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This employee handbook does not constitute a contract for employment between Blue Frost Heating & Cooling Inc. and its employees. Employees of the Company are considered "at-will", and therefore, either the employee or the Company may terminate the employment relationship at any time with or without cause or notice. No person other than an officer of the company or appointed supervisor has authority to enter into any agreement for employment for any specified period and any such agreement must be in writing. The Company reserves the right to modify the provisions of this handbook at any time.
EQUAL OPPORTUNITY EMPLOYER

It is a fundamental policy of Blue Frost Heating & Cooling Inc. not to discriminate on the basis of race, color, religion, sex, national origin, age, handicap or disability, with respect to recruitment, hiring, training, promotion and other terms and conditions of employment.

It is the policy of the Company to base decisions on employment solely upon an individual's qualifications relating to the requirements of the position for which the individual is being considered; recruit, hire, and promote the best qualified persons for all jobs without regard to race, color, religion, sex, sexual orientation, marital status, national origin, age, handicap or disability.

Ensure that all personnel actions such as compensation, benefits, transfers, layoffs, Company-sponsored training, promotions, terminations and disciplinary actions are applied equally.

CONFIRMATION OF PREVIOUS EMPLOYMENT AND BACKGROUND CHECK

It is the policy of Blue Frost Heating & Cooling Inc. to request information from a prospective employee’s previous employer(s) in order to obtain the perspective employee’s work record as it pertains to his/her application for employment.

It is also the company’s policy to do a complete criminal background check on all perspective employees as a condition of employment. Since our employees work within our customer’s homes, we have an obligation to ensure our customers safety with regards to our employees.

***** An employee will not be allowed to continue employment without providing proper identification documents. *****

DRUG TESTING

Blue Frost Heating & Cooling Inc. is committed to providing a safe, efficient and productive work environment for all employees; therefore, job applicants and current employees may be asked to provide body substance samples (such as urine and/or blood) to determine illegal use of drugs or alcohol. Any employee who refuses to submit to drug testing is subject to disciplinary action up to and including termination of employment. Any questions regarding this policy should be directed to management.
**Motor Vehicle Record (MVR) Inquiry**

Employees may be expected to drive company vehicles and must provide the company with current and acceptable motor vehicle driving information. The company reserves the right to verify an applicant's driving record with regard to driving record including violations and current driving status. Employment and/or assignment will be confidential pending the receipt of a satisfactory report from the State Department of Transportation.

**Duration of Employment**

Blue Frost Heating & Cooling Inc. does not require employees to commit to employment for any specific duration, and the Company does not commit to employees that their employment will last for any specific duration. Consequently, all employment by the Company is considered at will. This means that Blue Frost Heating & Cooling Inc. may terminate your employment at any time for any lawful reason and likewise you are free to resign your employment at any time. Only an officer of the company can modify this relationship and, even then, only in writing.

The Company requests that employees give a two-week notice of resignation.

Upon termination, you will be paid all earned wages by your next regularly scheduled payday. Within 30 days of termination of employment, you will be paid all earned, unused Vacation at your base (Salary) or routine/normal (Hourly) rate of pay. All AOR sales commission will be paid on work that has been sold, installed and paid in full. New construction sales will be paid on work completed and billed.

**Harassment Policy**

It is the policy of the Company to prohibit any form of sexual harassment. Improper interference with the ability of employees to perform their expected job duties will not be tolerated and should be reported to the appropriate supervisory personnel.

Under federal law and regulations, unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute unlawful sexual harassment when either: (1) submission to such conduct is or becomes a term or condition of an individual’s employment or is used as a basis for employment decisions relating in any way to that individual; (2) such conduct substantially interferes with an individual’s work performance; or (3) such conduct creates an intimidating, hostile, or offensive working environment.

Other forms of unlawful harassment are also prohibited by this policy. Such harassment may include harassment based upon a person's race, national origin, religion, age or disability. Such forms of harassment may be reported pursuant to this policy.

Any employee found to have engaged in such conduct, or who condones such action on the part of subordinates, will be subject to appropriate disciplinary action up to and including termination of employment. An employee may also be subject to individual liability and penalties as a harasser.
COMPLAINT PROCEDURE
If you experience any job-related harassment or have a related complaint, you should promptly report the matter to your immediate supervisor or manager. The Company will undertake an investigation ensuring confidentiality to the greatest possible extent.

The Company expressly prohibits any form of retaliatory action against any employee availing themselves of the benefits of this procedure. Retaliation is a violation of this policy and may result in discipline, up to and including termination. No employee will be discriminated against, or discharged, because of a good faith bringing or assisting in the investigation of sexual or other unlawful harassment.

OPEN DOOR POLICY
Misunderstandings or conflicts can arise in any organization. If you have a question or a complaint or are bothered by a job-related situation, you should first speak with your immediate supervisor or manager. This is usually the best way to seek resolution of problems and is a matter of professional courtesy. If, however, the issue is not resolved, you are encouraged to bring your concern to the next level of management.

Should your concern not be satisfactorily addressed or be one that you would rather not discuss with your immediate supervisor or within your own department, you should contact an officer of the company directly. They will advise and counsel you on a wide range of issues, as well as clarify and answer questions regarding Human Resources policies, and are responsible for investigating all grievances brought to the Company’s attention.

New Employees
Blue Frost Heating & Cooling is fully committed to the success of all employees especially a new employee. More than a job this is a career in the HVAC industry. The first sixty (60) days of employment for a new employee is considered to be a Trial Period. This is a time of training, learning and integrating into our culture. It is important that you are customer focused, exhibit good work habits, are flexible, show initiative, learn quickly, add value and consistently meet all job performance expectations. We encourage you to ask questions, work to the best of your ability and let us know if you have any problems, issues or concerns.

Your job performance will be evaluated after this Trial Period and you will receive feedback on how you are doing. During the Trial Period and after you have completed the Trial Period your “At Will” employment status will not change.

