

Employee Handbook

WELCOME

Welcome and thank you for joining us at Pacific One Construction! This handbook has been created to give you an idea of what you can expect as a member of our team. Feel free to refer back to this at any time for information about employee benefits and compensation scheduling, behavior expectations, and workplace responsibilities.

This handbook does not constitute a contract or guarantee of employment. It is intended to be a handy point of reference and should be read carefully when you first join the organization or anytime you have a question about our company. If you ever need any clarifications or further information about your employment, feel free to ask your manager or contact HR directly (425) 869-0373.

EMPLOYMENT BASICS

EQUAL OPPORTUNITY EMPLOYER

Pacific One Construction is an Equal Opportunity Employer. We do not discriminate on the basis of race, religion, color, sex, gender identity, sexual orientation, age, non-disqualifying physical or mental disability, national origin, veteran status, or any other basis covered by appropriate law. All employment is decided on the basis of qualifications, merit, and business need.

EQUAL PAY

Employee pay decisions are decided on the basis of the level of the position and on performance, not on external factors such as race, religion, sex, gender identity, sexual orientation, age, non-disqualifying physical or mental disability, national origin, veteran status or any other basis covered by appropriate law.

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PROFESSIONAL CONDUCT & PERSONAL RELATIONSHIPS

Employees are expected to maintain a professional demeanor and exercise good judgment in all work-related interactions, including those involving personal relationships.

Consensual Relationships: While personal relationships between employees
are permitted, they must be consensual and should not interfere with work
performance or create conflicts of interest. Employees are encouraged to
disclose any relationships that may lead to potential conflicts.

- Public Displays of Affection (PDA): To maintain a professional work environment, excessive or inappropriate displays of affection are discouraged. Employees should exercise discretion and be mindful of their surroundings. If an employee feels uncomfortable due to the actions of colleagues involving dating, relationships, or PDA, they are encouraged to report the matter to their supervisor or the designated human resources representative.
- Favoritism and Fairness: Employees should avoid engaging in any behavior that could be perceived as favoritism or unfair treatment based on personal relationships. Decisions regarding promotions, salary adjustments, or other workplace benefits should be based solely on merit.

HARASSMENT & VIOLENCE

Pacific One Construction does not tolerate harassment or violence in the workplace, either between employees or with our customers. We will treat employees who verbally threaten others as high risk and they will be disciplined appropriately.

If we find that an employee commits an act of violence, we will terminate that employee and possibly press criminal charges. Employees who damage property deliberately or by not taking appropriate caution will be solely responsible for paying for it.

SEXUAL HARASSMENT

Pacific One Construction does not tolerate sexual harassment. Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting that individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive environment.

REPORTING HARASSMENT

Persons with complaints are encouraged to discuss the matter promptly with their supervisor to allow for an effective resolution. Complaints that cannot be resolved at the supervisor level should be brought to the attention of upper management. Every effort will be made to protect the rights of both the complainant and the respondent.

Our company will not retaliate against you if you file a complaint or discrimination lawsuit. Any employee who retaliates or discriminates will face disciplinary action.

WORKPLACE POLICIES

ATTENDANCE

We expect you to be present during your scheduled working hours. If you are sick or on vacation, let us know before your shift starts. If you face an emergency that prevents you from coming to work one day, contact your manager as soon as possible. We will excuse unreported absences in cases of [serious accidents, acute medical emergencies.] But, whenever possible, we should know when you will not be coming in.

DISCIPLINE & TERMINATION

- We will evaluate employee misconduct on a case-by-case basis and determine appropriate corrective measures when warranted.
- Unless you have entered into an employment agreement that supersedes this
 document, either you or we may terminate the employment relationship at
 any time. The handbook does not guarantee any prescribed process for
 discipline and discharge.

WORKPLACE SAFETY AND HEALTH

Pacific One Construction is committed to creating a safe and hazard-free workplace. With this in mind, we will ensure workplace safety through preventative action and employee participation.

