



Policy Number: 304

Issuance Date: July 1, 2016

Subject: Paid Time Off

Revised Date: January 1, 2024

Purpose

The Company* encourages a healthy work/life balance for Associates and recognizes the need for occasional time away from work for a variety of reasons. Paid Time Off refers to a category of hours that can be used for either vacation or sick purposes such as travel, personal matters, illness or injury for self or a family member, inclement weather, and religious observance.

Eligible Associates must follow the Company policy for requesting PTO as provided below.

Eligibility Requirements

Eligible Associates include regular full-time and regular part-time associates. Temporary, Casual, and Seasonal associates are not eligible for paid time off.

1. Full-time status is defined as scheduled to work on average 30 hours or more per week.
2. Part-time status is defined as scheduled to work on average less than 30 hours per week.

Key Terms

- **PTO hours** reflect total number of hours accrued in a year based on consistent 40-hour work weeks (associates that work fewer than 40 hours per week will not reach the hours listed in the charts below).
- The **accrual rate** is multiplied by the number of hours worked (up to 80 hours per pay period for hourly; 80 hours per pay period for salary) for calculating PTO hours earned. Used PTO and Holiday hours are not used in PTO calculation.
- **Bank max hours** reflect PTO cap. Hours will roll over from year to year and once max is reached, PTO will stop accruing until bank is below the max.

Associates entering a new tier as determined by years of service, or transitioning into a role under different accrual plan, will see their new accrual rate at the end of the pay period containing the anniversary or transition date.

PTO Accrual & Amount

PTO accrues on the last day of each pay period and will be available for use in the following pay period. The amount of time accrued is based on time off plan, years of service to the Company, and the industry benchmarks.

- Non-exempt (hourly): Accrue worked hours up to 80 worked hours per pay period.
- Exempt (salary): Accrue on 80 hours per pay period.

*Dwyer Franchising LLC, d/b/a Neighborly; Glass Operating LLC, d/b/a Portland Glass; Neighborly Local Operations LLC, and their affiliated companies (collectively, the "Company" or "Neighborly")

- The hourly accrual rates take into consideration annual PTO allowance, holidays, and sick hours (where applicable). In other words, associates will still earn max annual accrual even when taking time off.

The chart below defines Company time off plans with brief description.

Time Off Plan Types	Description
Neighborhood Corporate	Includes associates in: <ul style="list-style-type: none"> • Corporate service brands that support franchise owners • Shared services departments that provide enterprise-wide support
Local Operations	Includes associates that support the day-to-day operations of: <ul style="list-style-type: none"> • Corporately owned locations • Portland Glass shops • MRR Plumbing locations* • Manufacturing plants • Brand specific call centers
Director & Above	Based on management level (not necessarily with job title). Includes associates that: <ul style="list-style-type: none"> • typically manages a team (direct & indirect reports) and • is eligible for the Profits Interest plan (PI plan).

See **Appendix A at the end of the policy for accrual amounts for each time off plan.**

* Neighborhood Local Operations – Plumbing ONLY

In accordance with state law, associates in any Local Operations plumbing location will have a “sick” bank. Sick hours begin accruing from hire date and are eligible for use upon accrual. Unused sick time is **not** paid out upon exiting the company.

Annual Sick (hours)	Accrual Rate	Bank Max (Hours)
Up to 48	1 hour for every 30 hours worked	48

New Hires

Eligible Associates have a waiting period of 60 days from date of hire and hours become available for use in the pay period following the waiting period. Any time off prior to 60 days will be unpaid. The Company adjusts (prorates) the amount of PTO according to the hire date. For this reason, PTO amounts accrued in the first year may not reach the full annual amount.

Plans that include paid “sick” leave per state law do not have a wait period and sick hours are eligible to use upon accrual.

Rehires

Service Break Up to Twelve (12) Months

If an Associate is rehired after a break of no more than twelve (12) months:

- Seniority will be bridged and associate will be placed in the tier associated with their bridged years of service.
- Unused PTO hours that were forfeited at termination will be reinstated (only if unused hours were not paid out at separation due to state law).
- The 60-day waiting period for PTO use is waived.

Rehires that were paid for unused, available PTO upon separation (based on state law) will have a starting balance of zero (0) hours but will not have a 60-day wait period to use available PTO hours.

Service Break Over Twelve (12) Months

If an associate is rehired Rehires with a break in service of more than twelve (12) months:

- PTO will accrue as a new hire – see section above.
- The 60-day waiting period must be satisfied before PTO will be eligible for use.

Unpaid Time Off

Associates must use all available time off before requesting unpaid time off. Unpaid time off is entered in the timekeeping system after all available PTO and sick time has been exhausted.

Scheduled Absences

Available paid time off must be applied to scheduled absences. Associates submit PTO requests in the timekeeping system.

Unscheduled Absences

Available paid time off must be applied to unscheduled absences. Associates enter PTO and sick time in the timekeeping system upon their return to work. If PTO has been exhausted, the days will remain unpaid.