New employees become eligible for insurance benefits and holiday pay after sixty (60) days of continuous employment.
Personnel File Access and Confidentiality

The Company recognizes and respects the information contained in employee records. Certain information about you as a member of the organization is essential for the Human Resources department and departments that affect payroll. Your family status, home address and telephone number must be correct and current. Be sure to tell the Human Resources department or an officer of the company whenever this information changes which includes the number of dependants you have, changes to your driving record and all emergency contact information.

In response to valid requests to verify employment, for business references, or for credit purposes, the company will release employment status, i.e., active or terminated, job title, and dates of employment. Additional information regarding employment will be released upon written authorization from the employee. Additional information may also be released pursuant to subpoena or other legal obligation.

You may, in the course of your work, have access to information about the Company, other employees or customers, which is confidential. This information is not to be revealed to anyone other than in the normal course of conducting your duties and responsibilities. Disclosure of such information is prohibited and could result in disciplinary action, up to and including termination of employment.

Health/Life Insurance Package

Full Time Employees are eligible for Blue Frost’s benefit package which currently includes 50/50 paid health insurance. (Employer 50%/Employee 50%) Family coverage is also offered with Employee being responsible for 100% of cost. Employees will become eligible for insurance benefits after completion of 60 days of employment with Blue Frost Heating & Cooling.

Retirement Package

Full Time Employees are eligible for Blue Frost's Retirement package which currently is a 401K program. Company matches the first 5% at 50% rate. That is equal to 2.5% contribution by the company with a 5% contribution from the employee. Employees are eligible after 90 days of employment with Blue Frost Heating & Cooling 401K program.

Promotions/Career Advancement

When evaluating you for promotion, a number of factors including job performance, job related qualifications, educational background, flexibility, overall contributions to the success of the company and experience with the Company and our industry are considered. Promotions will be based on position availability and overall job performance.

Training and Assistance

Blue Frost Heating & Cooling Inc. occasionally conducts programs designed to provide new skills or enhance existing skills. These programs are provided for management, and for individuals who consistently demonstrate a leadership
capacity in the workplace and express an interest in career advancement. Your supervisor can tell you which programs are most applicable to you.

Classes that are required by the company will be paid 100% by the company. Classes that are offered by our equipment distributors for field and office staff will also be paid for by the company. Classes offered after hours by the distributors although enrollment is paid for by the company, these will be volunteer attendance and will be deemed off the clock training. Employees will not be paid to attend volunteer attendance classes.

If you have a desire to attend specific training, please talk to your immediate supervisor for approval to attend.

**EMPLOYEE INFORMATION**

Employees are asked to help keep the company informed about any major change that may affect their employment status. Each employee is responsible for promptly notifying the company of important changes in personnel data. Personnel data should be kept current and accurate at all times and any change of the following should be reported to management.

- Name
- Address
- Home telephone number
- Marital status
- Number of dependants
- Emergency telephone numbers and whom to notify in case of emergency
- Change of beneficiary
- Driving record
- Authorized payroll deductions
- Additional education and special training courses completed
- Any criminal convictions

**EMPLOYEE TYPES**

1. Hourly - Employee who is compensated for the number of hours worked.
2. Part Time - Employee whose workweek averages less than 35 hours, or whose average may exceed 35 hours for a period less than a 90-day period.
3. Full Time - Employees who have been hired to work an average of at least 35 hours for a continuous period of at least 90 days excluding summer help.
4. Salary - Salary employees normally work an amount of time equaling or exceeding 35 hours in a standard payroll workweek and receive the same salary regardless of the number of hours worked in the workweek. Salary employees are generally exempt from the federal overtime pay requirements. (A Salary employee is also classified as a Full Time Employee.)
5. Temporary - A temporary employee works in a job for a specified amount of time, less than six months, and is not eligible for Company benefits.
**WORKWEEKS/SHIFTS**

Workweeks are widely different and are determined by job assignment, customer contracts and the needs of the Company. New Employees will be aware of their expected work schedule prior to assignment.

**Shifts**

1. 1st Shift - Employees who have 60% or more of their hours scheduled after 5:00am.
   - New construction jobs have a starting time of 7am unless employees are otherwise instructed.
   - AOR employees along with Service and Clean & Check technicians have a normal starting time of 8am concluding a normal day at 4:30 pm unless otherwise instructed.
   - Office personnel are scheduled from 8:30 am finishing their day at 5pm.

2. 2nd Shift - Employees who have 60% or more of their hours scheduled after 2:00pm. Start times for this shift to be determined.

3. 3rd Shift - Employees who have 60% or more of their hours scheduled after 11:00pm. Start times for this shift to be determined.

4. All work shifts are considered 8 hours. The workday may be altered in length according to the current day’s workload. Employees may be required to stay longer than 8 hours in order for the company to meet production commitments to a homeowner or contractor. Employees may also finish scheduled work before an 8-hour shift has been completed. In such cases the employee may be directed to go home completing that day’s work again based on workload requirements.

5. Every employee must take a lunch break as required by law. Field and office personnel are allowed a 30 minute unpaid break in the middle of the day for lunch unless other wise approved by the employee’s immediate supervisor. There are no schedule breaks. The company understands that on occasion an employee needs to stretch and move around. This period of time should not exceed a total of 20 minutes throughout a workday.

**PAY**

1. Pay periods are weekly.
   - a. The pay period is from Monday through Sunday
   - b. Sales commissions will be calculated after the end of each calendar week and paid on the pay date.
   - c. Overtime will be calculated based on all hours worked over 40 hours in a calendar week.
   - d. Vacation time and or paid holidays do not count towards overtime.
2. Each pay period normally compensates employees for hours worked that were claimed at the end of the last pay-period. Checks and direct deposits are delivered during the following week.

Paychecks

1. (When available) Eligible Employees will have the option to have their pay directly deposited into their checking or savings account. When this service is made available, all employees will be notified.
   a. Employees must complete the necessary paperwork at the main office in order to use Direct Deposit.
   b. On payday, employees using Direct Deposit (when available) will receive a pay stub/report, instead of a paycheck.
   c. Call the main office 630-231-2334 or check with your supervisor for Direct Deposit eligibility requirements.
   d. If the employee wishes for someone else to pick up his/her check or stub, we must have a note on-file from the employee stating who is authorized to do so.

