

Tools for a Successful Transition

Paid Time Off (PTO) and Paid Company Holidays

Your paycheck is important, but it is just one piece of the total compensation package you receive from **Rock Engineering & Testing Laboratory, LLC, a UES company**. We believe that providing paid time off and paid company holidays is important for you and the business. It is just one of the ways we show our appreciation to you for hard work and length of service.



PAID TIME OFF

Rock Engineering & Testing Laboratory, LLC, is transitioning to UES' paid time off policy effective on September 26, 2022.

Since your PTO previously replenished on your work anniversary date, we've taken that into account during this transition:

- Anyone who has fewer than 40 hours on September 26, 2022, you will be granted up to 40 hours of PTO up front. For example, if you have depleted all of your available PTO as of September 26, you will be granted 40 hours of PTO up front. If you have 10 available hours of PTO on September 26, you will be given an additional 30 hours up front for a total of 40 available hours of PTO. These fronted hours still count toward your annual maximum, based on your years of employment (see below). Anyone hired in the last 6 months is now under the UES PTO Policy as of your hire date and the PTO available to you was calculated based on the UES PTO accrual schedule.

PTO is accrued at different rates based on your length of service. Accrual rate schedules change on your applicable anniversary dates as you increase your tenure in the organization.

Accrual Schedule 1: Upon Hire - PTO is accrued at a rate of 3.7 hours biweekly beginning on the first full pay period after your date of hire. At the end of your 1st year (26 pay periods) of service you will have accrued 96 hours (12 days) of PTO. PTO accrued during the first 90 days is not payable should you terminate employment prior to the end of your 90-day introductory period. No PTO may be taken in your first 90 days. Any time off during this period due to extenuating circumstances is unpaid.

Accrual Schedule 2: Beginning on the first full pay period of the month after your second anniversary of employment – PTO accrues at 4.61 hours per pay period or 120 hours (15 days) annually.

Accrual Schedule 3: Beginning on the first full pay period of the month after your fifth anniversary of employment – PTO accrues at 6.15 hours per pay period or 160 hours (20 days) annually.

Accrual Schedule 4: Beginning on the first full pay period of the month after your tenth anniversary of employment – PTO accrues at 7.69 hours per pay period or 200 hours (25 days) annually.



Accrual Rate for Teammates Working Less than 36 hours: 40 hours or more is the expected number of hours for a full-time teammate to work on a regular basis. However, sometime a full-time teammate may be scheduled for less than 40 hours. Full-time teammates working 30 or more hours but less than 36 will be placed on a prorated accrual rate and will accrue PTO based on the number of hours worked.

PTO EXAMPLES

Common Accrual Periods:

Here is an explanation of how it works:

You will get one day of PTO for each month from your date of hire to the end of your second year of employment. See examples below:

A teammate was hired on December 15, 2020. On February 15, 2021, this teammate has accrued 2 days of PTO. Assuming they have not utilized any PTO, on April 1, 2021, they have accrued 3 days of PTO. Assuming they have still not utilized any PTO, on June 15, 2021, they have accrued 6 days of PTO. Assuming they have still not utilized any PTO, on December 15, 2021, they have accrued 12 days of PTO.

The schedules and annual accrual amounts are outlined below by years of service:

- **Accrual Schedule 1:** 0-2 years of service, maximum PTO up to 96 hours (12 days)
- **Accrual Schedule 2:** 3-5 years of service, maximum PTO of 120 hours (15 days)
- **Accrual Schedule 3:** 6-10 years of service, maximum PTO of 160 hours (20 days)
- **Accrual Schedule 4:** 11+ years of service, maximum PTO of 200 hours (25 days)

Usage of PTO and Carryover:

The Company strongly encourages you to use all of your accrued PTO during your service year. However, if circumstances arise in which you cannot use all your accrued PTO during your service year, your balance of PTO remains. Please note that your PTO balance cannot exceed your annual accrual balance as noted on the schedules above. Should your current accrual balance of PTO reach your maximum, you will cease accruing PTO until your balance drops below the maximum as you use PTO.

