

This document describes the Company's policies on the following occasions when an employee may find it necessary to leave or be absent from work. Managers may not approve PTO hours not yet accrued. Usage and scheduling of PTO is subject to the direction and approval of the department supervisor. Business needs may require a specific department or RA affiliate PTO policy that differs from the Corporate PTO policy. A departmental or RA affiliate PTO policy takes precedence over the Corporate PTO policy. The following company paid leave is available for regular full and part-time employees with no waiting period: Jury Duty, Voting Time, Bereavement Leave, Holidays, and Event Pay. Casual employees are not eligible for Holiday, PTO or Event pay.

JURY/ WITNESS DUTY – If you miss work due to jury duty, you must submit a copy of the court summons to HR. If you receive a court summons, please notify your manager immediately. Some states have additional regulations affecting payment and service of jury duty. Contact your human resources representative for further information. Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. To be eligible for jury duty pay by the Company for the time spent on jury duty at the normal rate of pay, any compensation paid to the employee by the court should be forwarded to Human Resources. Monies received by the employee from the Court for their travel expenses may be kept by the employee. An employee who must appear in court as a (non-work related) witness may use accrued Personal Paid Time Off (PTO) for witness duty. Witness duty will be considered excused time off with proper documentation of the required court appearance.

VOTING TIME – (A maximum of up to two hours company paid leave) – Because the Company has an interest in encouraging responsible citizenship, employees are urged to vote for candidates of their choice at local, state and national elections. To make the voting process more available, employees who do not have sufficient time outside their working hours within which to vote, will be allowed to take up to two hours company paid leave, for this purpose. To receive time off for voting, an employee must notify his/her supervisor in advance. When the employee returns from voting, it is necessary to present a voter's receipt to his/her supervisor.

BEREAVEMENT LEAVE – (24-hour maximum company paid leave per occurrence) If a death occurs in your immediate family, see your manager to arrange the appropriate company paid leave. Immediate family is defined as the employee's spouse/ domestic partner, parent/ stepparent, child, stepchild, grandchild, sibling, and grandparent; the employee's spouse's parent/ stepparent, child, stepchild, grandchild, sibling, and grandparent. Bereavement pay may require documentation of family member's passing.

HOLIDAYS – The Company holiday schedule is published annually. In some instances, employees may be required to work on a Company holiday due to business need. *As determined by the Company*, employees who work on a Company holiday will be paid for both the holiday and hours worked on the holiday. A non-exempt (hourly) employee working on a holiday **MUST** clock in and out on the holiday. A non-exempt employee incurring over 40 hours actually worked in a holiday week, **MUST** be paid overtime for any hours actually worked over 40 during their scheduled workweek. Non-exempt employee overtime hours during **ANY** workweek **CANNOT** be considered "comp time", and the employee offered time off in lieu of overtime pay. Managers should contact the HR Hotline (850-914-8456) if unsure of how to enter/code holiday pay when an employee is required to work on a holiday.

To be eligible for holiday pay, employees must be actively employed on the holiday **AND** the holiday **MUST** fall on a scheduled workday. Employees must work their **scheduled** workday before and after the holiday to be eligible for holiday pay. Employees **ARE** eligible for holiday pay if they take **scheduled** PTO the day(s) before/ after a holiday. Employees **ARE NOT** eligible if they take **unscheduled** PTO the day(s) before/ after a holiday.

EVENT PAY – As a courtesy to employees, the company may on occasion pay employees Event Pay for hours NOT WORKED related to company sponsored non-working events or early office closures. Event Pay DOES NOT calculate with Regular Hours for overtime. Event Pay should be used ONLY for hours NOT WORKED (hours that are NOT related to a mandatory work-related event). Events such as mandatory Manager’s Meetings, offsite training, etc., must be entered on a non-exempt timesheet as Regular Hours to correctly calculate overtime.