Deductions

The only deductions from your paycheck are those required by law or authorized in writing by you. Your check stub identifies each deduction and should be kept as a permanent record.

Raises

Raises are not determined by tenure; rather they will be determined by performance and contribution appraisals and/or increased responsibilities. It is important to realize that raises may not occur if adverse economic or financial conditions exist or if an employee’s performance or lack of does not warrant an increase.

LOANS/ADVANCES

It is company policy not to make personal loans or financial advances to employees except in the case of tool loans. All tool loans require an officer of the company’s approval. The maximum loan amount is $500 and must be paid in full before an employee can reapply for an additional tool loan.

If a tool loan has been granted, all funds will be repaid through payroll deductions with 13 weekly deductions from the employee’s paycheck.

All tool loan amounts must be paid in full at any time there is separation of employment from the company. All outstanding funds owed to the company will be deducted from the employee’s final paycheck.

SEPARATION FROM EMPLOYMENT

An employee may be separated from employment voluntarily or involuntarily by retirement, voluntary resignation, lack of work, or termination. Usually before an
employee is terminated, he/she will be told the reason(s) and will be counseled by management. However, if any misconduct warranting discipline is severe enough management has the authority to discharge the employee immediately.

All company property in the employee’s possession must be returned to a manager at the office upon separation from employment. If all company property is not turn in at the time of separation, the employee will be invoiced for all missing property.

**Voluntary Resignation**

Any employee who voluntarily resigns his/her position with Blue Frost Heating & Cooling Inc. is expected to provide the company with an advance notice of at least 2 weeks. Failure to provide this notice will cause the employee to be ineligible for re-hire at any point in the future.

As part of the separation process employees may be asked to participate in an exit interview. In addition to discussing his/her decision to leave the company matters relating to final pay and other personal considerations may be discussed.

**ON THE JOB**

**Performance/Job Requirements and Evaluations**

We work closely with all employees to help them perform to the best of their abilities. The frequency and method of performance evaluation varies, depending on your position. Your supervisor will be able to discuss the means by which your job performance will be evaluated. As a rule, employees will be reviewed by their supervisor approximately 60 days after employment begins. This is followed by semi-annual performance reviews. Merit increases will be awarded annually.

**Code Of Conduct**

As an employee, it is important for you to know what personal conduct is expected of you while on the job. In most instances, your own good judgment will tell you what the right thing to do is.

In addition to complying with Company policies and job specific requirements, you are also expected to obey the rules and regulations of Blue Frost Heating & Cooling Inc. job sites. If your performance does not meet position requirements, you may be subject to disciplinary action, up to and including immediate termination, with or without notice, and with or without cause at any time.

The following are examples of conduct prohibited by Company policy:

The following examples are not intended to constitute a complete and exhaustive list of prohibited conduct. In addition, the Company reserves the right to change the examples listed below at any time with or without notice. While discipline for standard violations will follow a progressive disciplinary procedure, the Company reserves the right to implement discipline in accordance with the grievousness of the violation. Violations of these or any other Company policies may subject you to disciplinary action, up to and including immediate termination:
1. Theft, fraud, embezzlement or other proven acts of dishonesty.

2. Any harassment of another employee (verbal, physical, or visual), including sexual harassment such as offensive gestures, unwelcome advances, jokes, touching, or comments of a sexual nature made to or about another employee, vendor or customer.

3. Obtaining employment or promotion based on false or misleading information.

4. Soliciting or accepting gifts (money, services or merchandise) in connection with Company business.

5. Reporting for work under the influence of alcohol or any illegal substances; or possession, sale or distribution of alcohol or illegal substances while on Company premises, or in a company vehicle, or abusing such items while representing the Company or conducting Company business.

6. Engaging in unauthorized employment elsewhere while on paid benefits related to illness, or while on an extended absence.

7. Assisting anyone, whom you know or suspect to be involved in, or committing any crime or engaging in any conduct, which rises to the level of a crime.

8. Falsifying Company documents or records, including misuse of timekeeping records, or falsely inputting payment data.

9. Insubordination, meaning refusing to follow legitimate instructions of a superior directly related to performance of one’s job.

10. Disrupting the work environment as determined by the supervisor.

11. Excessive absenteeism or unacceptable patterns of absenteeism.

12. Repeatedly failing to use a time clock or turn in time sheets as directed.

13. Job abandonment, meaning the failure to report to work without properly notifying one’s immediate supervisor, or leaving a job assignment prior to completion of your responsibilities.

14. Conduct that is likely to cause another employee, customer or vendor of the Company embarrassment, loss of dignity, feelings of intimidation, or loss of opportunity, including all forms of discrimination and harassment.

15. Unauthorized use of Company or customer supplies, information, equipment, funds, or computer codes/passwords.

16. Knowingly mishandling a customer’s or potential customer’s account. This includes improper discriminatory practices.

17. Refusing to repay documented overpayment of any compensation.

18. Possessing firearms or weapons while on Company premises or carrying them while on Company business; or threatening the personal safety of fellow employees, customers, or vendors.

19. Committing any act, on or off the Company’s premises, which threatens or is potentially threatening to the reputation of the Company or any of its employees, customers, or vendors.
20. Repeatedly working overtime without the approval of a supervisor or manager.

21. Repeatedly failing to meet job responsibilities, job budget or quality requirements.

22. Failing to work in a proper and safe manor using OSHA and company required guidelines for proper working procedures.

23. Violation of the company electronic communication, Internet use or Social Media Policy.

24. Spreading false rumors and gossip.

CONFLICTS OF INTEREST
To avoid any possible conflicts of interest, it is your responsibility to immediately report any offers of gifts, loans, misuse of Company funds, kickbacks, rebates, or refunds that come to your knowledge through your position as an employee of Blue Frost Heating & Cooling Inc.