Preventative Action

- Preventative actions are any actions we take to avoid injuries or illnesses related to the workplace. We will periodically evaluate workplace conditions and employee working practices to determine if any risks to employee health or safety are present. We will also establish preventative best practices to address risks when we feel they are required.
- Site Safety Meetings are held weekly on all job sites. Your participation is mandatory, failure to attend and sign the attendance sheet will result in termination.
- We also expect you to take safety seriously. Always use protective equipment
 and adhere to all job site rules as posted. If you ever have concerns about job
 site safety hazards or practices we encourage you to communicate them with
 your supervisor right away.
- If you deliberately disregard our guidelines, we may terminate your employment for your own and others' safety.

Work-Related Injuries/Incidents

- In the event of a work-related injury, an Injury/Incident Report Form must be completed and returned to your supervisor immediately. We support the practice of bringing injured employees back to work, as soon as they are medically able, to a position compatible with any physical restrictions as assessed by competent medical personnel. Coming back to work at the earliest time in a position accommodating rehabilitation of an injury helps employees remain functional as they recover. It also provides the company with the use of the employee's valuable talents and helps control workers' compensation costs.
- If you are injured or think you have been injured while working, no matter how slightly, you must report the injury within 24 hours to your supervisor to protect your eligibility for compensation. Your supervisor may help arrange for

medical treatment following an injury. Prompt, quality medical treatment can be assured through the use of our <u>suggested medical providers</u>.

Safety Violations

In the event where an employee or Pacific One Construction is issued a workplace safety violation as a direct result of employee negligence, or in an event where an employee is behaving in a manner contrary to company provided safety training, the employee will be held liable for any and all violations and/or penalties.

Smoking

Smoking is prohibited in all Pacific One Construction offices, on all job sites, and on any customer properties.

Drug-free Workplace

Pacific One Construction is an alcohol and drug-free workplace. Whether you are an employee, contractor, or visitor, you must not bring, use, give away or sell any alcohol or drugs on company premises. If you are caught with illegal drugs, or show that you are under the influence of substances, you will face disciplinary action up to and including termination.

Drug Testing Policy

- Pacific One Construction adheres to the drug testing regulations outlined by the state of Washington to maintain a safe and productive work environment.
 Our drug testing policy includes random testing and testing based on reasonable suspicion.
 - Random Drug Testing: Random drug tests may be conducted without prior notice to employees. The selection process is unbiased and ensures equal chances for all employees. This approach deters drug use and supports our commitment to a drug-free workplace.
 - Reasonable Suspicion Testing: If a manager or supervisor reasonably suspects an employee of being under the influence of drugs or alcohol

while on duty, a reasonable suspicion drug test may be initiated. Observable behaviors, appearance, speech, or other factors indicating impairment or drug use may be considered for reasonable suspicion. Refusal to undergo such a test may result in disciplinary action.

- Confidentiality and Compliance: Drug testing procedures maintain privacy and dignity for individuals involved. Test results are confidential, disclosed only on a need-to-know basis for investigations and appropriate actions.
- Employees are expected to comply with Pacific One Construction's drug testing policy. Non-compliance, including refusal to test, tampering with results, or obstructing the testing process, may lead to disciplinary action, up to and including termination.

COMPANY-ISSUED TOOLS & EQUIPMENT

Certain tools or equipment may be provided to staff depending on the needs of the job, such as drills, saws, or safety equipment. This equipment is the property of Pacific One Construction and cannot be removed from the workplace without prior approval from your supervisor. We expect that you will treat this equipment with care and report any malfunctions immediately to your supervisor. Employees are responsible for returning tools & equipment in the same condition as provided and can be held liable for the costs to replace any provided tools that are not returned.

COMPANY CREDIT CARDS

Occasionally employees will be issued a company credit card to be used for job related fuel and material purchases.

 Company credit cards cannot be used to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers for expenses other than those incurred by the assigned employee named on the card, or for personal expenses. Misuses of the card will result in cancellation of the card and withdrawal of corporate credit card privileges.

