



TRENDS INTERNATIONAL, LLC POLICY ON FAMILY AND MEDICAL LEAVES OF ABSENCE

At Trends International, LLC, we support our employee's needs for leaves of absence for personal reasons. The following outlines the Company's policy on family and medical leaves, either in compliance with federal law or as an additional benefit to employees.

Coverage. This policy applies to all exempt and nonexempt employees of Trends International, LLC who meet the eligibility requirements for unpaid leave under the federal Family and Medical Leave Act ("FMLA").

Eligibility. Employees who have been employed by Trends International, LLC for at least one year, and have worked at least 1,250 hours during the 12-month period (rolling calendar for Trends employees) prior to the start of any FMLA leave, are eligible for family and medical leave. Employees have to work at a Trends International, LLC site where 50 or more employees on the payroll are employed by the Company within a 75 surface mile radius.

State Family and Medical Leave Laws – To review information about individual state family and medical leave laws; please check the following state Web pages with similar statutes: California, Connecticut, Hawaii, Maine, Minnesota, New Jersey, Oregon, Rhode Island, Vermont, Washington, Wisconsin and the District of Columbia. You can also find information on the Department of Labor website at www.dol.whd/state/fmla/index.htm.

Basic Leave Entitlement. Eligible employees are entitled to unpaid leave for up to twelve weeks during a rolling twelve month period. Leave may be taken for the following reasons:

- Twelve workweeks of leave in a 12-month period for:
 - the birth of a child and to care for the newborn child within one year of birth;
 - the placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;
 - to care for the employee's spouse, child, or parent who has a serious health condition;
 - a serious health condition that makes the employee unable to perform the essential functions of his or her job;

- any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on "covered active duty;" or
- Twenty-six workweeks of leave during a single 12-month period to care for a covered servicemember with a serious injury or illness if the eligible employee is the service member's spouse, son, daughter, parent, or next of kin (military caregiver leave).
- Leave to care for a newborn child or for a newly placed child must conclude within 12 months after the birth or placement.

New Definition of "Spouse" Effective 3/27/2015:

The final rule defines the term "spouse" under the FMLA as follows:

Spouse, as defined in the statute, means a husband or wife. For purposes of this definition, husband or wife refers to the other person with whom an individual entered into marriage:

- As defined or recognized under state law for purposes of marriage in the state in which the marriage was entered into; or
- In the case of a marriage entered into outside of any state, if the marriage is valid in the place where entered into and could have been entered into in at least one state.

This definition includes an individual in a same-sex or common law marriage that either:

1. Was entered into in a state that recognizes such marriages; or
2. If entered into outside of any state, is valid in the place where entered into and could have been entered into in at least one state.

The revised definition makes clear that the terms "husband" and "wife" include all individuals in lawfully recognized marriages. According to the DOL, this definition is intended to cover all spouses in legal marriages as defined in the regulation, regardless of whether they use the terms "husband" or "wife."

"Place of Celebration" Rule

The final rule moves from a "state of residence" rule to a rule based on the jurisdiction where the marriage was entered into (place of celebration). This rule is intended to ensure that all legally married couples, whether opposite-sex or same-sex, will have consistent FMLA rights, regardless of where they live.

Serious Health Condition. Serious Health Condition means an illness, injury impairment, or physical or mental condition that involves one of the following:

1. Hospital Care

Inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of incapacity or subsequent treatment in connection with or consequent to such inpatient care.

2. Absence Plus Treatment

- a) A period of incapacity of **more than three consecutive calendar days** (including any subsequent treatment or period of incapacity relating to the same condition), that also involves:
- 1) **Treatment two or more times** by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, a health care provider.
 - 2) **Treatment** by a health care provider on **at least one occasion** which results in a **regimen of continuing treatment** under the supervision of the health care provider.

3. Pregnancy

Any period of incapacity due to **pregnancy**, or for **prenatal care**.

