to serve on a jury. Hourly employees will be paid for one (1) day of jury duty service in accordance with state law (LA Revised Statute 23:965). However, all regular employees both full-time and part-time will be kept on the active payroll until their civic duties have been completed. A copy of the jury duty summons and all other associated paperwork are required for the personnel file.

6.6 MILITARY LEAVE

Leaves of absence for military or reserve duty are granted to employees in accordance with applicable federal and Louisiana law. Employees called to active military duty or to reserve training must submit copies of their military orders to their supervisor as soon as is practicable. Employees will be granted a military leave of absence without pay for the period of military service. Employees who are reservists or members of the National Guard will be granted time off without pay for required military training. Employees on military leave should report to work after being released from such duty. Eligibility for benefits during military leave and for reinstatement after military duty or training is completed is determined in accordance with applicable federal and Louisiana law.

6.7 FAMILY AND MEDICAL LEAVE ACT

A. In accordance with the Family and Medical Leave Act of 1993, as amended, and applicable state law, Kern Construction, LLC. shall grant each eligible employee unpaid leave entitlements consistent with the provisions of the law. The terms used in this Section which are defined in the Act shall have the meanings assigned to them therein.

Kern Construction, LLC. will grant leave pursuant to this section:

- For the birth of a son or daughter, and to care for the newborn child.
- For the placement with the employee of a son or daughter for adoption or foster care.
- To care for the employee's spouse, son, daughter, or parent with serious health conditions.
- Because of a serious health condition that makes the employee unable to perform the essential functions of the employee's job; A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.
- Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.
- For certain "qualifying exigencies" arising out of the fact that the employee's spouse, child of any age, or parent is a covered military member on active duty (or has been notified of an impending call to active duty) in support of certain military contingency operations.
- To care for a spouse, child of any age, parent, or next of kin who is a member of the Armed Forces and incurs a serious injury or illness in the line of duty.

B. To be eligible under the FMLA, the employee must: (1) have been employed by Kern Construction, LLC. for at least 12 months; (2) have been employed for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave; (3) work at a location where there are at least 50 or more employees within 75 miles. The eligible employee is entitled to a total of 12 workweeks of unpaid leave during any 12 month period. The term "12-month period" shall be defined as a rolling 12-month period measured backward from the date an employee uses any FMLA leave.

C. Female employees who are not covered by the FMLA are eligible for up to six (6) weeks of maternity leave. All available balances of paid leave must be used while absent during the six (6) week period. When all available paid leave is exhausted, the employee will be placed on leave without pay for the remainder of the application period. If there is a medical complication as a result of the pregnancy, the female employee is entitled to a maximum of sixteen (16) weeks of maternity leave. Once again, all available balances of applicable paid leave must be used during this period. Non-FMLA eligible employees seeking leave beyond six (6) weeks will be required to present a doctor's certification verifying the employee's inability to return to work due to medical complications from the pregnancy. The employee is required to submit a doctor's certification of continued disability once every two (2) weeks.

D. If FMLA leave is requested for a purpose for which the company grants vacation and/or sick leave, the employee shall be required to use accumulated vacation and/or sick leave for all or part of any (otherwise) unpaid FMLA leave.

E. In cases in which the need for leave is foreseeable, such as an expected birth or a planned medical treatment, the employee is required to provide the employer with at least thirty (30) days' notice before the date the leave is to begin. In cases when circumstances do not permit this, the employee is to provide notice as soon as practical. The notice shall be sufficient to make the employer aware that the employee needs leave, and the anticipated timing and duration of the leave. The notice shall be communicated to human resources. In cases of leave for planned medical treatment, the employee is required to make a reasonable effort to schedule the treatment so as not to unduly disrupt the operations of his or her department.

F. Once Kern Construction, LLC. has information that leave is FMLA-qualifying, Kern Construction, LLC. will, within five business days, provide the employee with a notice specifying whether the leave is FMLA qualifying, whether additional information is needed, and other information concerning the leave and the employee's rights and responsibilities.