- If the card is used for an employee's personal expenses, the employer reserves
 the right to recover these monies from the employee cardholder. Cardholders
 will be required to sign a declaration authorizing the company to recover, from
 their salary, any amount incorrectly claimed.
- Regular, full-time employees may apply for a company credit card but must obtain prior, written approval from their supervisor. To be eligible for a company credit card, an employee must travel frequently in the course of his/her duties, purchase significant volumes of goods and services for use by the employer, or incur other regular frequent business expenses of a kind appropriately paid by credit card.
- Company credit card expenditures must be reconciled and submitted with original receipts using their company Expensify account. Cardholders who have not reconciled and submitted their monthly expenditure will be asked to reconcile and submit their monthly expenditure immediately. Continued or repeated non-conformance to this policy will result in cancellation of the card and such other actions as appropriate. If the card expenditures are not reconciled and submitted within a week of the purchase date or a plausible explanation has not been received by the Accounting/Finance Department, the employee's corporate credit card will be canceled. Lost or stolen cards must be reported immediately to your supervisor.

ACCOUNTABLE PLAN

Pacific One Construction desires to establish an expense reimbursement policy pursuant to Reg. 1.62-2, upon the following terms and conditions:

- Except as otherwise noted, any person now or hereafter employed by Pacific
 One Construction shall be reimbursed for any ordinary and necessary
 business and professional expenses incurred on behalf of Pacific One
 Construction only if the expenses are adequately substantiated as required by
 the company policy on expense reimbursements.
- Under no circumstances will Pacific One Construction reimburse employees for business or professional expenses incurred on behalf of Pacific One Construction that are not properly substantiated. Pacific One Construction

and employees understand that this requirement is necessary to prevent our expense reimbursement plan from being classified as a "non-accountable" plan.

- All expenses must be substantiated within a reasonable period of time.
- All charges to company credit cards must be substantiated in the same manner as the above-mentioned reimbursements.
- Advances that are not substantiated within a reasonable period of time must be returned (paid back) within a reasonable period of time.

COMPENSATION & BENEFITS

PROBATIONARY PERIOD

Each newly hired and re-hired employee will begin with a 90-day probationary period where performance and abilities can be evaluated. During this period, employees are not eligible for medical or retirement benefits, paid time off or paid holiday hours.

COMPENSATION

Non-Exempt Employees

Salaried employees who are not administrative, professional, or managerial employees (as defined by the U.S. Department of Labor) and many hourly employees are generally not exempt from the FLSA's overtime provisions.

Exempt Employees

Exempt employees are not subject to the overtime pay provisions of the federal Fair Labor Standards Act (FLSA). An exempt employee is one whose specific job duties and salary meet all the requirements of the U.S. Department of Labor's regulations. In general, an exempt employee is one who is paid on a salary basis at not less than \$455 per week who holds an administrative, professional, or management position. Certain outside salespersons and a few other job categories are also exempt.

Overtime

Because of the nature of our business, your job may periodically require overtime work. If we require that you work overtime, we will give you as much advance notice as possible. You should not work overtime hours without prior approval by your immediate supervisor or the designated manager. Non-exempt employees are entitled to overtime pay.

Raises & Promotions

Raises and promotions are determined by your supervisor. Raise approvals are generally limited to no more than once per year, depending on performance and availability.

PERSONAL TIME OFF (PTO)

Using Your PTO

- You should submit requests for use of PTO to your supervisor as soon as you know when you wish to schedule your time, but in no event less than two weeks prior to the time requested.
 - PTO requests must be approved by your immediate supervisor.
 - PTO time is coordinated so that sufficient staff is made available to provide adequate coverage at all times, and there may be company-wide or department-specific "blackout dates," as necessary.
 - PTO requests are granted on a first-come, first-served basis.

- In the event of a conflict in PTO requests, your supervisor will consider the company's staffing needs during the relevant period, as well as the length of service with the company of the employees involved.
- If an employee separates from employment, there will not be financial or other reimbursement to the employee for accrued, unused Sick or Vacation balances available at the time of separation.
- <u>Click here</u> for instructions on how to request PTO or check available balances

Washington State Paid Sick Leave

- Following Washington State Paid Sick Leave guidelines, you are eligible to begin accruing Paid Sick Leave hours immediately upon employment. Employees accrue one hour of Paid Sick Leave for every 40 hours worked and are entitled to begin using their accrued, unused hours beginning on the 90th calendar day after the start of their employment. Accrued, unused paid sick leave balances of 40 hours or less will carry over to the following year.
- Employees may use their accrued, unused paid sick leave hours to care for themselves or a family member (definition below) for:
 - o Mental or physical illnesses, injuries, or health conditions;
 - The need for medical diagnosis, care, or treatment of mental or physical illnesses, injuries, or health conditions; or
 - o The need for preventive medical care.
- Employees must report sick time usage to office staff before the beginning of their shift.
- If an employee has used paid sick leave for an authorized purpose for more than three (3) consecutive days during which the employee is required to work, the employee must provide verification that establishes or confirms that the use of paid sick leave is for an authorized purpose.
- If an employee separates from employment, there will not be financial or other reimbursement to the employee for accrued, unused paid sick leave balances available at the time of separation.

