



The Heritage Group

8.2 PTO Policy

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

Full-time and part-time employees ¹are 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. HERITAGE 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 3rd 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. 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 years of service will be 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 carry 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

¹Envita Solutions employees should refer to Envita's specific PTO policy. Monument Chemical employees should refer to Monument's vacation policies.

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 would pose 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 as otherwise required by applicable law.

Requests to take PTO should be made according to local business unit request processes. The amount of PTO time charged or paid for a day is a minimum of 8 hours for full time employees, except as otherwise required by applicable law.

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.

Addendum 1 (Arizona, California, Colorado, Connecticut, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, Oregon, Allegheny County PA, and Pittsburgh PA)

This Addendum applies to employees working in Arizona, California, Colorado, Connecticut, Massachusetts, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, and Oregon. In the event of a conflict between the terms of the policy and Addendum 1, Addendum 1 governs and supersedes the relevant provisions of the policy with respect to employees working in these states.

Accrued, unused PTO carries over to the following calendar year. The maximum accrual cap equals two times the amount of PTO that the employee can accrue in a single year. An employee accrues PTO until the employee's accrued PTO reaches the maximum accrual cap. Once an employee's accrued PTO reaches the maximum accrual cap, the employee will not accrue further PTO until the employee uses accrued PTO and the employee's accrued PTO balance falls below the maximum accrual cap. Employees will not receive retroactive credit for any period of time in which their accrued PTO balance was at the maximum accrual cap.

Addendum 2 (District of Columbia, Nevada, New Mexico, New York, Vermont, Washington, and Philadelphia PA)

This Addendum applies to employees working in the District of Columbia, Nevada, New Mexico, New York, Vermont, and Washington. In the event of a conflict between the terms of the policy and Addendum 2, Addendum 2 governs and supersedes the relevant provisions of the policy with respect to employees working in these states.

Accrued, unused PTO carries over to the following calendar year. When employment ends for any reason whatsoever, accrued, unused PTO will be payable to the employee in a lump sum payment, up to the amount of PTO that the employee can accrue in a single year, and any accrued, unused PTO in excess of that amount will be forfeited.

Addendum 3 (Illinois, Maine, and Rhode Island)

This Addendum applies to employees working in Illinois, Maine, and Rhode Island. In the event of a conflict between the terms of the policy and Addendum 3, Addendum 3 governs and supersedes the relevant provisions of the policy with respect to employees working in these states.

Accrued, unused PTO carries over to the following calendar year.

Appendix (Colorado Public Health Emergency Leave and San Francisco Public Health Emergency Leave)

This section applies only to employees working in Colorado and San Francisco. The Company will provide employees with public health emergency leave (PHEL) in accordance with the terms below.

For purposes of this section, a “public health emergency” is:

- An act of bioterrorism, a pandemic influenza or an epidemic caused by a novel and highly fatal infectious agent, for which:
 - An emergency is declared by a federal, state or local public health emergency;
 - or
 - A disaster emergency is declared by the governor; or
- A highly infectious illness or agent with epidemic or pandemic potential for which a disaster emergency is declared by the Governor.

On the day a public health emergency is declared, employees will immediately be able to access a one-time supplement of PHEL in addition to whatever amount of PTO employees have accrued prior to the declaration of the public health emergency. Any accrued, unused PTO will be counted in determining the amount of PHEL available.

Employees who normally work 40 or more hours in a week are allowed to take up to 80 hours of total paid leave. Employees who normally work fewer than 40 hours per week are entitled to take paid leave equaling the greater of: (1) the amount of time the employee is scheduled for work or paid leave in the 14-day period after the leave request; or (2) the amount of time the employee actually worked in the 14-day period prior to the declaration of the public health emergency or the leave request, whichever is later.

From the declaration of a public health emergency until four weeks after the official termination or suspension of the emergency declaration, PHEL can be used for any of the following reasons:

- To self-isolate and care for oneself or a family member who is self-isolating because the employee or family member is diagnosed with, or experiencing symptoms of, a communicable illness that is the cause of a public health emergency;
- To seek or obtain for oneself or care for family member who needs a medical diagnosis, care or treatment if experiencing symptoms of a communicable illness that is the cause of a public health emergency;
- To seek for oneself or a family member preventive care concerning a communicable illness that is the cause of a public health emergency;
- An employee is unable to work because the employee has a health condition that may increase susceptibility to or risk of communicable illness that is the cause of the public health emergency;
- Either the Company or a public health authority with appropriate jurisdiction determines that an employee’s presence on the job or in the community would jeopardize the health of others because of the individual’s exposure to a communicable illness that is

the cause of a public health emergency or because the individual is exhibiting symptoms of such a communicable illness, regardless of whether the individual has been diagnosed with the illness;

- To care for a family member after either the family member's employer or a public health authority with appropriate authority determines that the family member's presence on the job or in the community would jeopardize the health of others because of the family member's exposure to a communicable illness that is the cause of a public health emergency or because the family member is exhibiting symptoms of such a communicable illness, regardless of whether the family member has been diagnosed with the illness; or
- To care for a child or other family member when their child care provider is unavailable due to a public health emergency or their school or place of care has been closed due to a public health emergency (including when the school or place of care is physically closed but providing instruction remotely).

PHEL will become available on the date a public health emergency is declared and will remain available until four weeks after the official termination or suspension of the public health emergency. Employees are only eligible for these amounts of PHEL one time during the entirety of a public health emergency (even if the public health emergency is extended, amended, restated or prolonged).