



FAMILY & MEDICAL LEAVE ACT (FMLA) POLICY

LEAVES OF ABSENCE

GENERAL PROVISIONS

In certain circumstances, the Company may grant a leave-of-absence to a Team Member. It is important to 1) request any leave in writing as far in advance as possible, 2) to keep in touch with your supervisor or the Human Resources Department during the leave and 3) to give prompt notice if there is any change in your return date.

You may not obtain other employment or apply for unemployment insurance while you are on a leave-of-absence. Acceptance of other employment while on leave will be treated as a voluntary resignation from employment with the Company. Accepting other employment, continuing to work in another job, or filing for unemployment insurance benefits while on leave may be treated as a voluntary resignation from employment, unless you and the Company have agreed, in writing, otherwise.

Vacation, paid time-off, holidays and other benefits will not accrue while you are on a leave-of-absence unless otherwise required by law. If you were scheduled for a performance review during the time you were on a leave, this may be adjusted upon your return. Upon return from a leave-of-absence, you will be credited with the full employment status that existed prior to the start of the leave. While you will retain your original date of hire, you will not receive length of service credit for the time you were on leave, unless otherwise required by law.

FAMILY AND MEDICAL LEAVE

The Company will grant family and medical leave in accordance with the requirements of applicable state and federal law in effect at the time the leave is granted. Although federal and state laws sometimes have different names, the Company refers to these types of leave as "FMLA Leave." No greater or lesser leave benefits will be granted than those set forth in such state or federal laws. In certain situations, federal law requires that provisions of state law apply. In any case, Team Members will be eligible for the most generous benefits available under either law.

Please contact your supervisor as soon as you become aware of the need for a FMLA Leave. The following is a summary of the relevant provisions.

Employee Eligibility

To be eligible for FMLA Leave, you must: (a) have worked for the Company for a total of at least 12 months; (b) have worked at least 1,250 hours over the previous 12 months as of the start of the leave; and (c) work at a location where at least 50 Team Members are employed by the Company within a 75-mile radius, as of the date the leave is requested.

Reasons for Leave

State and federal law allow FMLA Leave for various reasons. Because a Team Member's rights and obligations may vary depending upon the reason for the FMLA Leave, it is important to identify the purpose or reason for the leave. FMLA Leave may be used for one of the following reasons:

- (1) the birth, adoption, or foster care of a Team Member's child within 12 months following birth or placement of the child ("Bonding Leave");
- (2) to care for an immediate family member (spouse, registered domestic partner, child, or parent with a serious health condition ("Family Care Leave");
- (3) a Team Member's inability to work because of a serious health condition ("Serious Health Condition Leave");
- (4) a "qualifying exigency" for military operations arising out of a spouse, son or daughter, or parent's active duty or call to active duty as a member of the military reserves or National Guard in support of a "contingency operation" ("Military Emergency Leave"); or
- (5) to care for a spouse, son or daughter, parent or next of kin (nearest blood relative)—who is an Armed Forces member (including the military reserves and National Guard) undergoing medical treatment, recuperation, or therapy, is otherwise in an outpatient status, or is otherwise on the temporary disability retired list—with a serious injury or illness incurred in the line of duty while on active duty that may render the individual medically unfit to perform his or her military duties ("Military Caregiver Leave").

Length of Leave

The maximum amount of FMLA will be 12 workweeks of unpaid leave during a 12-month period when the leave is taken for: (1) Bonding Leave; (2) Family Care Leave; (3) Serious Health Condition Leave; and/or (4) Military Emergency Leave. A 12-month period begins on the date of your first use of FMLA Leave. Successive 12-month periods commence on the date of your first use of such leave after the preceding 12-month period has ended.

The maximum amount of FMLA Leave for a Team Member wishing to take Military Caregiver Leave will be a combined leave total of twenty-six (26) workweeks in a single 12-month period. A "single 12-month period" begins on the date of your first use of such leave and ends 12 months after that date.

To the extent required by law, some extensions to the maximum amount of time permitted for FMLA Leave may be granted when the leave is taken to care for a registered domestic partner and/or the child of a registered domestic partner, or is necessitated by a Team Member's pregnancy-related disability, work-related injury/illness, or a "disability" as defined under the Americans With Disabilities Act, as amended, and California law. Paid time-off and vacation benefits run concurrently with FMLA Leave.

