



PAID TIME OFF (PTO) (EFFECTIVE JANUARY 1, 2020)

The Company believes that providing pre-scheduled time off for periods of relaxation are necessary to promote a healthy work-life balance and to refresh and enrich productivity. Paid time off (PTO) is available for all eligible full-time employees to give them opportunities away from work for scheduled vacation, personal time, and unforeseen illness.

Regular full-time employees are eligible for PTO. Managed program commissioned advisors, part-time employees (anyone scheduled to work under 30 hours per week) and temporary staff are not eligible; however, they may be eligible for paid sick leave based on state-mandated requirements. Employees living within a city or state with a specific paid sick leave mandate, and who meet the eligibility for PTO, will be granted PTO in lieu of paid sick leave.

Eligible employees are entitled to PTO based on the following schedule:

<i>Position Level</i>	<i>Years of Service</i>	<i>Annualized Accrual</i>	<i>Maximum Accrual "Cap"</i>
Managing Directors	NA	25 days	37.5 days
Executive Directors and Vice Presidents	0-9 years	20 days	30 days
	10+ years	25 days	37.5 days
All full-time employees other than MD's, ED's, and VP's	0-4 years	15 days	22.5 days
	5-9 years	20 days	30 days
	10+ years	25 days	37.5 days

Employees will accrue PTO hours each pay period based on years of active full-time service that commences with an employee's first day and continues thereafter. PTO does not accrue during an unpaid leave of absence. If an employee is out more than half of the pay period for any reason other than approved vacation, PTO will not accrue for that pay cycle.

Full-time employees on a pre-approved reduced schedule will receive PTO on a prorated basis. The PTO accrual rate at each level exceeds the minimum requirements for state mandated paid sick leave laws.

New employees will begin accruing PTO with their first full pay period; however, they will only become eligible to use PTO after the completion of 90 days of active service as work schedules permit. If a new hire requests time off within the first 90 days and the direct supervisor approves, the time off will be unpaid.

The PTO benefit will accumulate in a "bank." When PTO is taken, the amount of time used is depleted from the bank. Employees may only use time off that has been accrued at the time of the request. If a paid holiday falls within an employee's approved time-off period, the holiday will not count as a PTO day used.

On the work anniversary date of the fifth year and the tenth year of active full-time employment, the level of accrual will change (depending on status and position level) to a higher calculation of hours per pay period. When an employee achieves a work anniversary date that allows for the next level of accrual, the new accrual rate will become effective in the pay period in which the work anniversary falls.

If an employee changes status and becomes eligible for PTO benefits, the previous work time will be used toward the 90-day active service requirement. In addition, any existing state mandated paid sick leave balance (if any) will be credited to the PTO balance for a starting balance, and the employee will automatically begin accruing under the PTO policy based on the date of the change.

Exempt employees absent partial days will need to use PTO hours for those hours missed. As a general rule, exempt employees who miss three or more hours in a workday should apply one-half day of PTO time to that day. Non-exempt employees should apply PTO in the appropriate increments for any time off.

Unused PTO at the end of a benefit year may be carried forward to the next benefit year up to the maximum accrual cap noted on the schedule above. This form of accrual is considered a rolling cap. If at any point the cap is reached, no additional PTO will be accrued until time off is used and the balance is reduced. Under this circumstance, potential future PTO accruals will be automatically forfeited. PTO will not be paid out as compensation to lower the cap, and any forfeited PTO will not be compensated or replenished. It is the employee's responsibility to monitor their maximum accrual cap and to schedule time off to avoid reaching the cap.

Employees are asked to provide at least two weeks' notice when scheduling PTO. All time off requests must have management approval. Business necessity, Company schedules, and available PTO balances determine permissible vacation periods, which employees may need to defer or otherwise adjust accordingly. The Company will try to permit employees to take time off for the requested periods; however, the Company must maintain adequate staffing levels at all times. Managers will use discretion in approving or denying time off based on the business needs of the Company. If an employee changes jobs, causing a move between departments, a pending PTO request must be re-approved by the new department manager before the time off can be taken.

PTO may not be taken until it has accrued. The Company does not allow PTO to be taken on credit and made up at a later date. If an employee inadvertently takes time off beyond their PTO balance, that time off will be unpaid. Employees are not allowed to elect unpaid time off when PTO hours are accrued and available to use.

PTO is paid at the employee's base pay rate at the time it is taken. The PTO pay rate does not include overtime or any special form of compensation such as commissions or bonuses.

Upon termination, an employee who voluntarily resigns from the Company in good standing and with proper two weeks' notice, unless otherwise designated by state law, will be eligible to receive unused accrued PTO. Employees resigning without proper notice, or employees who are discharged for gross misconduct, are not eligible to receive unused accrued balances unless otherwise designated by state law. Employees who terminate in the middle of a pay cycle will only accrue PTO for that pay period if they worked more than half of the total days in the pay period.