4. Chronic Conditions Requiring Treatments

A **chronic condition** which:

- 1) Requires **periodic visits** for treatment by a health care provider, or by a nurse or physician's assistant under direct supervision of a health care provider;
- 2) Continues over an **extended period of time** (including recurring episodes of a single underlying condition);
and
- 3) May cause **episodic** rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.).

5. Permanent/Long-term Conditions Requiring Supervision

A period of **incapacity** which is **permanent or long-term** due to condition for which treatment may not be effective. The employee or family member must be **under the continuing supervision of, but need not be receiving active treatment by, a health care provider**. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease.

6. Multiple Treatments (Non-Chronic Conditions)

Any period of absence to receive **multiple treatments** (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for **restorative surgery** after an accident or other injury, or for a condition that **would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical**

intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), and kidney disease (dialysis).

A husband and wife who are both employed by Trends International, LLC and are eligible for family and medical leave may be limited to a combined total of 12 weeks of leave during any 12-month period, if the leave is taken (1) for the birth of the employee's child or to care for the child after birth; or (2) for the placement of a child for adoption or foster care or to care for the newly placed child.

Leaves for the birth or placement of a child for adoption or foster care must be completed within 12 months from the date of the birth or placement.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.*

***The FMLA definitions of "serious injury or illness" for current servicemembers and veterans are distinct from the FMLA definition of "serious health condition".**

Substitution of Paid Leave. The provisions of this policy apply to all family and medical leaves of absence. If an employee is entitled to paid leave under a short or long-term disability policy, the employee must take the paid leave first, and the time of the paid leave will be considered part of the twelve weeks covered under this policy. Employees must also take any earned Paid Time Off (PTO) available at the time of the FMLA. Any paid PTO time will be considered part of the twelve weeks covered under this policy. In addition, FMLA leave will run concurrently with leaves of absence for occupational illnesses or injuries covered by Workers' Compensation.

Procedure for Requesting Leave.

1. When the need for leave is foreseeable, such as the birth or adoption of a child, or planned medical treatment, an employee must provide reasonable prior notice, and make efforts to schedule leave so as not to disrupt company operations. An employee must provide a completed Medical Certification Form, when foreseeable within 15 calendar days of request made for FMLA Leave.
2. When the need for leave is not foreseeable, within 30 days of the beginning of the FMLA Leave, an employee is required to provide the Company with medical certification to support a claim for leave for an employee's own serious health condition or to care for a seriously ill child, spouse or parent.

3. At its discretion, the Company may require a second medical opinion and periodic re-certifications at its own expense. If the first and second opinions differ, the Company, at its own expense, may require the opinion of a third health care provider, which shall be binding.
4. When family and medical leave is approved or when Trends International, LLC determines that a period of absence qualifies as a family and medical leave, the leave will be counted against the Employee's FMLA leave entitlement and the Employee will be notified of the date the leave began, the date the leave is expected to end, and the conditions under which the leave is granted.
5. Employees claiming intermittent FMLA leave for a chronic condition (or any other reason); you are required to call in prior to the shift, just as with other employees. If the employee fails to call, the company may impose discipline pursuant to any no-call/no-show policy for the failure to notify. Absent some reason why the employee cannot give timely notice, the FMLA gives no extra protection.

Intermittent* Leaves and Reduced Schedule Leaves. In certain circumstances, FMLA leave may be taken on an intermittent or reduced schedule basis. That is, employees may take the equivalent of 12 workweeks of family and medical leave in non-consecutive increments due to a single qualifying event. If the intermittent or reduced scheduled leave is medically necessary for the Employee or eligible family member's serious health condition, the Employee must provide certification of the medical necessity. With Trend's agreement, intermittent or reduced schedule leaves also may be taken following birth or placement of a child in the employee's home. Employees need take only the intermittent leave time required, and only that time will be counted towards the 12-week leave period. If leave is requested on this basis, however, the Company may require the employee to transfer temporarily to an alternative position which better accommodates recurring periods of absence or a part-time schedule, provided that the position has equivalent pay and benefits.