It will also be deemed a conflict of interest for an employee to do side work for any customer of Blue Frost Heating & Cooling Inc. Customers are anyone who has conducted business with Blue Frost Heating & Cooling Inc. in the past three years. This includes builders, businesses, and retail customers, friends of customers, and relatives of customers, along with employees of customers. Violation of this will be subject to disciplinary procedures up to and including termination of employment.

SMOKING POLICY
Blue Frost Heating & Cooling Inc. is dedicated to providing a healthy, comfortable, productive work environment for all employees. Additionally Blue Frost Heating & Cooling Inc. will follow all government laws and regulations including laws governing the location of authorized smoking areas. It is strictly prohibited to smoke inside a public building, or at an entrance to a public building. Smoking outside the office is allowed as long as the location is not within 20 feet of a building entrance.

USE OF COMPANY OR CUSTOMER PROPERTY
Employees are not to use Company or customer supplies, information, equipment or funds unless authorized to do so; Customer’s property must never leave the premises. If any company tool or piece of property has been damaged the immediate supervisor should be notified.

USE OF COMPANY VEHICLE
Employees who use a company vehicle are responsible for the upkeep of that vehicle. All maintenance and repairs will be paid for by the company but are the responsibility of the employee to get the vehicle in for said maintenance. This includes tire rotations as needed and oil changes.
The appearance of the company vehicle is a direct reflection of the company; therefore, the vehicles must be kept in a clean and orderly state. It is the responsibility of the individual employee to maintain his/her vehicle.

Vehicles must be operated with in all federal, state, and local laws in addition to company policies. Any tickets, fines, or fees incurred by an employee while driving a company vehicle will be the responsibility of the employee to pay such expenses.

Company vehicles are not intended for personal use. Any use of a company vehicle for personal reasons must be approved by the employee’s immediate supervisor. Failure to acquire permission would be a violation of company policy.

Any issues, problems, malfunctions, breakdowns, or required maintenance required on a company vehicle should be reported to the employee’s immediate supervisor. It is the responsibility of the employee currently using the vehicle to report the situation to the appropriate supervisor.

In the event of a vehicular accident, involving a company owned vehicle or while operating a personally owned vehicle on company time the employee must report all information immediately to the office. In no instance should responsibility for an accident be expressed to anyone until the proper person in the company has been notified and permission has been obtained to make statements.

RELATIONSHIPS WITH OUR CUSTOMERS

It is important to realize that we compete with hundreds of competitors. Competitors frequently call on our customers asking for their business. A customer will only change services when their impression of our service becomes less positive than their impression of a competitor. Impressions are constantly changed and formed by every contact the customer has with our service. Every time our customer hears or sees anything having to do with Blue Frost Heating & Cooling, Inc., it strengthens or changes their perception of our Company.

When our customers give us their business, they have great expectations and a very positive impression of our service. It is up to each employee to fulfill these expectations and build a lasting impression. We must consider the quality and professionalism in every aspect of what we do and say. Our reputation is your future.

Internal problems should be discussed with management, not the customer. At one time or another, we all become frustrated because of our own internal problems. These problems may result from a period of high turnover, administrative backlog, or simply because of human error. However, when we communicate these inefficiencies to our customers, we only lose our credibility.

RELATIONSHIPS WITH OTHER EMPLOYEES

Blue Frost Heating & Cooling Inc. seeks to foster and maintain a productive and healthy working environment. This can only be accomplished through the cooperation of our employees. Employees should treat each other with mutual respect. Our policy and Company philosophy is simply to treat others in the manner you would want to be treated. If you or any other employee is treated with
disrespect, it should be reported to your supervisor or an officer of the company of Blue Frost Heating & Cooling, Inc.

**RELATIONSHIPS WITH OUR COMPETITORS**

Blue Frost Heating & Cooling Inc. requires every employee to adhere to the highest standard of ethical business conduct. Our most valuable asset is our good name.

In order to compete effectively and fairly in the marketplace with our many competitors, Blue Frost Heating & Cooling Inc. must remain alert to changes in services and products offered to the public by our competitors. Employees may not, however, seek to gain this information improperly. For example, it is prohibited to hire an employee of a competitor to gain access to that competitor’s trade secrets or proprietary information. Similarly, an employee or former employee is prohibited from providing such confidential information to our competitors.

Both federal and state law prohibits conspiracies or agreements that unreasonably restrain trade. Formal or informal understandings or agreements between competitors concerning the pricing of services or limitations on the output of services are unlawful and may not be discussed by an employee with any competitor.

**SAFETY & SECURITY**

It is necessary to follow all safety and security measures prescribed by the Company. To this end, Blue Frost Heating & Cooling Inc. will utilize a safety program in our daily activities.

Any employee who disregards any company safety rule and/or regulation is subject to disciplinary action up to and including termination of employment. Management will periodically inspect working conditions and may suspend all work activity until an unsafe condition is corrected.

The most important part of safety is **YOU**. It is your responsibility to abide by the safety. These rules are made for your protection. Report any personal injury **IMMEDIATELY**, however minor. You also need to report all unsafe working conditions you encounter.

**SAFETY RULES**

The following is not a complete list of safety rules and these rules are not intended as a substitute for common sense and good judgment.

