

To: All US Associates – Corporate
From: Pam Vignatelli, Director Human Resources
RE: Paid Time-Off Policy - 2018

I am pleased to announce that after collaborating with US business leaders, we have simplified and standardized our US time-off policy for Holidays, Sick Days, and Vacation Days. Beginning January 1st, time-off will be available in 2 buckets; Holidays and Paid Time-Off. These changes will ease administration and provide you with the ability to have more choice with your time off.

Holidays: There will be a total of 10 company holidays for fulltime associates at our US locations, 8 designated and two (2) floating. These Holidays will be granted at hire date. If an associate leaves the company during the year, these Holidays have no cash value. Holidays are paid as they occur. Holidays are eight (8) hour days.

To be eligible for the holiday pay, you must work the last full scheduled day immediately preceding the holiday and the first full scheduled day immediately following the holiday, unless pre-approved PTO. Following are the US standardized holidays:

- New Year's day
- Memorial day
- Independence day
- Labor day
- Thanksgiving day
- Friday after Thanksgiving
- Christmas eve
- Christmas day
- 2 management assigned or floating

updated September 2018

*This new policy supersedes any prior holiday, sick, and vacation policies.
If you are covered by a collective bargaining agreement, you will continue to follow your CBA.*

Paid Time-Off (PTO): We standardized sick days to three (3) per year when we enhanced our Short and Long-term Disability Benefits. The new PTO bucket is a combination of Sick Days and Vacation Days. Beginning January 1st, the full PTO bucket will be granted, based on years of service below:

	Current Policy		New Policy	
	Sick days	Vacation days	PTO bucket	PTO bucket hrs
0-4 years of service	3	10	13 days	104 hrs
*5-9 years of service	3	15	18 days	144 hrs
*10+ years of service	3	20	23 days	184 hrs

*Increments are granted January 1 of the year of the 5 and 10 year anniversaries. Ex: hire date June 2, 2013, extra time granted January 1, 2018.

New Hires: PTO will be granted on hire date, **pro-rated** for the year.

PTO will be used when you absent from your work schedule. Please follow your local approval process to schedule and use your PTO.

There is no change in our policy if you leave the company mid-year. Your PTO will be calculated by accruing the number of PTO hours earned, based on the number of full months worked. You will be paid for the accrued but unused portion of your PTO, or a deduction will be made for the hours you have over-spent. PTO does NOT carryover – use it or lose it.

Paid Time-Off Examples

Example #1:

- January 1 awarded 13 days PTO (13*8hr days = 104 hrs)
- Resigned May 14
- Taken 2 days PTO (2*8hr days = 16 hrs)

How to calculate:

- January-May 14 = 4 full months
- $4/12$ of the year = $0.333 * 104$ hrs = 35 hours earned
- Used 2 days or 16 hrs
- 35 hrs earned – 16 hrs used = 19 hrs you would be paid after termination.

Example #2:

- January 1 awarded 13 days PTO (13*8hr days = 104 hrs)
- Resigned September 23
- Taken 13 days PTO (13*8hr days = 104 hrs)

How to calculate:

- January-September 23 = 8 full months
- $8/12$ of the year = $0.667 * 104$ hrs = 69 hours earned
- Used 13 days or 104 hrs.
- 69 hrs earned – 104 hrs used = 35 hrs you OVER SPENT – so – 35 hours would be deducted from your last paycheck.