Certain restrictions on these benefits may apply.

Notice and Certification

Team Members seeking to use FMLA Leave for Bonding, Family Care, Serious Health Condition or Military Caregiver Leave may be required to provide:

- 30-day advance notice when the need for the leave is foreseeable.
- Advance notice within one or two business days after learning of the need for leave when the leave is not foreseeable.
- When the leave relates to medical issues, a completed medical certification from a health-care provider within 15 calendar days from the Company's request for certification (for Military Caregiver Leave, you may submit an invitational travel order or invitation travel authorization). These forms are available from the Human Resources Department.
- Periodic re-certification.
- Periodic reports during the leave.
- When leave is needed to care for a family member or your own serious health condition and is for planned medical treatment, you must try to schedule treatment so as not to unduly disrupt the Company's operation.

At the Company's expense, the Company may also require a second or third medical opinion regarding your own serious health condition. Team Members are expected to cooperate with the Company in obtaining additional medical opinions that the Company may require.

Team Members seeking to use Military Emergency Leave must provide the Company with as much notice of the need for leave as is reasonable and practicable under the circumstances. In addition, the Team Member must provide the Company with a copy of the covered military member's active duty orders when the Team Member requests leave. Team Members may also be required to provide:

- A certification completed by the Team Member within 15 calendar days from the Company's request for certification. This form is available from the Human Resources Department.
- Periodic reports during the leave.

Absent unusual circumstances, failure to comply with these notice and certification requirements may result in a delay or denial of the leave. If you fail to return to work at your leave's expiration and have not obtained an extension of the leave, the Company may presume that you do not plan to return to work and have voluntarily terminated your employment.

Compensation During Leave

Generally, FMLA Leave is unpaid. However, you may be eligible to receive benefits through State- or Company-sponsored wage reimbursement benefit programs, such as State Disability Insurance and Paid Family Leave benefits. If you are eligible to receive these benefits, you may also choose to augment these benefits with the use of accrued paid leave (such as vacation and paid time-off), to the extent permitted by law and Company policy. All such payments will be integrated so that you will receive no more than your regular compensation during this period. If you are not eligible to receive any of these wage reimbursement benefits, the Company may require you to use accrued paid leave (such as vacation and paid time-off) to cover some or all of the FMLA Leave. The use of paid time-off, Paid Family Leave benefits, or other wage supplement benefits will not extend the length of a FMLA Leave.

Benefits During Leave

The Company will continue making contributions for your group health insurance coverage during an approved FMLA Leave on the same terms as if you had continued to work. This means that if you want your benefits coverage to continue during your leave, you must also continue to

make any premium payments that you are now required to make for yourself or your dependents. Team Members taking Bonding, Family Care, Serious Health Condition, and Military Emergency Leave will generally be provided with group health benefits for up to a 12-workweek period. Team Members taking Military Caregiver Leave may be eligible to receive group health benefits coverage for up to a maximum of 26-workweeks. In some instances, the Company may recover premiums it paid to maintain health coverage if you fail to return to work following a FMLA Leave.

If you are on a FMLA Leave but are not entitled to continue paid group health insurance coverage, you may continue your coverage through the Company in conjunction with federal and/or state COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. Please contact the Human Resources Department for further information.

Your length of service as of the leave will remain intact, but accrued benefits such as vacation and paid time off will not accrue while on unpaid FMLA Leave.

Job Reinstatement

Under most circumstances, you will be reinstated to the same position held at the time of the leave or to an equivalent position with equivalent pay, benefits and other employment terms and conditions. However, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not gone on leave, or if your position has been eliminated during the leave, then you will not be entitled to reinstatement.

Prior to being allowed to return to work, a Team Member wishing to return from a Serious Health Condition Leave must submit an acceptable release from a health care provider that certifies the Team Member can perform the essential functions of the job as those essential functions relate to the Team Member's serious health condition.

"Key employees," as defined by law, may be subject to reinstatement limitations in some circumstances. If you are a "key employee," you will be notified of the possible limitations on reinstatement at the time you request a leave.

PREGNANCY DISABILITY LEAVE

The Company will grant an unpaid pregnancy disability leave to Team Members disabled on account of their pregnancy, childbirth, or related medical conditions.

Leave Available

If you are disabled due to pregnancy, childbirth, or related medical condition you may take up to a maximum of four months leave. Upon your request, and with the advice of your physician, the Company may transfer you to a less strenuous or hazardous position if the transfer can be reasonably accommodated.