- Hard hats will be worn on the job when working under heavy objects which may be dropped or fall accidentally.
- Hard toed shoes are required to be worn when working on all job sites.
- First aide kits are provided in each company truck. It is the responsibility of the lead men to see that the kits are in the truck and remain well stocked.
- All gasoline shall be stored in approved safety cans. Never use gasoline for cleaning.
- Know where the fire extinguishers are located and how to use them.
• Extension cords used with portable electric tools and appliances shall be of the 3-wire type. Defective cords shall be replaced on the day, which they become defective.
• All defective tools and material must be turned in to the shop and not remain on a job site or company vehicle. You must notify your supervisor of any tool that is deemed defective or broken.
• Read all material safety data sheets supplied. Direct any questions to the field supervisor or manager.
• Employees should check with management regarding any potentially hazardous materials.
• The company when necessary will provide safety goggles or glasses and hearing protection. These protective devices will be used when working on any job site. These glasses should be worn at all times while working.
• Wear clothes suited for the job. This means hard-soled work shoes, shirts and long pants. Remove all jewelry before reporting to the job.
• Practice good house keeping. Keep the work area neat, clean and free from stumbling hazard, grease etc.
• Make sure you lift heavy objects using your legs and not your back. Bend your knees, keep your back straight and use your legs to do the lifting. If the object is heavy ask for help to do the lifting.
• No scuffling or horse play in the office or on a job site.
• Do not run. Keep firm footing and proper balance at all times.
• Keep materials out of walkways. Bend down and remove protruding nails on a job site.
• Do not throw anything from a height without checking to ensure the area below is clear of people and safe.
• Keep all guards and protective devices in place at all times. If guards have been removed for repairs, remember to replace before using the device again.
• Use tools only for their intended use. Do not use broken or dull tools.
• Do not attempt to operate special machinery or equipment without permission and instructions.
• Do not repair or adjust machinery while in use. Never oil moving parts except on equipment fitted with safeguards for this purpose.
• Do not disconnect air hoses and compressors until hose line has been bled.
• Special customer’s requirements for safety, including the governments may apply to projects on which the company is working. Employees will be advised of these situations and expected to follow these policies and procedures.
• Above all employees are expected to exercise good judgment and use of common sense to avoid personal injuries at all times.
• You are required to immediately notify Blue Frost Heating & Cooling Inc. management of any injuries or illnesses that occur on the job or on a customer’s property.
• If your job post does not have the Material Safety Data Sheets (MSDS) for all of the chemicals you are required to work with, or if you do not understand your MSDS’s, you should notify Blue Frost Heating & Cooling Inc. management immediately.
• You should be aware of all emergency exits and the location of any emergency equipment in your office and who will be in charge in case of a fire or other disaster.
• You need to report to your supervisor any incident of property damage to a customer’s property/home.

VISITORS
No visitors (children, parents, spouse, or friends) are allowed on any job site Blue Frost Heating & Cooling Inc. is performing work or in the shop area without consent of your immediate supervisor; our insurance does not cover unauthorized people on the account; the presence of a visitor to a job site could reflect negatively on the productivity and professionalism of our employees.

INSPECTION OF COMPANY FACILITIES
In order to safeguard the workplace and the employees, and to assure efficiency and maximize productivity, the Company reserves the right, in its sole discretion and without notice to employees, to inspect, monitor or otherwise enter or search any office, desk, file, locker, closet or any other enclosed or open area in Company facilities and Company job sites including company owned vehicles (where permitted to do so) and to monitor or inspect any items found within such locations.

PERSONAL PROPERTY
Blue Frost Heating & Cooling accepts no responsibility for personal property that may be brought to or stored on Company facilities or vehicles, and such property may be inspected or monitored in the ordinary course of conducting business. Accordingly, you should not keep or maintain any personal property or information in Company facilities that you expect to be kept private and confidential. In this connection, it should be noted that all Blue Frost Heating & Cooling offices, desks, paper files, electronic/computer files, closets, vehicles and so forth, are the property of Blue Frost Heating & Cooling Inc. and the Company reserves the right to inspect any packages, parcels, handbags, briefcases, or any other possessions or articles carried to and from Company facilities and Company job sites (where permitted to do so).

WORK AREA
A neat and orderly work area and work vehicle makes for a more pleasant, productive, and safe place to work. You are expected to keep your surroundings and vehicle clean and presentable in courtesy to fellow employees and customers who may personally visit our office or view the inside or outside of your vehicle.

SOLICITATION AND DISTRIBUTION OF LITERATURE
In the interest of efficiency and security, the company’s general policy is to restrict solicitations or distributions by employees to non-work areas during non-work time. Employees are prohibited from soliciting or distributing literature in work areas or during work time. Solicitation or distribution of literature of any kind by non-employees is not permitted on company premises at any time.
IMAGE/DRESS CODE

The properly groomed and attired employee helps to create a favorable image for the Company. You are expected to groom and dress in a manner that is normally acceptable at your job site and for your position. This includes field personal having steel-toed shoes on at all times. Additionally picture ID badges should be worn at all times once made available to the employees. New Construction employees will not be required to wear badges while on new home sites. When on a job site that is occupied by a home owner the badge should be worn at all times. If you report to work improperly dressed or groomed, your supervisor or manager, at his or her discretion, may instruct you to return home (unpaid) to change clothes or take other appropriate action. Your supervisor must approve deviation from the above dress code.

Improperly dressed would include but is not limited to torn clothing, improperly fitting clothing, clothing with offensive language or designs on them. Clothing promoting a competitor or clothing not considered appropriate for a business environment will also not be allowed. All field personnel should wear steel-toed safety shoes. Facial jewelry, ear piercing, and exposed body piercing will also not be allowed.

General Apparel Policies

1. All shirts and pants must be clean, and appropriate for the work environment you will be working in such as a customer’s home.

2. All clothing (including aprons) must be in good repair. If a Blue Frost Heating & Cooling Inc. shirt is in disrepair, the employee must turn the garment into the company for replacement.

3. All shirts should be tucked inside of the employee's trousers or jeans.
   a. The "tucked in" rule may be rescinded on an individual basis due to medical, physical or personal reasons. Please see your direct supervisor to discuss this issue.
   b. Tee shirts may be worn on new construction jobs as long as they are in good condition and meet all other clothing requirements.

4. Female Employees are allowed one set of earrings only. All other visible body piercing must be removed while at work. Male employees must remove any visible body piercings while on the job.

5. Employees (excluding office staff, Sr. Managers and above) may wear shorts if all of the following conditions apply:
   a. The temperature is forecasted to be at or above 90 degrees (F)
   b. The job or location does not prohibit shorts.
   c. You will not be representing Blue Frost Heating & Cooling Inc. in a formal/scheduled business meeting.
   d. You have your immediate supervisor’s approval for the clothing adjustment.
The shorts are to be light tan (khaki) or dark blue in color, loose-fitting, non-denim, top of knee-length, neatly pressed, and worn with a Blue Frost Heating & Cooling shirt or properly logoed tee shirt. Any deviation from the stated dress code needs to be approved by your immediate supervisor.

