



# Milestone

## 8.2 PTO Policy

### 1. **Paid Time Off (PTO) Benefits: Eligibility and Purpose**

Full-time and part-time benefitted employees are eligible for Paid Time Off (PTO). Union employees should refer to their collective bargaining agreements. The purpose of (PTO) is to provide flexible paid time off from work that can be used for the diverse needs of our employees, such as vacation, illness, personal days, appointments, volunteerism, and any other reason as deemed necessary by the employee. Milestone encourages employees to plan and take time off throughout the year to rest, recharge, and spend time away from work.

### 2. **PTO Accrual: THG Corporate, Asphalt, Aggregate and Milestone Companies:**

PTO is earned based on hours worked, beginning on the date of hire. PTO hours accrue based on all hours (regular and overtime) worked, scheduled PTO hours, holiday hours, and other company paid time off, unless explicitly stated otherwise. For salaried exempt employees and mileage drivers, 8 hours per day, 5 days per week will be used for PTO calculation. For all employees, PTO will accrue while on any paid leave of absence of up to 6 months, whether paid by the company or a 3<sup>rd</sup> party, such as our short-term disability carrier.

PTO accrual is based on the employee's years of service with the company as illustrated in the table below. "Years of Service" are recognized by attainment of service anniversary. Employees crossing the threshold for the next accrual level will begin earning at the new accrual rate at the beginning of the year in which the service anniversary is met.

Employees may accrue until they reach their maximum annual accrual offering. Once the maximum annual accrual offering is reached, PTO hours will no longer accrue until the next calendar year. Up to 40 hours of accrued unused PTO will be carried over to the following calendar year.

PTO resets on January 1 each year (i.e., accrued, unused PTO that is not eligible for carry over is forfeited at the end of each calendar year).

Years of Service	Maximum Annual Accrual Offering	Accrual Rate
0-5	120 hours	1 hr. per 17.3 hrs. worked
6-10	160 hours	1 hr. per 13 hrs. worked
11+	200 hours	1 hr. per 10.4 hrs. worked

3. **Timing and Use of PTO: THG Corporate, Asphalt, Aggregate and Milestone Companies**

PTO hours are generally used in whole-day increments. However, employees may take partial days of PTO when doing so will not negatively impact business productivity or as otherwise provided by applicable law. Scheduling PTO in facilities with continuous operations may be subject to further restrictions as defined by that location. Employees with extended time away for illness or other non-work reasons should discuss with their manager and HR to determine the appropriate type of leave.

All scheduling of PTO is subject to manager approval. If a PTO request poses a business disruption, or multiple employees request for the same day, managers reserve the right to deny requests to not unduly affect business productivity or efficiency. In this circumstance, requests will be considered in the order in which they were received. In the event of a conflict between the terms of this policy and applicable law, applicable law will govern and supersede the relevant provisions of this policy.

Managers should encourage employees to take time off throughout the year and conduct periodic reviews of PTO balances for their employees to ensure there are no excessive negative/positive balances to address.

Full-time employees may borrow time before it is accrued up to 80 hours. Part time employees may borrow time before it is accrued up to 40 hours. Any negative PTO balance at the end of any calendar year will roll into the next calendar year, unless otherwise required by applicable law.

Requests to take PTO should be made according to local business unit request processes.

If an employee does not work all of his/her scheduled days and/or hours, PTO **will be used** to cover the time missed. Employees may also be subject to a local attendance policy.

4. **PTO Pay**

PTO is based on the regular pay rate; it does not include overtime or any other premium pay and is not counted as hours worked for purposes of computing overtime hours. PTO is paid through the regular pay cycle and is subject to all normal taxation and withholdings.

If a Company-paid holiday occurs during an employee's PTO, the employee will receive holiday pay for that day instead of PTO, except where the employee is scheduled to work on a designated holiday.

5. **PTO Remaining at the End of the Year**

Employees who have PTO time remaining at the end of the year may roll over up to 40 hours of PTO to be used in the next calendar year. Time not eligible to be rolled over will be forfeited if not used.

6. **PTO at the End of Employment**

When employment ends for any reason whatsoever, the available accrued and unused PTO/leave balances will be payable to the employee in a lump sum payment. Upon the end of employment, payout of accrued, unused PTO is capped at the annual accrual offering for years

of service, except as otherwise required by applicable law. PTO will not accrue on PTO hours paid out at time of termination. The Company reserves the right to collect any negative balance PTO accrual at the end of employment from any other final pay due to the employee.

7. **Coordination of PTO with FMLA**

The Company provides leaves of absence to eligible employees for certain family and medical reasons. This policy is intended to comply with a federal law known as the Family and Medical Leave Act of 1993 (FMLA). The use of Family and Medical Leave (FML) is coordinated with PTO.

Generally, leave under FMLA is unpaid. If, however, an employee has unused PTO available, and the leave request is approved, an employee must use their PTO balance unless another benefit takes over. If PTO is used during a FMLA qualified leave of absence, FML hours will run concurrent with any paid time off during leave.