



EEO-Anti-Discrimination and Business Ethics Policy

EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT Equal Employment Opportunity has been, and will continue to be, a fundamental principle at Falasca Mechanical Inc. where employment is based upon personal capabilities and qualifications without discrimination because of race, color, religion, sex, age, national origin, disability, or any other protected characteristic as established by law.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment. The Human Resource Department (Comptroller's Office) has overall responsibility for this policy and maintains reporting and monitoring procedures. Employees' questions or concerns should be referred to the Human Resource Department. Appropriate disciplinary action may be taken against any employee willfully violating this policy.

NON-DISCRIMINATION AND ANTI-HARASSMENT POLICY: Falasca Mechanical Inc. is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, Falasca Mechanical Inc. expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment. It is the policy of Falasca Mechanical Inc. to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex (with or without sexual conduct), age, disability, alienate or citizenship status, marital status, creed, genetic predisposition or carrier status, sexual orientation or any other characteristic protected by law. Falasca Mechanical Inc. prohibits and will not tolerate any such discrimination or harassment.

Definitions of Discrimination

Employment discrimination takes different forms. Employment discrimination is illegal and generally results when a person is treated differently (usually less favorably) because of his or her race, color, religion, sex, or national origin. In addition, employment discrimination can result when a neutral policy or practice has an adverse impact on the members of any race, sex, or ethnic group and the policy or practice is not job related or required by business necessity.

EEO Executive Order 11246 Compliance

Falasca Mechanical Inc. will maintain a posting of the OFCCP's Equal Employment Opportunity Poster in a conspicuous location within its main office and project locations. This posting will not prohibit similar compliance posters required by State and/or Local jurisdictions. Falasca Mechanical Inc. will include in any advertisement or solicitation for employment that qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin. Falasca Mechanical Inc., on public works projects, as required by the governing Local, State, and/or Federal entity, will issue Letters of Consent to the appropriate labor union, for all trade work associated with that project, requesting compliance with the associated EEO requirements and hiring goals for that project including but not limited to the female and minority participation. Falasca Mechanical Inc. will maintain hiring records for its office staffing and trade staffing for a period of seven years and those records will be available to Local, State, and Federal authorities for that same period and with written request. Falasca Mechanical Inc. will file Local and State annual reporting as required by contract and will file the Federal EEO-1 report annually.

Recruitment of Qualified Candidates

Falasca Mechanical Inc. identifies several recruitment sources that include women and minorities. Recruitment sources include schools, colleges, government agencies, private organizations and community-based organizations that offer qualified candidates which include women and minorities candidates. Falasca Mechanical Inc. sends these sources letters identifying the job opening (non-trade type) and invite them to refer qualified applicants for the job opening. Falasca Mechanical Inc.'s goal is to allow at least thirty days for the recruitment sources to find candidates, but in emergency replacement situations, that timeframe may be reduced as needed. All correspondence, resumes, and hiring documentation will be kept in human resources files for a period of seven years from the date of the hire made.

Employment Practices to Prevent Discrimination

Falasca Mechanical Inc. periodically performs self-audits of their employment practices to avoid employment barriers and ensure they are providing equal opportunity for all applicants and employees. For non-trade hires, the audit process begins prior to a hire where a complete comparison of applicants takes place to assist in determining whether job qualification standards were uniformly applied to all applicants to avoid exceptions or deviations to established hiring procedures. Audit procedures for promotions are used to determine that the standards for a given promotion were applied equally to all employees and that qualified females and minorities were not passed over in favor of male or nonminority employees with lesser qualifications. Similar audit procedures are utilized in terminations to determine that the standards are being applied equally to all employees and that female and minorities are



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not being terminated in circumstances which nonminority or male employee would not have been terminated. Records of these self-audits are maintained with the human resource files for a period of seven years.

The self-audit process for the trade labor utilized on public works projects begins upon award of the contract where the projected hours for a given project are used to determine the goals for female and minority participation on that project as determined by the Local, State and/or Federal agency governing over that project site. Letters of Consent are issued to the appropriate labor unions indicating their required compliance in assisting Falasca Mechanical Inc. in meeting the goals for that project. The letters also indicate to the unions that if, at the start of the project or while the project is ongoing, Falasca Mechanical Inc.'s current staffing of female and/or minority apprentices and/or journeyman plumbers is not able to meet the goals for the project, they will be specifically requested for and the union must be able to refer the requested minority and/or female journeymen plumbers and/or apprentices to Falasca Mechanical Inc. or Falasca Mechanical Inc. will contact affiliated unions not assigned to that territory to refer female and/or minority journeyman and/or apprentices to that project site. Falasca Mechanical Inc. audits the public works contracts weekly, using work hour reports, to ensure that the EEO participation goals requirements of those projects are being met given the Local, State and/or Federal Affirmative Action and EEO goals sought or good faith efforts required for those projects. This is in addition to any weekly and/or monthly reporting required by Local, State and/or Federal agencies by contract. This weekly audit ensures that the good faith effort required by all Local, State and/or Federal agencies is being adhered to and ideally, results in full achievement of the goals issued for a given public works contract. Records of these self-audits are maintained with the human resource files for a period of seven years.