*Employees are to take only as much leave as is needed. If your need for intermittent leave only requires you to miss part of your work day, you are expected to work the remainder of your shift, whether before or after your requisite period of intermittent, such as when one visits a doctor for physical therapy or when an employee takes intermittent leave and the condition improves during working hours.

Employees needing intermittent/reduced schedule leave for foreseeable medical treatment must work with the company to schedule the leave so as not to unduly disrupt the employer's operations, subject to the approval of the employee's health care provider.

Medical Certification. A request for FMLA leave based on the serious health condition of the employee or the employee's spouse, child, or parent must be supported by a "Certification of Health Care Provider" completed by a qualified health care provider. The Employee has 15 calendar days from receipt of the certification form to obtain appropriate medical certification. The certification must state, among other things, the date on which the health condition commenced, the probable duration of the condition, the appropriate medical facts regarding the condition, and, if it is the Employee's serious health condition, that the Employee cannot perform the essential functions of his or her job. If the employee is needed to care for a spouse, child or parent, the certification must so state, along with an estimate of the amount of time the employee will be needed. Failure to timely submit a properly documented and completed certification form may result in the delay or denial of FMLA leave.

Health Care Provider

Health care providers who may provide certification of a serious health condition include:

- doctors of medicine or osteopathy authorized to practice medicine or surgery (as appropriate) by the State in which the doctor practices;
- podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice in the State and performing within the scope of their practice under State law;
- nurse practitioners, nurse-midwives, and clinical social workers authorized to practice under State law and performing within the scope of their practice as defined under State law;
- Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts;
- any health care provider recognized by the employer or the employer's group health plan's benefits manager; and,
- a health care provider listed above who practices in a country other than the United States and who is authorized to practice under the laws of that country

Status Of Employee Benefits During Leave Of Absence.

1. An employee granted an approved leave under this policy may continue his/her coverage in the Company's benefit plans, including short- and long-term disability coverage, medical coverage, and dental and vision coverage. During the paid portion of the leave (i.e., when the employee is utilizing short-term disability, PTO, etc.) the premiums will continue to be taken through payroll deduction. During any unpaid portions of the leave, the Employee must make payments directly to Trends International, LLC. Payment terms and schedule must be decided upon before employee takes FMLA Leave, when possible.
2. In the event that an employee elects not to return to work upon completion of an approved leave of absence, the Company may recover from the employee the employer cost of maintaining benefits coverage, unless the failure to return to work was for reasons beyond the employee's control or serious health condition. Benefit entitlements based upon length of service will be calculated as of the last paid work day prior to the start of the leave of absence.

Status Of Employee Performance Review, Wage Adjustment And Bonus During Leave Of Absence.

Employees absent on Short Term Disability/FMLA/Long Term Disability are not eligible for any salary increases, which occur during their absence. When they return to work they are eligible for general increases, if any, that occurs during their absence.

When employee returns to work they will be given their Performance Review along with any pay increase retro to the effective date of the pay adjustment. If bonus is applicable, this will be paid upon return from leave.

PTO Accrual

Employees will not continue to accrue PTO during periods of FMLA, disability, or workman's compensation.

Profit Sharing Earnings

When an employee is on FMLA, disability, or workman's compensation, those earnings will not apply to the Profit Sharing calculation (regular earnings only).

Return From Leave

An employee returning from an approved leave under this policy will be restored to the same or comparable position of employment with equivalent employment benefits, pay and other terms and conditions of employment. Certain key employees may not be reinstated to their former or equivalent position if business operations will be seriously affected. Any employee who is on FMLA leave due to his or her own serious health condition must have a Return to Work Release Form completed by a health care provider and submit it to the Human Resources Department prior to returning to work.

Employee Name Printed

Emplo

Employee Signature

Date