Unscheduled absences will be tracked in accordance with Policy 303 Attendance & Punctuality.

- Unscheduled absences accrue points and are subject to corrective action, even when PTO is applied.
- Absences exceeding three (3) or more consecutive days for illness, planned treatment, injury or accident must provide a work release from their health care provider before returning to work. The written medical statement must include dates of absence, an approved return to work date, and list any work restrictions, if applicable.
- Absences exceeding five (5) or more days will be transferred to the Leave of Absence process.

PTO & Leaves of Absence

During a medical leave of absence, Associates must use available PTO to cover the five-day waiting period for short term disability. If an Associate is receiving compensation through short term disability, long term disability, workers compensation, the Associate is not eligible to use PTO as a supplement while receiving these paid benefits. PTO does not accrue during leaves of absence, as there are no regular hours worked during this time, to qualify for earning an accrual.

Restrictions

1. Time off requests must be approved by manager. Approvals are subject to business needs.
2. Time off requests are typically given priority by date submitted. Managers may consider additional factors when approving requests.
3. Unpaid time off, both scheduled and unscheduled, cannot be entered unless paid time off has been exhausted.
4. Any time off request for 3 or more days must be submitted 2 weeks prior to the request date.
5. You cannot borrow, or advance, PTO from any future calendar year.
6. PTO may be taken in one-hour increments.
7. PTO is paid at the straight time rate and paid time off taken will not count as time worked when calculating overtime, or the PTO accrual, for the week in which PTO is used.
8. Observed Company holidays, or Saturdays and Sundays, that fall within a scheduled time off request will not be counted as PTO, nor will PTO accrue on these days.
9. Upon separation from employment, for any reason, any unused PTO remaining at time of separation **will not be paid out**, except as required by state law or in the case of death. Associates that separate within 60 days of hire will not be paid out PTO as the hours are not yet available for use until after 60 days from hire.
10. PTO or sick time may not be used to cover any portion of a resignation notice period.
11. Pre-approved PTO submitted at least one (1) month prior to resignation will be honored provided associate can still satisfy the two (2) week notice period – (4 week notice for Director and above roles). PTO requests submitted and approved within one (1) month of resignation will be forfeited.

Enforcement

Any Associate who fails to adhere to this policy may be subject to disciplinary action up to and including termination of employment.

This policy is subject to all state and federal laws.

The Company reserves the right to modify this policy at any time without notice.

Appendix A

Below are the details for each Company time off plan. To view your plan:

1. Log into Workday
2. Under **Menu**, navigate to the **Absence** app.
3. Choose **Absence Calendar**.
4. Plan name will appear under the **Balances** section.

Time off plans will not accrue more than the max amount per pay period.

Neighorly Corporate Plan

Years of Service	Annual PTO (Hours)	Accrual Rate	Bank Max (Hours)	Max Accrual:
				Pay Period (80 hours)
< 5 years	120	0.063	180	5.06
5 to 10 years	160	0.086	240	6.89
10+ years	200	0.110	300	8.81

Neighorly/Portland Glass Director & Above Plan

Years of Service	Annual PTO (Hours)	Accrual Rate	Bank Max (Hours)	Max Accrual:
				Pay Period (80 hours)
< 5 years	160	0.086	240	6.89
5+ years	200	0.110	300	8.81

Neighorly Local Operations – Plan A

Years of Service	Annual PTO (Hours)	Accrual Rate	Bank Max (Hours)	Max Accrual:
				Pay Period (80 hours)
< 3 years	96	0.049	144	3.98
3 to 5 years	120	0.063	180	5.04
5+ years	160	0.085	240	6.86

Neighorly Local Operations – Plan B

Years of Service	Annual PTO (Hours)	Accrual Rate	Bank Max (Hours)	Max Accrual:
				Pay Period (80 hours)
< 5 years	72	0.037	108	2.96
5 to 10 years	96	0.050	144	4.00
10+ years	136	0.072	204	5.78

Neighborhood Local Operations – Plan C

Years of Service	Annual PTO (Hours)	Accrual Rate	Bank Max (Hours)	Max Accrual:
				Pay Period (80 hours)
< 1 years	72	0.036	108	2.95
1 to 2 years	80	0.041	120	3.29
2+ years	96	0.049	144	3.98

Neighborhood Local Operations – Plan D

Years of Service	Annual PTO (Hours)	Accrual Rate	Bank Max (Hours)	Max Accrual:
				Pay Period (80 hours)
< 1 year	24	0.011	36	0.94
1 to 2 years	40	0.019	60	1.59
2 to 5 years	64	0.032	96	2.58
5+ years	72	0.036	108	2.91

Neighborhood Director & Above – Plumbing

Years of Service	Annual PTO (Hours)	Accrual Rate	Bank Max (Hours)	Max Accrual:
				Pay Period (80 hours)
< 3 years	80	0.041	120	3.33
3 to 5 years	96	0.050	144	4.03
5 to 10 years	120	0.063	180	5.10
10+ years	160	0.086	240	6.95