**TIMEKEEPING**

In order to receive compensation for time worked on the normal Company payday schedule, employees must clock in and out using time sheets, which have been provided by your supervisor.

1. Employees are not permitted to clock in/out for one another.
2. In the event of a missed clock in or out, a manual adjustment will be made to ensure the employee is paid appropriately.
3. Verify break times changes with your manager if needed, however normally scheduled break time is 9am to 9:15am with lunch being 11:30 to noon.
   a. Lunch and break periods may not be accrued for overtime or personal time.
   b. The scheduled workday may not be altered by not taking designated breaks and lunches unless pre-approved by a manager.
4. Excessive* misuse** of time sheets will result in disciplinary action.
   a. *“Excessive” is defined as two or more incidents of misuse during a pay period.
   b. ** “Misuse” is defined as not using time sheets as directed by the Employee Handbook or by the employee’s manager.

**Working Overtime**

It is not our policy to require overtime, but occasionally this cannot be avoided. In such instances, an employee may be asked to work after their regularly scheduled shift. During our busiest times, individuals may be required to work on Saturdays. In emergencies, we may need to install or service equipment after hours or on a Sunday or holiday. We will do our best to ask for volunteers but these times may require employees to work unusual hours to accommodate our customer’s needs.

Overtime is defined as hours worked in excess of 40 hours based on a Monday through Sunday week.

1. Overtime wage is one and one-half (1.5) times an employees' regular rate.
2. Employees are only allowed to work overtime if so requested, or approved by a supervisor.
3. Benefit Time (absent hours paid or excused unpaid absences) is not included when calculating overtime hours.

**Drive Time**

4. Drive time is paid when an employee is required to drive from one job related location/site to another during a normally scheduled shift. Drive time is not paid when an employee is driving from home to work.
5. Drive time is not paid while an employee is en route to the first site of a non-required/voluntary assignment.

6. Drive time is not paid while an employee is driving home from last site.

7. On-call techs will be paid travel time to the job site when called out from home.

### ABSENCES

#### TIME-OFF BENEFITS

Time-Off benefits are determined by employment type (i.e.: Full Time and Part Time), position, and tenure. A list of your time-off benefits is available through your manager.

- Unused Time-Off Benefit cannot be accrued into the following year.

#### VACATION ELIGIBILITY

The company recognizes that employees need a scheduled time away from normal work duties for their personal well-being. The company grants annual vacation with pay to full time employees who meet the following service requirements.

<table>
<thead>
<tr>
<th>Length of Continuous Service</th>
<th>Eligible Vacation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year</td>
<td>5 Days</td>
</tr>
<tr>
<td>3 Years</td>
<td>10 Days</td>
</tr>
<tr>
<td>10 Years</td>
<td>15 Days</td>
</tr>
</tbody>
</table>

- Vacation requests must be made at least 4 weeks prior to the desired vacation time.
- Vacation may be taken any time of the year after eligibility with the following provisions.
- Employees are expected to take their paid vacation time as a means of rest and diversion for themselves and their families.
- Management must approve vacation in advance.
- Unused vacation time may not be carried over to the next calendar year.
- Vacation must be taken in minimum increments of 1/2 day.
- A holiday observed by the company that falls during the vacation period will be considered as a paid holiday and not vacation time. This day of vacation may be taken at another time as approved.
• An employee must work the regularly scheduled workdays before and after the paid vacation period in order to be eligible to receive vacation pay.

• Job requirements will always have precedence over vacation schedules.

• Length of service will be considered in the event a conflict of vacation schedule arises.

**Vacation Pay**

The following provisions apply with regard to vacation pay:

- Pay for vacation time will be at the current employee’s rate of pay.
- Pay in lieu of unused vacation at any time will be provided only at the convenience of the company when approved in advance by management and upon separation from employment under certain conditions.

**Observed Holidays**

The company normally recognizes the following paid holidays; however, the company may decide to work on a holiday depending upon job requirements.

- New Years Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

The following provisions apply with regard to holidays observed by the company:

- A recognized holiday that falls on a Saturday will be observed on the preceding Friday.
- A recognized holiday that falls on a Sunday will be observed on the following Monday.
- Full time employees who have completed 60 days of continuous employment are eligible for holiday pay.
- An employee must work the regularly scheduled workdays before and after the holiday to be eligible for holiday pay. (If employee calls out sick the day before or after a holiday they are not eligible for holiday pay)
- Paid holiday time will not be considered as time worked for the purpose of computing overtime.
**PERSONAL DAYS OFF**

An employee may request a personal unpaid day off. This time off must be approved by the employee’s immediate supervisor. This time off will be without pay but will be counted as continuous employment with the company.

**Time Off To Vote**

Blue Frost Heating & Cooling encourages employees to vote. Since voting election sites are usually open 6am to 7pm the vast majority of employees should be able to vote before or after their scheduled work hours for that day. However, Illinois law does grant eligible employees whose work hours for that day begins less than two hours after the opening of the voting election site and ends less than two hours after the closing of the voting election site up to two (2) hours of paid time off to vote in a general or special election. Upon receipt and approval of this request, the company can specify the hours that an employee can be absent to vote. Proof of voting is required to be paid.

**JURY/WITNESS DUTY**

When an employee is required to serve as a juror or is subpoenaed to serve as a witness on company business, time off up to 5 days with pay will be granted as follows:

- The employee must notify his/her immediate supervisor upon receipt of a summons or subpoena so that arrangements can be made to accommodate the employee’s absence.
- Verification of an employee being seated on a jury, being detained in a jury pool, or subpoenaed to serve as a witness is required.
- An employee who is subpoenaed to serve as a witness for reasons not related to company business must use earned vacation time.
- If the court dismisses the jury early, the employee is expected to return to work as soon as possible to complete the regular workday.
- Should the employee’s work duties with the company be vital to its operation, the company may ask the court to excuse the employee from jury duty.