Important note on “Grandfathering” accrual rates for certain team members:

This PTO policy was designed to blend together the different PTO policies that were in place from our organizations that have now integrated into the UES family. While we believe that the accrual rates in our new policy are now more generous for most team members, we will grandfather (keep) the current accrual rate for any team member whose current accrual rate is greater than the accrual rates in this policy. Please note that grandfathering only applies to accrual rates, not to roll-over or the maximums. Employees hired after September 25, 2022, will be covered under the new policy and not eligible for grandfathering.



Other rules for using PTO:

- PTO does not accrue when teammates (you) are out on leave (inactive status).
- PTO will accrue when active teammates are out on PTO, Jury Duty, Funeral Leave, and Holidays.
- Teammates rehired within 1 year will retain the accrual rate they had upon their termination date.
- PTO is not transferable to other teammates.
- PTO time may not be used after a teammate has given a notice of resignation.
- Unused PTO time will not be paid out if a teammate terminates employment within 90 days of hire.
- Teammates who are dismissed for misconduct or cause forfeit the balance of their accrued PTO.
- PTO will be held to compensate UES for funds owed to the company by the teammate. Only up to one year of accrual time is ever paid out, so any PTO accrued above one year is forfeited and may not be used to offset money owed to UES for certification classes, educational reimbursement, or other costs.
- All teammate PTO time accrued remains the property of and is not due or owed upon termination of employment (unless subject to applicable state laws) but will be paid out subject to the following terms:

Teammates who resign in good standing and with proper notice can receive the balance of their paid time off (PTO) under certain circumstances. Teammates who do not resign with proper notice, or are terminated for misconduct or cause, will forfeit the entire balance of their PTO time accrued. A signed and dated resignation letter, stating the reason for resignation, along with a signed Separation Agreement and Release must be on file for PTO to be paid out.

Regardless of how much PTO may have been accumulated, UES will only pay out up to the maximums based on your accrual schedule at time of resignation. In accordance with this policy, UES will follow any applicable state laws regarding payment of accrued leave time.



YOUR PAID HOLIDAYS

The following paid holidays are days on which you will normally not be required to work, but for which you will be paid if you are eligible. Rock Engineering & Testing Laboratory, LLC, is transitioning to UES' paid holidays effective immediately.

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- The Friday After Thanksgiving
- Christmas Day

In most cases, if the holiday falls on a Saturday we will observe it on Friday, if it falls on Sunday, we will observe it on Monday. Any differences to this process will be communicated in advance.

To be eligible for holiday pay, you must be a full-time teammate on the active payroll. Full-time teammates are those regularly scheduled to work 40 hours per week, and full-time teammates are expected to work at least 40 hours. Part-time teammates are not eligible for holiday pay. Teammates do not receive holiday pay if they are not on active teammate status. All holiday pay must be approved by management, and management reserves the right to decline to pay holiday pay.

If you should be required to work on a holiday, you will be credited with holiday pay in addition to your regular pay. If you take choose to take another holiday off because that specific holiday is meaningful to you, you will need to use PTO time or take the time off unpaid. Teammates who resign and give notice must work the day after a scheduled holiday to be paid for the holiday.

- Full-time teammates who switch to part-time will no longer accrue PTO starting from the date the switch to part-time occurs. Teammates switching to part-time may retain up to a maximum of one year's accrual of PTO; any PTO hours above the amount of one-year's accrual are forfeited.
- PTO accrual rates start from date of full-time hire. Part-time service is not credited towards years of service for PTO accruals.
- If PTO is paid out upon termination of employment, PTO is paid at the wage rate the teammate is earning at the time the PTO is paid to the teammate, not at the teammate's wage rate when it was accrued. PTO is paid at the teammate's straight time rate and is not part of any overtime calculation.

If you should become sick, you may be eligible to use your PTO time. This benefit provides you with pay for days in which you need time off for your own illness or the illness of your spouse or child who might need your care.

Salaried teammates who do not work at least four hours during a regularly scheduled workday for any reason must record the difference as PTO time regardless of total hours worked for the week. Once a salaried teammate has used all their PTO, a full day's pay will be docked if a teammate takes an entire regularly scheduled workday off for any reason regardless of total hours.

If you have any questions, please contact your Human Resources manager for additional information.