

### 3.8 PAID TIME OFF (PTO) POLICY

While work makes up a large portion of an employee's life, the Company believes that time away from work is important to maintain life-balance and quality performance.

Full-time employees who average 30-work hours or more per week, earn paid time to use for vacation, illness and personal business. This program combines traditional vacation and sick leave into one flexible, paid time-off (PTO) policy.

Employees are allocated planned PTO hours each year based on their length of employment up to the amounts shown below. They may use their new annual PTO allocation starting the first of the year. Employees who leave during the year and have used more vacation time than earned (accrued), will be charged back for unearned vacation time. PTO accrues based on actual regular hours worked including holiday pay when applicable. PTO does **not** accrue during unpaid leaves of absence or for overtime hours.

The accrual rate changes for employees on the pay period following the 1<sup>st</sup>, 5<sup>th</sup>, and 10<sup>th</sup> anniversaries for their date of hire.

Employees may begin using PTO after completing 180 days of continuous service. PTO may be used in one-hour increments. The Company reserves the right to reduce exempt employees pay for personal time off taken in excess of PTO balance allocations.

At the end of each year, employees may carryover a maximum of 40 hours of PTO from one calendar year to the next. Hours over this limit will be forfeited.

Employees may not trade, sell, or gift their PTO to other employees.

#### Accrual Rates

<u>Length of Service</u>	<u>PTO received each week per 40 hours worked</u>	<u>Total PTO earned per Calendar year</u>
First Year	.77 hours	40 hours
2 to 5 years	1.54 hours	80 hours
6 to 10 years	1.92 hours	100 hours
11 years and over	2.31 hours	120 hours

All employees (exempt and non-exempt) should schedule time off providing their direct supervisor as much advance notice as possible. ***PTO requests should be submitted in writing to the employee's direct supervisor and are subject to approval.*** Final approved forms are then forwarded to

payroll. Every effort will be made to grant time off as requested as long as it does not interfere with a department's operations. Other than for emergencies, employees should not request PTO time during the months of November and December because of our high business volume requirements.

All time-off taken by employees will be deducted from their PTO balance. Employees are not allowed to take time-off without pay while maintaining a PTO balance unless approved under another leave policy (e.g. FMLA, Military, etc). Time-off taken in excess of accrued PTO will be treated as leave without pay and may be considered excessive absenteeism.

Employees who have an unexpected need to be absent from work should notify their direct supervisor before the scheduled work shift or as soon as possible.

If a company holiday occurs during a scheduled PTO period, employees will receive holiday pay instead of PTO pay for that day. You will not receive both holiday and PTO pay.

If an employee terminates employment before the end of the year, PTO will be pro-rated according to time worked. The employee will be paid for earned and unused PTO. In the case of a negative PTO balance, a deduction will be made from the final paycheck. PTO is earned throughout the year at a monthly rate of their annual PTO allocation, divided by 12.