**LEAVES OF ABSENCE**

**Bereavement Leave**

Unfortunately, part of life is dealing with the passing away of immediate family members and relatives. Once approved, the company provides time off for this as
listed below. You can choose to use approved vacation time or it will be unpaid time off. You will need to provide Human Resources with proof of the funeral or other service arrangements. Employees are eligible for bereavement leave days as follows:

- Maximum of and up to five (5) consecutive days of unpaid bereavement leave will be allowed for the death of an immediate family member which is defined as a parent, son, daughter, spouse, grandparent, sibling, or grandchild.
- Maximum of and up to three (3) consecutive days of unpaid bereavement leave will be allowed for the death of any other relative or “in-law” relatives.

**Military Leave**

Blue Frost Heating & Cooling is proud of our veterans and current members of the military. We THANK them for their service to our country. Our company complies with any and all applicable state and federal laws concerning military leave. The company will work with and provide a military leave for service, training or any other related obligations to an employee who is a member of the military. It is important that Human Resources is notified ASAP of any military leave requirements to include reason for the leave, the start and return dates. If you have company health insurance coverage you will be notified of your coverage rights.

**FAMILY AND MEDICAL LEAVE ACT (FMLA) OF 1993 – BASIC INFORMATION**

1. Requires the Company to grant eligible employees time off from work, up to 12 weeks within a 12-month period, for medical and family care purposes as defined by FMLA.

   An eligible employee is one who has been employed by the Company at least 12 months and worked a minimum of 1250 hours of service during the 12 months prior to the leave of absence.

2. An FMLA absence may be taken for:
   a. an employee’s own serious health condition that renders the employee unable to perform his or her job
   b. Care of his or her parent, spouse or child with a serious health condition.
   c. Care of a newborn or newly placed adopted or foster child.

3. Any absence of four or more days for a reason covered under FMLA will normally be counted as FMLA Time, retroactive to the first day of the absence.

4. Where the need for FMLA leave is foreseeable, as for planned medical treatments, the Company should be notified thirty days in advance or as soon as the employee knows that, he or she will miss work. Failure to comply with any of the notice or medical certification requirements of this policy may result in delay or forfeiture of FMLA rights

5. FMLA time off is unpaid.
a. Employees will be required to use all but three days of applicable time-off benefits available while on leave.

b. Employees may use all applicable time-off benefits available while on leave.

c. The use of benefit days does not extend the FMLA entitlement, but provides a way to turn some of the leave into paid time off if the employee has earned paid-time off available.

6. If a serious medical condition requires an employee to take FMLA Time intermittently or to work on a reduced schedule to care for him/herself, a parent, a spouse, or a child, such leave may be requested. A Medical Certification form is required stating the necessity for this type of absence.

7. Should an intermittent leave or reduced work schedule become necessary, the Company may require you to transfer temporarily to another job (with equivalent pay and benefits) that better accommodates this type of scheduling.

8. The Company, at its discretion, may require other medical opinions, as well as additional medical certifications during the absence.

Personal Leave of Absence
In special cases where it becomes necessary for an employee to take a leave of absence that is not covered by FMLA, the employee may request a personal leave of absence.

1. Request for personal leave does not mean automatic approval.

2. Personal leaves of absence must be approved by an officer of Blue Frost Heating & Cooling Inc.

3. If the leave is granted, the employee will be required to use all applicable time-off benefits during the requested period of leave.

4. See the Human Resource department or your immediate supervisor for the request form.

Insurance Coverage While On Leave

1. Any employee covered by the Company insurance plans who is currently paying for any insurance coverage must continue to make such insurance payments during any unpaid leave of absence under this policy; failure to make such payments may result in termination of the employee's coverage.

2. In the event that the employee elects not to return to work upon completion of an approved leave of absence, in some instances, the Company may recover from the employee the cost of payments made to maintain the employee's health coverage.

Workers Compensation Leave of Absence
Workers' Compensation Insurance protects you in the event of injury or illness resulting directly from work. When a claim is approved, this insurance generally covers most medical bills, provides a statutory benefit payment that varies by State,
as well as a death benefit. Any benefit received from Workers’ Compensation Insurance is used as an offset to any benefit payable from the Company.

1. You must notify your supervisor and the executive office immediately if you are injured on the job.

2. All workers’ compensation leaves of absence that also qualify under the FMLA will count against the 12 week FMLA entitlement. Additional leave may be permitted for employees injured at work.

**Requesting a Leave of Absence**

All requests for a Leave of Absence should be personally submitted in writing to the executive office; All Leave Request Forms are available at the office and can be acquired by speaking with your immediate supervisor.

**ABSENTEEISM**

Blue Frost Heating & Cooling places a high value on attendance. We expect and need employees to be at work on time on their scheduled workdays. Regular attendance and punctuality are important because they affect an employee’s productivity and ability to meet goals, standards, and deadlines. Absent employees, adversely affect Company morale since co-workers must absorb the absent employee’s workload in addition to their own. Consequently, the level of service we provide to our customers is diminished. Our policy is to address and correct attendance patterns that are especially counterproductive and disruptive, while tolerating normal patterns of absences caused by occasional illness, emergencies, etc.

**Absence Notification Policy**

Failure to comply with the following notification requirements may subject an employee to corrective action or termination.

1. If it becomes necessary for an employee to miss work, they are required to notify their supervisor at least one hour prior to their scheduled starting time or as soon as possible.
   a. First-shift employees must call or notify their supervisor at least one hour prior to their start time.
   b. Second-shift employees must call their manager and the office before 2p.m.
   c. Third-shift employees must call their manager and the office before 5p.m.
   d. When calling in, you must state why you are absent, what benefit you are using, and a phone number you can be reached for questions regarding your job. You need to keep your company issued cell phone on in case there is needed information on a job you were working on.