Leave taken under the pregnancy disability policy runs concurrently with family and medical leave under federal law, but not with family and medical leave under California law.

Notice And Certification Requirements

If you need to take a pregnancy disability leave, and the need for the leave is foreseeable, you must provide the Company with 30 days advance notice. If the leave is not foreseeable, you must provide advance notice as soon as practical. In addition, you must provide the Company with a health-care provider's statement certifying the last day you can work and the expected date of return.

Compensation During Leave

Pregnancy-disability leaves are without pay. However, you may take accrued vacation time and any other accrued paid time off during the leave. All such payments will be integrated with any state disability or other wage reimbursement benefits that you may receive. At no time will you receive a greater total payment than your regular compensation.

Benefits During Leave

If you are eligible for FMLA Leave, the Company will maintain, for up to 12 workweeks per 12-month period, any group health insurance coverage that you were provided before the leave was taken and on the same terms as if you had continued to work. In some instances, the Company may recover premiums it paid to maintain health coverage if you fail to return to work following your pregnancy disability leave. If you are not eligible for FMLA Leave, then you will receive continued paid coverage on the same basis as Team Members taking other leaves.

If you are not entitled to continue paid group health insurance coverage, you may continue your coverage through the Company in conjunction with federal and/or state COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. You should contact a Human Resources Representative for further information.

Reinstatement

In most circumstances, upon submitting an acceptable health-care provider release to return to work, you will be offered the same position held at the time of the leave or an equivalent position. However, you will not be entitled to any greater right to reinstatement than if you had been employed continuously rather than on leave. For example, if you would have been laid off if you had not gone on leave and there is no equivalent position available, then you will not be entitled to reinstatement. Similarly, if your position is filled during the leave in order to avoid undermining the Company's ability to operate safely and efficiently and there is no equivalent position available, then reinstatement will be denied.

WORKERS' COMPENSATION DISABILITY LEAVE

The Company will grant a workers' compensation disability leave if you have an occupational illness or injury in accordance with state law. As an alternative, the Company may offer you modified work. Leave taken under the workers' compensation disability policy runs concurrently with FMLA Leave under both federal and state law.

Notice And Certification Requirements

You must report as soon as possible all workplace accidents, injuries and illnesses, no matter how minor, to your supervisor. In addition, you must provide the Company with a certification from a health-care provider of your workplace injury or illness, your inability to work and/or your work restrictions and the expected duration of your restrictions and/or inability to work.

Compensation During Leave

Workers' compensation disability leaves are without pay. However, you may take accrued vacation time and any other accrued paid time off during the leave. All such payments will be integrated with any state disability, workers' compensation, or other wage reimbursement benefits for which you may be eligible. At no time will you receive a greater total payment than your regular compensation.

Benefits During Leave

If you are taking a workers' compensation disability leave, the Company will maintain your group health coverage if such insurance was provided before the leave was taken and on the same terms as if you had continued to work.

Under certain circumstances, a Team Member's workers' compensation disability leave may end, but the Team Member may still be entitled to the remaining portion of his or her FMLA Leave under federal or state law. In these circumstances, the Company will maintain the Team Member's group health insurance coverage for the remaining portion of the Team Member's family and medical leave up to a maximum of 12 workweeks per 12-month period as required by law if such insurance was provided before the leave was taken and on the same terms as if the Team Member had continued to work. In some instances, the Company may recover premiums it paid to maintain health insurance coverage for a Team Member who fails to return to work following the FMLA Leave.

Team Members on family and medical leave, which extends beyond a workers' compensation disability leave, who do not receive continued paid coverage, or whose paid coverage ceases after 12 workweeks, may continue their group health insurance coverage through the Company in conjunction with federal and/or COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. Team Members should contact their supervisor or the Human Resources Department for further information.

Reinstatement

Upon the submission of a medical certification that you are able to return to work, you will be considered for reinstatement in accordance with applicable law. If you are disabled due to an industrial injury, the Company will attempt to accommodate you. If you are returning from a workers' compensation disability leave that runs concurrently with a family and medical leave, then the provisions of the Family and Medical Leave policy will also apply. In all circumstances, you must submit an acceptable health care provider statement certifying your release to work. You should also provide as much notice as possible regarding the date of your return to work.