EMERGENCY OFFICE CLOSURES – In the event of a one-day full or partial day emergency office closure, employees will be paid Event Pay up to the equivalent of their scheduled shift hours for that day. If the office is closed due to inclement weather or an emergency for more than one scheduled workday, employees must consult with their Department Head for information and instructions.

REQUESTING PTO AND HEALTHY WORKPLACE GUIDELINES – Time off for personal reasons other than emergencies, and illness, including doctor or dentist appointments, must be scheduled and approved by the manager in advance. Personal time off taken without the prior approval of the manager may result in discipline up to and including dismissal of the employee. The Company reserves the right to provide a safe and healthy work environment. Managers may send employees home that are exhibiting obvious signs of illness. (e.g. Excessive coughing, sneezing, runny nose, vomiting, etc.). Employees should use accrued PTO (if available) when sent home by management.

SYSTEM OF RECORD – The TimeStar/ Sage Self-Service system is the system of record for PTO balances. Leave requests should be processed timely in the TimeStar Time Keeping system. Questions regarding PTO balances should be directed to an HR representative.

PERMISSION TO LEAVE DURING WORK HOURS – If it becomes necessary for an employee to leave his / her department or the Company’s premises/ worksite/ campus during working hours, permission to leave must be obtained from the employee’s supervisor before the employee leaves. An employee who leaves the premises for personal business or business that is not part of his / her job, must indicate departure time on the TimeStar.

SHIFT CHANGES AND FORFEITURES – Employees may not use PTO hours when they trade a scheduled shift with another employee or forfeit a scheduled shift to another employee. PTO hours are intended for scheduled and unscheduled absences not associated with shift changes or forfeitures.

COMPRESSED SCHEDULES – Employees that do not work their scheduled compressed workweek shift may use approved PTO hours for scheduled and/or unscheduled absences in the same manner as for their regular shifts. Regular workdays are equivalent to eight hours. Compressed workweeks may have workdays up to 10 hours.

PERSONAL PAID TIME OFF (PTO) AND “TOTAL CARRY OVER” ACCRUAL – An employee must be employed for 90 days before utilizing PTO hours. Paid Time Off (PTO) accruals begin on the first day of employment. The Company strongly encourages all employees to use earned PTO each year to rest and spend time with family and friends. The maximum a full-time employee accrues is based on the employee’s length of service (see chart below). Eligible part-time employees accrue PTO at one-half the rate of full time employees. For both full time and part-time employees, the *maximum carryover accrual* (“Total Carry Over”) allowable from one benefit year to the next is calculated according to the **Full-Time Accrual Rates and Payout/ Distribution Matrix**. When an employee’s PTO reaches the “Maximum Accrual Total Carry Over” limitation, PTO accruals will cease until he / she falls below the maximum. The employee will resume earning PTO from that day forward until the maximum is again reached. Employees are encouraged to donate excess accrued PTO to the Leave Bank, and may do so at their own discretion, intermittently or as a recurring monthly donation. Employees must meet Leave Donation



COMPANY PAID LEAVE, PERSONAL PAID TIME OFF, HOLIDAY, AND EVENT PAY POLICY

Policy requirements before donating accrued PTO. Contact the HR Hotline (850-914-8456) for information or complete a Leave Donation form.

Our PTO program applies to any absence from the job not otherwise covered by a specific company paid leave benefit (e.g. jury duty, voting, bereavement, holidays, event pay, etc.). Employees may use their accrued PTO for all scheduled vacation or personal time off and unscheduled time off for personal illness, family illness, emergencies, etc., up to a maximum of 40 hours of paid time (regular, leave benefit, etc.) per workweek. Employees may not request PTO hours if the request results in more than 40 hours of paid time in a workweek.

3-DAY ABSENCES, FMLA/ STD LEAVE AND PTO – Employees are required to take any accrued PTO concurrently with unpaid FMLA leave unless PTO leave conflicts with short-term disability (STD) or worker’s compensation (WC) benefits. Employees may take PTO up to the maximum allowed under the benefit plan while on STD.