G. FMLA leave may be taken on an intermittent basis or to work a reduced leave schedule when medically necessary either for his/her own serious health condition or to care for a covered family

member's serious health condition. Employees who require intermittent leave or a reduced leave schedule must try to schedule their leave so that it will not disrupt the department's operations.

H. An employee requesting FMLA leave: (1) to care for the employee's serious ill spouse, son, daughter, or parent, (2) due to the employee's own serious health condition that makes the employee unable to perform the functions of the employee's position, or (3) for a qualifying exigency shall provide certification supporting the need for leave within fifteen (15) calendar days of the request for verification on a form prescribed by Kern Construction, LLC. The company may require re-certification if the employee requests an extension of leave, if circumstances described by the original certification have changed significantly, or if Kern Construction, LLC. receives information that casts doubts upon the continuing validity of the certification. Prior to returning to work, each employee shall provide a fitness-for duty certification from the health care provider.

I. During an absence Kern Construction, LLC. Shall request a periodic report on the employees status with respect to returning to work. These may be made by telephone, written correspondence or sent by fax.

J. While an employee is on FMLA leave, Kern Construction, LLC. will continue to pay the company's portion of the employee's monthly health insurance premium. The employee will continue to be responsible for any co-payment or premium for dependent coverage. If the FMLA leave is unpaid, the employee shall pay to Kern Construction, LLC. his or her co-payment or premium for dependent coverage on the same schedule as payments are made under COBRA. If the employee does not return to work after the exhaustion of the applicable leave, a qualifying event will have occurred, and the employee will be entitled to elect continuation coverage under COBRA.

K. If an employee fails to return to work after the employee's leave entitlement has been exhausted or expires, the employee shall reimburse Kern Construction, LLC. for the monthly health insurance premiums paid, unless the reason the employee does not return is due to (1) the continuation, recurrence, or onset of a serious health condition which would entitle the employee

leave under FMLA; or (2) other circumstances beyond the employee's control. When an employee fails to return to work because of the continuation, recurrence, or onset of a serious health condition, the employee shall provide medical certification of the employee's or family member's serious health condition.

L. At the end of the leave, an employee will be returned to his or her position or to a position with equivalent pay, benefits, and other terms and conditions of employment.

M. Failure to report to duty at the expiration of a leave of absence, unless an extension has been requested and granted, shall be considered a resignation.

N. If an exempt employee takes Family and Medical Leave, the employee will be paid only for actual hours worked during workweeks that include leave. Hours not worked due to leave will be charged to sick leave and/or vacation time or will be leave without pay.

O. Employee Entitlement to Service member FMLA

1. **Leave Entitlement**-The FMLA provides eligible employees unpaid leave for any one, or for a combination, of the following reasons:

a. An employee may take Qualifying Exigency Leave for certain "qualifying exigencies" arising out of the fact that the employee's spouse, child of any age or parent is on active duty (or has been notified of an impending call to active duty) in support of covered military operations. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, attending post-deployment reintegration briefings and any other circumstance that Kern Construction, LLC. and the employee agree should be a qualifying exigency and as to which they agree about the timing of the leave for that event.

b. An employee may take military caregiver leave to care for a spouse, child of any age, parent or next of kin who is a current member of the Armed Forces (including a member of the National

Guard or the Reserves) and incurs a serious illness or injury in the line of duty or active duty that may render the service member medically unable to perform his or her duties, if the illness or injury occurred at any time during the five years preceding the treatment and is one for which the service member (1) is undergoing medical treatment, recuperation or therapy, (2) is in outpatient status, or (3) is on the temporary disability retired list.

c. Certification forms for qualifying exigency leave and military caregiver leave are required and available from human resources.