MILITARY LEAVE (ACTIVE AND RESERVE SERVICE)

Leave without pay is provided to you in accordance with applicable law when you enter military service of the Armed Forces of the United States or are in the Armed Forces Reserves. You are afforded re-employment rights and retain full seniority benefits for all prior service upon re-employment in accordance with the Uniformed Services Employment and Reemployment Rights Act and the California Military and Veterans Code. You must notify the Human Resources Department of your need for military leave as soon as possible. You also need to bring your official military service orders to the Human Resources Department for review prior to commencement of the leave.

JURY DUTY

The Company understands our Team Members' desire to fulfill their civic responsibility to serve as a juror. The Company shall grant unpaid leave to eligible Team Members when they are summoned to report for jury duty by any federal or state court. Due to the hardship caused by any Team Member's absence, such time off taken to perform jury duty will not be compensated by the Company. Exempt Team Members will be paid their full salary in any workweek in which they perform some work while on jury duty. Upon advance notice of jury duty leave and approval from the Human Resources Manager, a Team Member may utilize any unused or accrued paid time off during the time the Team Member is on jury duty.

A Team Member who is summoned as a juror shall immediately submit a copy of the original summons to qualify for leave to the Human Resources Manager. We will do our best to accommodate your jury duty schedule, however, we reserve the right to request that the Team Member seek postponement of the jury service to a later date, should the Team Member's absence be inconvenient to accommodate. At the conclusion of such duty, a signed statement from the Clerk of the Court or other evidence showing the actual time of attendance must be submitted by the Team Member to the Human Resources Manager.

VOTING TIME OFF

In the event that a Team Member does not have sufficient time outside of working hours to vote in a statewide election, the Team Member may take off enough working time to enable him or her to vote. Such time off shall be taken at the beginning or the end of the regular working day, whichever allows for more free time available outside working hours. Under these circumstances a Team Member will be allowed a maximum of two hours on the Election Day without loss of pay. Where possible, the Team Member shall give his or her Manager at least two days' notice that time off to vote is needed.

TIME OFF FOR PARENTS' SCHOOL OR DAY CARE ACTIVITIES

If you are a parent, guardian or grandparent with custody of a child in kindergarten or grades 1-12, or a licensed day care center and you wish to take time off to visit the school or day care center of your child for an activity, you may take off up to eight hours each calendar month (up to a maximum of 40 hours each school year), per child, provided you give reasonable notice to the Company of your planned absence. Team Members wishing to take such leave may utilize their existing vacation time or other accrued paid time off. The Company requires documentation from the school noting the date and time of your visit.

If both parents of a child work for the Company, only one parent -- the first to provide notice -- may take the time off, unless the Company approves both parents taking time off simultaneously.

You may also be granted time off to attend a school conference involving the possible suspension of your child. Please contact your supervisor if time off is needed for this reason.

TIME OFF FOR VOLUNTEER FIREFIGHTERS, RESERVE PEACE OFFICERS OR EMERGENCY RESCUE PERSONNEL

If you are a registered volunteer firefighter, reserve peace officer, or emergency rescue personnel who intends to perform emergency duty during work hours, please alert a representative of the Company so that we are aware of the fact that you may have to take time off to perform emergency

duty. In the event you need to take time off for this type of emergency duty, please alert your supervisor before leaving the Company premises. In addition, if you are a volunteer firefighter, you may be permitted to take a temporary leave of absence up to 14 calendar days per year to engage in fire or law enforcement training. All time off for these purposes is unpaid.

Time off for adult literacy programs

The Company will make reasonable accommodations for any Team Member who reveals a literacy problem and requests that the Company assist him or her in enrolling in an adult literacy program, unless undue hardship to the Company would result. The Company will also assist Team Members who wish to seek literacy education training by providing them with the location of local literacy programs.

The Company will take reasonable steps to safeguard the privacy of any Team Member who identifies himself or herself as an individual with a literacy problem. A Team Member who wishes to identify himself or herself as such an individual can contact the Human Resources Department directly. Further, individuals who are performing satisfactorily will not be subject to termination of employment because they have disclosed literacy problems.

While the Company encourages Team Members to improve their literacy skills, the Company will not reimburse Team Members for the costs incurred in attending a literacy program.