Employees are required to provide Human Resources with a doctor’s release or family member care note for absences of 3 days or more related to illness or injury. The doctor’s release or care note ***DOES NOT*** excuse the absence. For everyone’s safety, a Fitness for Duty form and/ or doctor’s release is required before an employee may return to work when an employee has a hospital admission or emergency room/ urgent care facility visit for illness or injury (FMLA or non-FMLA related).

MANAGEMENT CHANGES/ ACQUISITIONS/ SALES – Employees joining or leaving a Royal American company through a management change or property acquisition/ sale may be subject to payout rules that differ from the matrix below. The matrix will be followed when possible. Whether the PTO hours were accrued while employed with a Royal American company or rolled over from the previous management/ owner, PTO payout at termination of employment will be subject to property owner approval. All PTO hours, rolled over from prior owner/ management or accrued as a Royal American employee, are subject to service requirements regarding Total Maximum Payout at Term. New employees that terminate employment voluntarily or are discharged for cause may forfeit rolled over PTO hours according to the Total Maximum Payout at Term based on their “Service Requirements” as a Royal American employee. New employees having PTO balances that have been rolled over into their Royal American PTO bank may use any rolled over PTO balances prior to the 90-day waiting period. Paid-Time-Off hours accrued while employed with Royal American Companies are subject to the 90-day waiting period.

TOTAL MAXIMUM DISTRIBUTION AND/ OR PAYOUT – The “Total Maximum Payout at Term” and “Total Maximum Distribution” at 100% Disability or Retirement, or “Total Maximum Payout” at Employee Death”, reflects the maximum allowable accrued PTO to be paid at voluntary termination of employment or other qualifying event for eligible employees. Accrued, but unused PTO will be included with your last paycheck upon termination of employment or qualifying event, in accordance with company policy and state statutes. Employees must be employed a minimum of one-year to be eligible for accrued, unused PTO payout at voluntary termination of employment. Employees discharged for cause (involuntary termination, other than lay-off or reduction-in-force) will forfeit accrued, unused PTO, and will not be eligible for PTO to be paid upon discharge unless required by state statute. Employees that voluntarily leave employment without providing and/or working a two-week notice will forfeit accrued, unused PTO and will not be eligible for payout on their final paycheck unless required by state statute.

Employees that are unable to work and considered 100% disabled will be allowed distribution of accrued PTO through their regular payroll cycle as show in the matrix below. *Retirement age is defined by the current Social Security earliest retirement age. Employees with a minimum of 15 years of service that are approaching Social Security earliest retirement age upon their birthday prior to retirement, may take up to 240 hours of accrued,



COMPANY PAID LEAVE, PERSONAL PAID TIME OFF, HOLIDAY, AND EVENT PAY POLICY

unused PTO, prior to their last day of employment before retirement with supervisor approval. Essentially, qualifying employees may take 30 workdays of PTO prior to their last day of employment with supervisor approval. Retiring employees will not be paid for more than the Maximum Payout at Term as a lump sum PTO payout.

Full Time 40-hour week Accrual Rates and Payout/ Distribution Matrix				
Service Requirement	Hours Earned per Year	Maximum Total Carry Over Accrual Hours	Maximum Hours Payout at Termination (Only if eligible for Rehire)	SPECIAL CIRCUMSTANCES PAYOUT: Total Maximum Hours Payout At 100% Disability (Paid regular payroll cycle) Employee Death and/ or *Retirement at SS earliest retirement age (Paid as a lump sum)
0-1 year	120 (15 days)	640	0	120 (100% Disability/ Death)
1-5 years	120 (15 days)	640	80	240 (100% Disability/ Death)
5-10 years	160 (20 days)	640	80	240 (100% Disability/ Death)
10-15 years	200 (25 days)	720	120	240 (100% Disability/ Death)
15-20 years	240 (30 days)	720	120	240 (*Retirement/ 100% Disability/ Death)
20+ years	265 (33.125 days)	720	120	240 (*Retirement/ 100% Disability/ Death)