2. Duration of Service member FMLA

a. When leave is due to a "qualifying exigency": An eligible employee may take up to 12 workweeks of leave during any 12-month period.

b. When leave is to care for an injured or ill service member: An eligible employee may take up to 26 workweeks of leave during a single 12-month period to care for the service member. Leave to care for an injured or ill service member, when combined with other FMLA-qualifying leave, may not exceed 26 weeks in a single 12-month period.

Service member FMLA runs concurrent with other leave entitlements provided under applicable law.

Employees are prohibited from working for any other employees while on leave permitted by this policy. Employees who fraudulently obtain leave under this policy will be subjected to discipline, up to and including termination.

SECTION 7

EMPLOYEE COMMUNICATIONS

7.1 BULLETIN BOARDS

Bulletin boards maintained by Kern Construction, LLC. are to be used only for posting or distributing notices containing matters directly concerning company business.

All posted material must have authorization from human resources. All employees are expected to check bulletin boards periodically for new and/or updated information and to follow the rules set forth in all posted notices. Employees are not to remove material from the bulletin boards.

7.2 OPEN DOOR

The Company has always maintained and emphasized an open-door policy for its employees. The fact that each manager's door is open to any employee who has a problem or wants help is a key component of our employee relations philosophy. The Company encourages employees to communicate their concerns, ideas, or suggestions to their supervisors and, employees also have the option of bringing their concerns or ideas to higher levels of management without any concern of retaliation.

As a first step, the employee should verbally discuss the matter with his/her immediate supervisor. At this meeting the employee should discuss the specifics of the issue, and the supervisor should provide feedback on those specifics. The purpose of this informal meeting is to provide open lines of communication in an attempt to resolve the matter, as the supervisor knows more about the employee and is often in the best position to handle the matter quickly and satisfactorily. If due to the nature of the matter, the employee cannot discuss the issue with the immediate supervisor, the employee is free to skip this step.

The employee should next attempt to bring his or her concerns or ideas to the attention of the next level of management with the company. However, if an employee feels that a satisfactory response

still has not been received, the employee may address the matter with any other manager he or she chooses.

Human resources is also available to assist the employee at any time and with any level of management in addressing the matter of concern under this policy. There also may be times when an employee may wish to submit a matter of concern for consideration by a specific level of management. Employees should feel free to approach whatever level of management he or she chooses. All members of management have a basic responsibility to see that open-door matters are considered carefully and seriously, and that an answer is timely given. Management and supervision also have the responsibility to ensure that no employee is penalized in any way for exercising his or her privileges to utilize this open-door policy.

7.3 SOLICITATION AND DISTRIBUTION

Employees may not solicit any other employee during working time, nor may employees distribute literature in work areas at any time. Under no circumstances may an employee disturb the work of others to solicit or distribute literature to them during their working time.

Non-employees may not solicit Kern Construction, LLC.'s employees for any purposes on Company premises.

EMPLOYEE HANDBOOK ACKNOWLEDGEMENT

This acknowledgement form shall be completed by all new hires/employees and submitted to the Human Resource Department within the first 14 days of your employment.

All existing employees hired prior to January 2020 are required to read this handbook and submit this acknowledgement form to the HS&E Department within 30 days of receiving this handbook.

After you have read this handbook, you should discuss any information that you do not understand with a Kern Construction, LLC.'s Operations and/or Human Resources Representative. You may submit the form by mailing, faxing or by personally submitting the form. This will be filed as part of your permanent personnel record.

I have received and read the Kern Construction, LLC. **EMPLOYEE HANDBOOK**. I understand the company's policies and practices and will refer to this manual periodically. I will also contact my supervisor and/ or the Human Resources Department if I have any further questions.

I understand that, by following these rules, I will create a safer place to work for my co-workers and myself. I also understand that violation of these and/or customer rules, policies, procedures, regulations etc. are grounds for disciplinary action, up to and including termination of my employment.

Employee Name (please print)

Employee Signature

Date