

LELAND ENTERPRISES, INC

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| Title: | BENEFITS AND TIME OFF | Section: | 2.02 |
| Effective Date: | 12/01/95 | Approved By: | EKB |
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Purpose: To provide the policies and procedures relative to compensated time away from work, including vacations, holidays and unpaid time away from work; and present a summary of the company's insurance benefits. It does not replace the Plan Document or insured contracts. Employees may review the insurance contract by contacting the Home Office. In case of discrepancies, the insurance contract will govern.

Policies and Procedures:

VACATIONS

Vacation is earned at each employee's anniversary date. Only earned vacation is payable to employees.

Full-time employees who have completed one year of continuous service will receive two weeks (10 days) of paid vacation following their anniversary date; following five years of continuous service the employee will receive three weeks (15 days) of paid vacation. Part-time and temporary employees are not eligible for paid vacation benefits. For hourly employees, a day of vacation is defined as an 8-hour work day. Employees are encouraged to use accrued vacation in full day (8 hour) increments, however, one-half day (4 hour) increments may be taken with Regional Manager approval.

The vacation year is defined as the 12-month period ending with the employee's first employment anniversary date and each subsequent employment anniversary date thereafter. Since vacation does not accrue during leaves of absence, the employment anniversary date may be adjusted for accrual purposes

If a designated holiday is observed during an employee's vacation period, the employee may be compensated for the holiday and the vacation day (the day will be included as a vacation day used) if requested.

Vacations must be taken within the year which they are due. In emergency situations, the Chief Financial Officer or President may make special adjustments.

The company feels all employees should take their total vacation. Therefore, pay in lieu of vacation will not be permitted except in extreme emergencies and with prior approval from the Chief Financial Officer or President.

A Time Off Request form (Exhibit 9.02) should be submitted to the Chief Financial Officer, Regional Manager or President for approval **four weeks** prior to the requested vacation. A maximum of five consecutive vacation days may be approved at one time unless authorized by the Chief Financial Officer. The Home Office will monitor all employees' accrued vacation.

Available accrued vacation or PTO time must be used for all unexcused absences. "Unexcused Absence" must be included as a note in OpenTimeClock when requesting the vacation day.

When considering vacation requests, the company's needs take priority. Therefore, previously approved vacation requests may be rescheduled or revoked. In addition, vacation requests will not be approved during an employee's resignation notice period and any previously approved vacation requests or other time off requests in the notice period will be revoked.

SICK PAY

The company does not compensate hourly employees for days employees are sick. However, any available accrued vacation or PTO time must be used for all unexcused absences. "Unexcused Absence" must be included as a note in OpenTimeClock when requesting the vacation or PTO day. Salaried employees should contact their Regional Manager when they are sick for staffing purposes.

If an employee is unavailable for work due to illness/injury unrelated to work for more than two days, the employee must bring a note from his/her physician returning him/her to work. If an employee is injured on the job and requires medical attention, the employee must bring a return to work form from the workers compensation insurance carrier's treating physician.

TIME OFF

Employees are encouraged to schedule personal appointments (i.e., doctor appointments, dentist appointments, etc.) before or after working hours. However, if time off for an appointment is required during business hours, employees must complete a Request for Time Off During Business Hours form (Exhibit 9.34). Requests must be submitted at least one week prior to the scheduled appointment. Emergency requests may be granted at the discretion of the supervisor.

PERSONAL TIME OFF DAYS (PTO)

Hourly employees will accrue one personal day following six months of perfect attendance. Part-time and temporary employees are not eligible to accrue personal time off days. Personal Time Off days are earned from January 1 to June 30 and from July 1 to December 31 each year. If an employee is hired during the six month period, he/she is eligible to earn the PTO day if he/she has perfect attendance during this time period. A Time Off Request form (9.02) should be submitted as far in advance as possible. A PTO day is defined as an 8 hour work day which may be taken in half day (4 hour) increments. Unused accrued personal time off days will **not** be paid at the time of an employee's termination for any reason.

Salaried employees will receive 5 days off per year (the year is based on the employee's hire date) for sick or other personal time off. Salaried employees will not be paid for any days of work missed exceeding 5 days per year (40 hours). A salaried employee cannot "make up" the time missed as the employee is salaried and as such is expected to work in excess of 40 hours per week. If the salaried employee is not available for work at their scheduled work location, the employee is deemed to be on personal time off. Any personal time off hours not used may not be carried over and will not be compensated. Salaried employees should notify their supervisor at least 2 weeks before any planned personal time off. A PTO Request Form (9.02A) should be submitted as far in advance as possible. A PTO day is defined as an 8 hour work day which may be taken in half day (4 hour) increments. Unused accrued personal time off days will **not** be paid at the time of an employee's termination for any reason.

