



8.9 Military Leave

The Heritage Group Family of Companies grants leaves of absence to all employees who are called to, or volunteer for service in one of the uniformed services defined by the Uniformed Services Employment and Reemployment Rights Act (USERRA). The Company also recognizes and complies with any variations provided through separately enacted state law.

1. Type of Uniformed Services

USERRA's definition of "service in the uniformed services" covers all categories of military training and service, including duty performed on a voluntary or involuntary basis, in time of peace and war. Although most often understood as applying to the Guard and Reserve military personnel, USERRA also applies to serving in the active components of the Armed Forces and the National Disaster Medical System.

2. Pay While on Leave

Although not required by law, the Company will provide an employee on leave with a pay allowance equal to the difference between the employee's base pay and his/her military pay for up to one year, including time spent in reservist training.

3. Return to Work

The employee is entitled to reemployment so long as he/she meets the requirements defined in USERRA. In most cases employees are expected to be returned to their previous or comparable positions.

4. State Military Family Leave (SMFL)

a. Eligible employees are entitled to an unpaid leave of absence to spend time with certain family members who are engaged in or called to active military service.

b. Eligibility: An eligible employee for SMFL is an employee who resides in Indiana, Illinois, Ohio and California and has been employed by the Company for at least 12 months, who has worked at least 1,250 hours during the 12-month period immediately preceding the leave, and who is the spouse, child, parent, grandparent, sibling, or court appointed guardian or custodian of a person who is ordered to active duty. Any available Family and Medical Leave Act (FMLA) leave will run concurrently with this SMFL.

The term "active duty" means full-time service on active-duty orders in the armed forces of the United States or the National Guard for a period that exceeds 30 consecutive calendar days.

c. Amount of SMFL: An eligible employee may take SMFL of up to 10 cumulative working days (maximum 80 hours)* per calendar year during one or more of the following periods:

- Within the 30-day period before a spouse, son, daughter, grandson, granddaughter or sibling ("military family member") begins active-duty
- During a period when the military family member is on leave

- During the 30-day period after a military family member's active-duty orders are terminated

d. Compensation for SMFL: SMFL is unpaid. However, an eligible employee must use any accrued paid leave (except for paid medical or sick leave) in lieu of taking unpaid leave under the SMFL. SMFL and any applicable FMLA leave will run concurrently with such paid leave.

e. Job and Benefits Security: An eligible employee who takes leave under the SMFL and who returns to work before his or her SMFL leave entitlement has expired will be restored to the position the employee held when the leave commenced or to an otherwise equivalent position with respect to seniority, pay, benefits, and other terms and conditions of employment.

f. Employee Notice and Leave Request Requirements: An eligible employee must give the Company at least 14 days' written notice of his or her intent to take leave under the SMFL unless the military family member's active-duty orders are issued less than 14 days prior to the requested leave. An eligible employee must also provide a copy of the active-duty orders, if available, along with the leave request.

The Company reserves the right to require verification of the employee's eligibility for SMFL leave. If an employee fails to provide such verification, then his or her absence will be considered unexcused.

g. Continuation of Group Health Plan Coverage: The Company will maintain group health plan coverage for an employee who takes SMFL under the same terms and conditions as active employment.

h. Non-Discrimination/Non-Retaliation Policy Statement: The Company will not interfere with, restrain, or deny an employee's exercise of right under the SMFL.

**Employees residing in Illinois are allowed up to 30 working days of unpaid SMFL.*

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