Time off for domestic violence or sexual assault victims

The Company recognizes and values the importance of a healthy and safe home environment for all its Team Members and their families. The Company prohibits discrimination or retaliation against a Team Member if he or she is the victim of domestic violence or sexual assault and if he or she takes time off from work for: medical attention, legal assistance, services from a shelter, program or rape crisis center, psychological counseling, safety planning, including temporary or permanent relocation.

If you wish to take time off under this policy, you must give reasonable notice of the need for time off for one of the above listed activities unless advance notice is not feasible. In the event that an unscheduled event or emergency occurs, which requires your immediate absence, please alert your supervisor before leaving the Company premises. The Company may require that you provide verification that the absence from work was due to domestic violence or sexual assault. The types of verification the Company may require include: police reports, court orders or other evidence that the Team Member appeared in court, other documentation from a medical professional, domestic violence advocate, health care provider, counselor. Confidentiality of the situation will be maintained to the greatest extent possible if you request time off for these reasons.

The length of leave is limited to that provided under the Family and Medical Leave Act and California Family Rights Act (CFRA). For example, a Team Member is not entitled to time off due to domestic violence if he or she has already exhausted the maximum 12 weeks of leave under FMLA/CFRA. Team Members may use accrued benefits, such as existing vacation time or other accrued paid time off, in order to receive compensation during the leave of absence.

Time off crime victims and family members of crime victims

The Company prohibits discrimination against a Team Member who wishes to take time off from work for

the purpose of attending judicial proceedings related to certain crimes committed against the Team Member, the Team Member's immediate family member, the Team Member's registered domestic partner, or the domestic partner of the child's parent. Team Members are eligible to take time off for crimes including: a violent felony, as defined in subdivision (c) of Section 667.5 of the Penal Code; a serious felony, as defined in subdivision (c) of Section 1192.7 of the Penal Code; and a felony provision of law proscribing theft or embezzlement.

Before a Team Member may be absent from work for this purpose, the Team Member must provide his or her supervisor with a copy of the notice of each scheduled proceeding that is provided to the victim by the agency responsible for providing notice, unless advance notice is not feasible. In the event that an unscheduled judicial proceeding occurs, which requires your immediate absence, please alert your supervisor before leaving Company premises. The Company may require that the Team Member provide verification that the absence from work was due to attendance at the unscheduled judicial proceeding. The types of verification the Company may require include documentation evidencing the judicial proceeding from any of the following entities: the court or government agency setting the hearing; the district attorney or prosecuting attorney's office; or the victim/witness office that is advocating on behalf of the victim. Confidentiality of the situation, including the Team Member's request for the time off, will be maintained to the greatest extent possible if a Team Member requests time off for these reasons.

Team Members may use accrued benefits, such as existing vacation time, sick time, compensatory time off, personal leave time or other accrued paid time off, in order to receive compensation during the time taken off from work.

Under this policy, "immediate family member" is defined as a Team Member's spouse, registered domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Time off for family members of military personnel

The Company provides Team Members who are spouses and registered domestic partners of certain military personnel up to ten (10) days of unpaid leave during any period when that military personnel member is on leave from deployment during a period of military conflict.

A Team Member is eligible for leave under this policy if he or she:

- Is the spouse or registered domestic partner of a person who: (1) is a member of the Armed Forces of the United States who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States, or (2) is a member of the National Guard or of the Reserves who has been deployed during a period of military conflict;
- Works for the Company for an average of 20 or more hours per week;
- Provides the Company with notice of his or her intention to take leave within two business days of receiving notice that his or her spouse or registered domestic partner will be on leave from deployment; and

- Submits written documentation to the Company certifying that the spouse or registered domestic partner will be on leave from deployment during the time the leave is requested.

“Military conflict” means either a period of war declared by the United States Congress, or a period of deployment for which a member of a reserve component is ordered to active duty either by the Governor or the President of the United States.

Leave taken under this policy will not affect a Team Member’s right to any other benefits, although a Team Member may elect to use accrued paid time off during the time off. The Company will not discriminate against, or tolerate discrimination against, any Team Member who requests and/or takes leave under this policy.



I hereby acknowledge receipt of the Company's revised 2009 FMLA Policy notice of policy change.

Team Member's Signature

Date

PRINT NAME (Team Member)

Human Resource's Signature

Date

Please keep a copy and send the original of the signed acknowledgement to Human Resources.
(Attn: Human Resources-Home Office)