Available accrued vacation or PTO time must be used for all unexcused absences.

Personal Time Off requests will not be approved during an employee's resignation notice period and any previously approved PTO in the notice period will be revoked.

JURY DUTY

All permanent full-time employees called for jury duty will receive their current daily pay up to a maximum of 3 days for regularly scheduled hours. An employee on jury duty will be expected to reasonably work as much of his or her regularly scheduled shift as the jury duty schedule permits and must return to work if excused. Employees must provide a Verification of Jury Service indicating days of service.

HOLIDAYS

The company grants eight (8) paid holidays per year to permanent, full-time employees. Observed holidays by the company where the company is officially closed are as follows:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Christmas
- Employee's Birthday
- Floating Holiday as determined each year by the corporate office

Since we must have our leasing offices open during certain holidays, there may be some adjustment to our holiday schedule. In these cases, an alternate day off or compensation will be made.

Employees must be regularly scheduled to work on the day the holiday is observed in order to receive pay for the holiday and have completed the 90 day orientation period required of all new employees.

Employees who are scheduled to work the day before and/or after a holiday and take an unexcused leave the day before or after a holiday will not be eligible for holiday pay.

LEAVE OF ABSENCE -- (For a Leave of Absence Not Covered by the Family Leave Act)

All requests for Leave of Absence (including disability) must be submitted in writing to the Chief Financial Officer or President.

An employee may request an unpaid leave of absence of up to 7 days. The employee must receive verbal approval from his/her supervisor. The employee must prepay his/her insurance coverage for the 7-day period. (If an employee receives verbal permission for 7 days and subsequently does not report to work for 3 consecutive days, he/she will be terminated and COBRA notification mailed.)

Employees are required to use of all accrued vacation and personal time off days while taking a leave of absence.

An employee may request a leave of absence of more than 7 days and not more than 30 days. The current circumstances will determine if the leave is granted or denied. He/she must receive written permission from the Chief Financial Officer or President. The employee must prepay his/her insurance coverage for the leave of absence period. Vacation and holiday pay do not accrue during a leave of absence.

Generally, a leave of absence of more than 30 days will not be granted. The employee will be terminated and eligible for rehire if appropriate. In addition, the employee will be required to obtain COBRA coverage if health coverage is to continue. COBRA rules concerning payment terms will apply. (In the case of a leave of absence for worker's compensation, a leave of absence of up to 90 days may be granted and COBRA insurance rates will not apply until the 91st day.) However, benefits do not accrue to employees who are not at work under a workmen's compensation leave of absence.)

If an employee has three consecutive unexcused absences from work, he/she will be terminated. Upon termination, COBRA notification will be mailed to the employee and/or dependents who were covered at the time of termination.

LEAVE OF ABSENCE -- (For Employees Covered by the Family Leave Act)

The Company has a Family and Medical Leave Policy that is in compliance with The Family and Medical Leave Act of 1993 (FMLA). Eligible employees must be employed by The Company at least twelve (12) months (but this period need not be consecutive) and have worked at least 1250 hours of service during the twelve month period prior to the request.

A FMLA Leave Request Form (Exhibit 9.57) must be submitted 30 days in advance of the need to take FMLA leave and make reasonable efforts in scheduling leaves to avoid disrupting operations. If 30 days' notice is not possible, the employee must provide notice as soon as practicable.

Under the Leave Policy a total of up to twelve (12) weeks unpaid leave of absence is available to eligible employees under the following circumstances:

- The birth of a child, but only within the first twelve months of the birth.
- The placement of a child for adoption or other legal placements, within the first twelve months of the adoption or placement.
- The need to care for a dependent, spouse or parent who has a serious medical condition.
- The serious health condition of the requesting employee, which renders the employee unable to perform the functions of his/her position.

During the unpaid leave, employees will retain their group insurance coverage and must pay the Employee portion of the health contributions on the same schedule as would be made by payroll deduction. If the employee does not return from the leave of absence, the employee will be billed for the employer portion of the health and welfare premiums. Upon return to the Company at the end of the leave, the employee may be restored to his/her former position with the same rights, benefits, pay and other terms and conditions which existed prior to the leave, or to an equivalent position with equivalent rights, benefits, pay and other terms and conditions of employment.

The Company reserves the right to deny leave reinstatement to key employees, where such denial is necessary to prevent substantial and grievous economic injury to the company's operations. Key employees

will be notified of the company's intention to deny reinstatement as soon as a determination is made that such injury would occur. In the event such employee decides not to return to work from unpaid leave, he/she will remain on leave for the balance of the leave period and then be terminated. Key employees are defined as the highest paid ten percent of employees employed by the company within a seventy-five mile radius of the facility where the employee is employed.