Definitions of Harassment

Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal or visual conduct of a sexual nature. Sex-based harassment that is, harassment not involving sexual activity or language (e.g., male manager yells only at female employees and not males) may also constitute discrimination if it is severe or pervasive and directed at employees because of their sex.

Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, national origin, age, disability, [alienate or citizenship status, marital status, creed, genetic predisposition or carrier status, sexual orientation] or any other characteristic protected by law or that of his/her relatives, friends or associates, and that: (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group (including through e-mail).

Individuals and Conduct Covered: These policies apply to all applicants and employees, and prohibit harassment, discrimination and retaliation whether engaged in by fellow employees, by a supervisor or manager or by someone not directly connected to Falasca Mechanical Inc. (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

Retaliation Is Prohibited: Falasca Mechanical Inc. prohibits retaliation against any individual who reports discrimination or harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action.



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COMPLAINT PROCEDURE

Reporting an Incident of Harassment, Discrimination or Retaliation: Falasca Mechanical Inc. strongly urges the reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. Individuals who believe they have experienced conduct that they believe is contrary to policy or who have concerns about such matters should file their complaints with their immediate supervisor, the Human Resource Department, or the President of Falasca Mechanical Inc. Individuals should not feel obligated to file their complaints with their immediate supervisor first before bringing the matter to the attention of one of the other Falasca Mechanical Inc. designated representatives identified above.

IMPORTANT NOTICE TO ALL EMPLOYEES:

Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. An employee's failure to fulfill this obligation could affect his or her rights in pursuing legal action.

Also, please note, federal, state and local discrimination laws establish specific time frames for initiating a legal proceeding pursuant to those laws.

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, Falasca Mechanical Inc. strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. Falasca Mechanical Inc. will make every effort to stop alleged harassment, but can only do so with the cooperation of its staff/employees.

The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

The Investigation: Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly and impartially. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigation process to the extent consistent with adequate investigation and appropriate corrective action.

Responsive Action: Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately. Responsive action may include, for example, training, referral to counseling, monitoring of the offender and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reduction of wages, demotion, reassignment, temporary suspension without pay or termination, as Falasca Mechanical Inc. believes appropriate under the circumstances.

Individuals who have questions or concerns about these policies should talk with the Human Resource Department.

Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in business or work-related social activities or discussions in order to avoid allegations of harassment. The law and the policies of Falasca Mechanical Inc. prohibit disparate treatment on the basis of sex or any other protected characteristic, with regard to terms, conditions, privileges and prerequisites of employment. The prohibitions against harassment, discrimination and retaliation are intended to complement and further these policies, not to form the basis of an exception to them.

AMERICANS WITH DISABILITIES ACT POLICY STATEMENT: The Company is committed to complying with all applicable provisions of the Americans With Disabilities Act ("ADA"). It is the Company's policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual's disability or perceived disability so long as the employee can perform the essential functions of the job. Consistent with this policy of nondiscrimination, the Company will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made the Company aware of his or her disability, provided that such accommodation does not constitute an undue hardship on the Company.

Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact the Human Resource Department. Falasca Mechanical Inc. encourages individuals with disabilities to come forward and request reasonable accommodation.



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Procedure for Requesting an Accommodation: On receipt of an accommodation request, The Human Resource Department and your supervisor will meet with you to discuss and identify the precise limitations resulting from the disability and the potential accommodation that Falasca Mechanical Inc. might make to help overcome those limitations.

Falasca Mechanical Inc. will determine the feasibility of the requested accommodation considering various factors, including, but not limited to the nature and cost of the accommodation, the availability of tax credits and deductions, outside funding, overall financial resources and organization, and the accommodation's impact on the operation of the Company, including its impact on the ability of other employees to perform their duties and on ability to conduct business.

Falasca Mechanical Inc. will inform the employee of its decision on the accommodation request or on how to make the accommodation. If the accommodation request is denied, employees will be advised of their right to appeal the decision by submitting a written statement explaining the reasons for the request. If the request on appeal is denied, that decision is final.

The ADA does not require Falasca Mechanical Inc. to make the best possible accommodation, to reallocate essential job functions, or to provide personal use items (i.e., eyeglasses, hearing aids, wheelchairs etc.).

An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify The Human Resource Department. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

BUSINESS ETHICS POLICY, CONFLICT OF INTERESTS AND OUTSIDE EMPLOYMENT STATEMENT: The Company expects our employees to conduct business according to the highest ethical standards of conduct. Employees are expected to devote their best efforts to the interests of the Company. Business dealings that appear to create a conflict between the interests of the Company and an employee are unacceptable. The Company recognizes the right of employees to engage in activities outside of their employment which are of a private nature and unrelated to our business. However, the employee must disclose any possible conflicts so that the Company may assess and prevent potential conflicts of interest from arising. A potential or actual conflict of interest occurs whenever an employee is in a position to influence a decision that may result in a personal gain for the employee or an immediate family member (i.e., spouse or significant other, children, parents, siblings) as a result of the Company's business dealings.

Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth the ones, which most frequently present problems. If an employee has any question whether an action or proposed course of conduct would create a conflict of interest, he or she should immediately contact The Human Resource Department to obtain advice on the issue. The purpose of this policy is to protect employees from any conflict of interest that might arise.

A violation of this policy will result in immediate and appropriate discipline, up to and including immediate termination.

Outside Employment: In general, outside work activities are not allowed when they:

- Prevent the employee from fully performing work for which he or she is employed at the Company, including overtime assignments;
- Involve organizations that are doing or seek to do business with the Company, including actual or potential vendors or customers; or
- Violate provisions of law or the Company's policies or rules.

From time to time, Company employees may be required to work beyond their normally scheduled hours. Employees must perform this work when requested. In cases of conflict with any outside activity, the employee's obligations to the Company must be given priority. Employees are hired and continue in employ with the understanding that Falasca Mechanical Inc. is their primary employer and that other employment or commercial involvement that is in conflict with the business interests of Falasca Mechanical Inc. is strictly prohibited.

Financial Interest in Other Business: An employee and his or her immediate family may not own or hold any significant interest in a supplier, customer or competitor of the Company, except where such ownership or interest consists of securities in a publicly owned Company and that securities are regularly traded on the open market.

Acceptance of Gifts: No employee may solicit or accept gifts of significant value (i.e., in excess of \$25.00), lavish entertainment or other benefits from potential and actual customers, suppliers or competitors. All gifts (i.e., food certificates, special events tickets, complimentary trips) must be presented to the President for approval of receipt of same. Special care must be taken to avoid even the impression of a conflict of interest.



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An employee may entertain potential or actual customers if such entertainment is consistent with accepted business practices, does not violate any law or generally accepted ethical standards and the public disclosure of facts will not embarrass the Company. Any questions regarding this policy should be addressed to the Human Resource Department.

Work Product Ownership: All Falasca Mechanical Inc. employees must be aware that Falasca Mechanical Inc. retains legal ownership of the product of their work. No work product created while employed by Falasca Mechanical Inc. can be claimed, construed, or presented as property of the individual, even after employment by Falasca Mechanical Inc. has been terminated or the relevant project completed. This includes written and electronic documents, audio and video recordings, system code, and also any concepts, ideas, or other intellectual property developed for Falasca Mechanical Inc. regardless of whether the intellectual property is actually used by Falasca Mechanical Inc. Although it is acceptable for an employee to display and/or discuss a portion or the whole of certain work product as an example in certain situations (e.g., on a resume, in a freelancer's meeting with a prospective client), one must bear in mind that information classified as confidential must remain so even after the end of employment, and that supplying certain other entities with certain types of information may constitute a conflict of interest. In any event, it must always be made clear that work product is the sole and exclusive property of Falasca Mechanical Inc. Freelancers and temporary employees must be particularly careful in the course of any work they discuss doing, or actually do, for a competitor of Falasca Mechanical Inc.

- 1. CONFIDENTIAL NATURE OF WORK:** All Falasca Mechanical Inc. records and information relating to Falasca Mechanical Inc. or its customers are confidential and employees must, therefore, treat all matters accordingly. No Falasca Mechanical Inc. or Falasca Mechanical-related information, including without limitation, documents, notes, files, records, oral information, computer files or similar materials (except in the ordinary course of performing duties on behalf of Falasca Mechanical Inc.) may be removed from premises without permission from Falasca Mechanical Inc. Additionally, the contents of records or information otherwise obtained in regard to business may not be disclosed to anyone, except where required for a business purpose. Employees must not disclose any confidential information, purposefully or inadvertently through casual conversation), to any unauthorized person inside or outside the Company. Employees who are unsure about the confidential nature of specific information must ask their supervisor for clarification. Employees will be subject to appropriate disciplinary action, up to and including dismissal, for knowingly or unknowingly revealing information of a confidential nature.
- 2. EMPLOYMENT-AT-WILL:** We are an 'at-will' employer and operate under the provision that employees have the right to resign their position at any time, with or without notice, and with or without cause. We, the employer, have similar rights to terminate the employment relationship at any time, with or without notice, and with or without cause. Falasca Mechanical Inc. does participate in trade union collective bargaining agreements, and certain sections of this policy shall be considered along with the corresponding agreement.
- 3. IMMIGRATION COMPLIANCE STATEMENT:** Falasca Mechanical Inc. is committed to employing U.S. citizens and aliens who are authorized to work in the United States and will not unlawfully discriminate on the basis of citizenship or national origin. As a condition of employment in compliance with the federal Immigration Reform and Control Act (IRCA) of 1986, each new employee must complete an Employment Eligibility Verification form (I-9) and present documents that establish identity and employment eligibility. If proper identity and employment eligibility documents are not provided, an employee will not be allowed to continue employment.