Family and Medical Leave

- The Family and Medical Leave Act (FMLA) provides certain employees with up to 12 weeks of unpaid, job-protected leave per calendar year. It also requires that group health benefits be maintained during the leave. Through FMLA we provide employees with up to 12 weeks of unpaid leave each year for any of the following reasons:
 - o For the birth and care of the newborn child of an employee;
 - o For placement with the employee of a child for adoption or foster care;
 - To care for an immediate family member (i.e., spouse, child, or parent)
 with a serious health condition; or
 - To take medical leave when the employee is unable to work because of a serious health condition.
- Employees are eligible for leave if they have worked for the company for at least 12 months, at least 1,250 hours over the past 12 months, and work at a location where the company employs 50 or more employees within 75 miles.
- For further information about this program, please visit the Washington State
 Department of Labor website:
 https://www.dol.gov/general/topic/benefits-leave/fmla

Vacation

 We offer Vacation time for all employees who have completed their 90-day probationary period. Available Vacation hours are determined by the length of time an employee has worked with the company. Unless otherwise agreed upon, Vacation time is distributed to employees who have worked for the company for the following lengths of time:

Vacation Tier	Total Hours Worked	Annual Equivalence	Vacation Available
-	0	Less than 1 year of work	0
V1	2,000	Approximately 1 year of work	16

V2	4,000	Approximately 2 years of work	40
V3	6,000	Approximately 3 years of work	56
V4	8,000	Approximately 4 years of work	80
V5	10,000	Approximately 5 years of work	96
V6	12,000	Approximately 6 years of work	120

- Vacation hours will become available on the first day of the month that an employee reaches Tier V1 and reset to the full amount in that same month each year thereafter.
- Example: Alex joins the company on 6/1/2018, works some overtime and reaches 2,000 hours on 4/15/2019. His Vacation time will be made available to him on 4/15/2019 and reset to the fully available amount again on 4/1/2020. Any time he crosses into a new Tier the additional hours will be made available to him immediately, with a reset date remaining as April 1st.

Paid Holidays

We celebrate the following paid holidays:

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

PAYROLL

Employees are paid every other Friday for time worked the previous two weeks. When a payroll date falls on a holiday, employees will, when possible, be paid on the last business day before the holiday. Otherwise, employees will be paid on the first business day following the scheduled payroll date.

Time-Tracking

Employees are paid **only** for the hours that have been submitted and approved in the company time tracking application. Employees are responsible for ensuring hour tracking is submitted and accurate.

Direct Deposit

You may have your paycheck deposited directly into your bank account by providing a voided check or Direct Deposit Form to your supervisor or our Payroll Department.

Paper Check Pickup

If you do not elect to receive Direct Deposit, checks will be mailed to the address you've provided us or they can be picked up in person at the <u>Pacific One office</u>.

HEALTH INSURANCE

Pacific One Construction does offer an employee health insurance plan, please speak with Human Resources for more information.

WORKER'S COMPENSATION

To provide for payment of your medical expenses and for partial salary continuation in the event of a work-related accident or illness, you are covered by workers' compensation insurance, provided by Pacific One Construction, and based on state regulations. The amount of benefits payable, as well as the duration of payments, depends upon the nature of your injury or illness. However, all medical expenses incurred in connection with an on-the-job injury or illness and partial salary payments are paid in accordance with applicable state law. If you are injured or become ill on the job, you must immediately report the injury or illness to your manager and the Human Resources Department. This ensures that Pacific One Construction can help you obtain appropriate medical treatment. Your failure to follow this procedure may delay your benefits or may even jeopardize your receipt of

benefits. Questions regarding workers' compensation insurance should be directed to the Human Resources Department.