Employees are required to use of all accrued vacation and personal time off days while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the employer's normal paid leave policies.

Employees requesting leave for their own or an eligible family member's serious health condition will be required to provide medical certification. Medical certification must be provided thirty (30) days in advance of the request for leave when possible.

The Company may, at its discretion, require a second medical opinion on the health condition and periodic recertification at our expense.

Other exceptions/provisions:

- When both spouses work for the Company, their aggregate leave in any twelve-month period may be limited to twelve weeks total, if the leave is taken for the birth or adoption of a child.
- Intermittent or reduced leave may be taken in case of a serious health condition, either an employee's own or that of a child, spouse or parent, when medically necessary. The birth or placement of a child does not qualify for intermittent or reduced leave.
- Employees out on unpaid leave will be required to contact their supervisors, at least every four (4) weeks, to report on their status and intention to return to work at the end of their leave.
- Benefits will not accrue during unpaid leave under this policy.
- Employment benefits which are accrued prior to the unpaid leave will not be lost.
- As previously stated, group health insurance will continue on the same basis as prior to the leave, as long as the employee continues to pay his/her contribution as required.
- An employee on leave for his/her own serious health condition will be required to provide certification from his/her health care provider that the employee is able to return to work and perform all of the functions of the job to which the employee is returning.

MEDICAL AND DENTAL INSURANCE

Plan costs or premiums change periodically and can vary depending on employment status, location, etc. Current rates are available through the Home Office.

The company will pay 80% of each enrolled employee's premium for participation in the medical plan. The employee will be responsible for all dependent premiums. Employees are responsible for all dental premiums.

ELIGIBILITY

All full-time employees (30 hours or more) and eligible dependents may participate in the medical plan. Eligible dependents are defined as an eligible employee's

- Spouse;
- Unmarried children under age 26 (last day of the pay period in which they turn 26);

The effective date of participation under the plan begins on the first day of the month following a 60-day enrollment period and subject to the limitations of the plan outlined in the legal Plan Document.

ENROLLMENT

If an employee was not employed by the company on the Plan Effective Date, the employee and eligible dependents must submit completed enrollment forms to the Home Office prior to the anticipated participation date. If completed enrollment forms are not received by the Home Office prior to the anticipated participation date, the employee and/or dependents may not be eligible to receive benefits under the plan unless a defined change of status occurs or until the next open enrollment period, subject to the delayed coverage rules explained in the plan document.

If a covered employee obtains a new dependent after the effective participation date became effective, the employee has 30 days to submit a revised enrollment form to the Home Office in order for the new dependent to become a participant. A newborn child will be automatically covered for the first 30 days of life. However, if an enrollment form is not properly submitted within 30 days of the birth, coverage will end after 30 days.

An employee may opt to waive participation in the plan.

TERMINATION OF COVERAGE

Employee or dependent coverage may terminate as of the earliest date determined in accordance with the following provisions:

- the date of termination of the plan;
- the last day of the pay period for which the last contribution is made if you fail to make any required contribution when due;
- the last day you cease to be an employee;

If your coverage under the plan ends, you may be eligible for continued coverage under the Consolidated Omnibus Reconciliation Act of 1985 (COBRA). Please refer to the Initial Notice of COBRA Rights which is sent to all eligible employees, your Plan Documents, or contact the Home Office.

SECTION 125 PREMIUM ONLY PLANS

The company's medical, dental and vision plans are designation Section 125 plans; premiums are payroll deducted on a pre-tax basis during the plan year. The employee's share of the cost of this coverage may be adjusted from time to time to reflect the change in rates charged by the carriers. Elections are irrevocable unless there is a change in status. Refer to Exhibit 9.62, Leland Enterprises Premium Only Plan Summary Plan Description (SPD) and Exhibit 9.62A, ERISA Wrap Summary Plan Description. A Premium Only Plan Change and Revocation Form can be found at the end of the SPD to request changes due to a change in status.

LIFE INSURANCE

A \$25,000 life insurance policy is provided to eligible full-time employees. Coverage is effective on the 1st day of the month following 60 days of employment.

OPTIONAL LIFE INSURANCE

Optional life insurance is made available for the employee, spouse and dependents. Employees are responsible for all premiums.

SIMPLE IRA SAVINGS PLAN

The company has established a qualified savings plan through Franklin Templeton that allows you to set aside money for retirement as well as reduce your tax burden.

Eligibility: Employees with one year of employment prior to the January 1 and July 1 enrollment dates and expect to earn over \$5,000 in the current year.

Contribution: 15% of annual income with a maximum annual amount, The maximum contribution limit may change from year to year and the current maximum annual amount will be provided during each enrollment period.

Matching: Employer matching contributions of up to 3% of compensation.

Vesting: 100% vested.

See the Summary Description for more information.