2. Where the need for absence is foreseeable, as for planned medical treatments, the Company should be notified thirty days in advance or as soon as the employee knows, he or she will miss work.

3. “No Call No Shows” will be considered job abandonment after the first day.
Attendance Policy

Employees who have suspicious patterns* of non-FMLA related absences and excessive** incidents of the following types of non-FMLA related absences may be subject to corrective action or termination.

1. Employee/Family Care (E/FC)
2. Hospital Employee Care (HEC)
3. Absent Without Benefit (AWB) - If an employee is absent on a scheduled working day without utilizing a Time-Off Benefit, they are considered “Absent without Benefit” (AWB); AWB days/hours/minutes include tardiness and “no call no shows.”

* For Full Time employees, "Excessive" means monthly average* of absent hours is equal to or greater than eight.

* Examples of a Suspicious Pattern of absenteeism would be frequently using E/FC benefit on Mondays, repeatedly failing to report absences prior to shift start time, or missing a day of work during the first week of employment.

** For Part Time employees, "Excessive" means monthly average* of absent hours is equal to or greater than the Total Weekly Hours Scheduled Divided by the Total Number of Weekdays Scheduled.

* Monthly average is calculated by using 12 months, rolling backwards. If an employee has not yet been with the Company for a full year, a monthly average of absences will be calculated by dividing the total number of non-FMLA related E/FC HEC and AWB hours by the number of full months they have worked.

Progressive Disciplinary Action

Complying with company rules, policies and operational guidelines to satisfy our customers is a job requirement. Voluntary compliance is a job performance expectation. However, to govern appropriate employee behavior and in the case of non-compliance, progressive disciplinary action up to and including termination will be taken to ensure compliance and provide opportunity for improvement. Our progressive disciplinary action process is listed below:

- Verbal Warning
- Written Warning
- Three (3) Day Suspension without pay
- Termination

The company reserves the right to skip one or more of the progressive disciplinary steps depending on the severity and frequency of the job performance situation, circumstances. The company will evaluate each situation on an individual basis and at its sole discretion. Please note a criminal act, willful act or major violation of any company rule, policy or operational guideline will result in immediate termination.

Electronic Communication and Internet Use

The following guidelines have been established for using company E Mail, the Internet and company provided cell phones, laptops and computers. They are to be
used for business purposes only and all communication must be appropriate, ethical and professional. The company reserves the right to monitor employee use to ensure compliance. Inappropriate or illegal use by an employee will be subject to company progressive disciplinary action up to and including termination.

- Employees should not use any company provided equipment or any other communication services to transmit or store any communications of an illegal, defamatory, discriminatory, harassing or pornographic nature. Disparaging, abusive, profane or offensive language or images is prohibited.
- Internal and external E Mails are considered business records and may be subject to discovery in the event of a lawsuit. Employees should always be professional, factual, accurate and cautious when sending or responding to E Mail communication.
- Employees should not use the E Mail system in a way that interrupts or disrupts use by others. Employees are prohibited from sending receiving information or files that are personal not related to work.
- Employees should not open suspicious E Mails, attachments, pop-ups or downloads which could prevent the release of a potential virus. Contact management immediately with any questions or concerns.

**Social Media Policy**

Employees are prohibited from personal social media activities when being paid to work and using company equipment. When using social media employees should not post any company or third party trade secrets, confidential, financial, sensitive or proprietary information. This would also be in violation of the Blue Frost Heating & Cooling Confidentiality and Non-Competition Agreement. In addition, employees should not post any damaging, defamatory, harassing comments that could damage the reputation viability of the company, management, fellow employees, customers, suppliers, vendors or applicants.

Policy violations will be subject to company progressive disciplinary action up to and including termination.

**Gossip or Spreading Rumors**

Blue Frost Heating & Cooling will do whatever it takes to keep our work environment positive and working as a team to satisfy our customers. Gossip, spreading rumors and creating drama is not part of our work environment. You are paid to help satisfy our customers, to focus on your job responsibilities in a positive, supportive work environment. We have ZERO tolerance for gossip, spreading rumors and creating drama. If this should happen, we will investigate the situation to determine the facts, substantiate them and then take appropriate progressive disciplinary action up to and including termination.

This negative, unnecessary job behavior is inappropriate and harmful to the work environment. If you do have a complaint, issue or problem follow the recommended
procedure and see ownership, immediate Manager, Supervisor or an officer of the company.

**Company Bulletin Boards**

Company Bulletin Boards are mainly used to display required state and federal employment law postings. They are also used to display required OSHA safety postings, company information and company announcements. To stay informed and up to date we encourage employees to check out these Bulletin Boards on a regular basis.

Only information that is approved by Management can be posted on company Bulletin Boards.

**Right To Review, Change or Add**

Blue Frost Heating & Cooling reserves the right to review, change or add any company policy, guideline or procedure at any time based on changes in federal or state laws and business necessity.
BLUE FROST HEATING & COOLING INC.
ACKNOWLEDGEMENT OF UNDERSTANDING

I UNDERSTAND AND/OR AGREE THAT:

- The statements contained in the Blue Frost Heating & Cooling Inc. Employee Handbook are intended to serve as general information concerning Blue Frost Heating & Cooling Inc.’s existing policies, procedures and practices of employment and employee benefits.

- Nothing contained in this Employee Handbook is intended to create a contract of employment express or implied or guarantee employment for a definite or indefinite term.

- From time to time Blue Frost Heating & Cooling Inc. may need to clarify amend and/or supplement the information contained in this Employee Handbook and will inform me when changes occur.

- I have reviewed a copy of the Blue Frost Heating & Cooling Inc. Employee Handbook and have read and understand the information outlined in the handbook. I have asked any questions I may have had concerning its contents and will comply with all policies and procedures to the best of my ability.

- By signing this agreement, I, ________________________ agree to not solicit for a period of 1 year after separation of employment from Blue Frost Heating & Cooling any customer as defined in this document including builders of Blue Frost Heating & Cooling Inc.

Employee Signature __________________________________________________

Date ______________________________________

Authorized Witness ________________________________________________