

SECTION V - PAID TIME OFF (PTO) & LEAVE POLICIES

5.1 - PAID TIME OFF & NON PAID TIME OFF

Paid Time Off

Paid Time Off (PTO) compensation policy is applicable to all full-time employees working a minimum of thirty (30) hours per week. Exempt employees will receive their base rate of pay for PTO hours requested. Non-exempt employees will receive their current hourly rate of pay for PTO hours requested. PTO time is used for sick, vacation and personal time off.

Earned PTO will be calculated based on date of hire and length of service:

Length of Employment	Monthly Accrual	YTD Hours	YTD Days
0 to 12 months	5.33 hours	64	8
13 to 60 months	9.99 hours	120	15
61 to 120 months	13.33 hours	160	20
121 plus months	16.666 hours	200	25

Although every effort will be made to accommodate employee's request to take vacation at a specified time, supervisors are required to consider the operating needs of the department when evaluating requests. It is sometimes necessary for supervisors to deny vacation for this reason. It is up to the discretion of each supervisor to approve or deny vacation time.

Earned PTO must be taken during the current calendar year. However, in the event work circumstances do not allow vacation to be taken employees may carry over a maximum of 40 hours per calendar year. When payroll extends between calendar years, the PTO deductions will be based on the calendar year the PTO was taken.

PTO requests must be submitted via employee self-service (www.paycom.com) with a follow-up e-mail to the employee's immediate supervisor at least 72 hours (3) days prior to the desired vacation start date.

Employees requesting to use two or more consecutive days of PTO for sick time will be required to present a physician excuse upon return to work.

If you choose to resign and supply AOSM with 10 working days advance written notice you are eligible for your remaining accrued PTO time. It will be added to your final paycheck. If you resign without proper notice, or if you fail to work the notice period, your accrued PTO balance will be forfeited. Once resignation is given PTO may not be requested or used. This is to allow for adequate training of replacement and a smooth transition. If an employee fails to report to work as scheduled after notice of resignation, the last date actually worked will be considered the termination date.

Each employee is responsible to notify his or her supervisor as early as possible if unable to work due to an illness. It is the responsibility of the employee to keep their supervisor up to date on each day they are out.

Employees may not donate PTO time to another employee.

Absence in excess of two full work days/shifts constitutes a voluntary quit and you forfeit all accrued/requested PTO time.

Non Paid Time Off

AOSM staffs its facilities with the appropriate number of employees necessary to conduct business, taking into consideration employee PTO and holiday time. Requests for additional time off, over and above the benefit plan, make it difficult to provide the optimum level of service and put undue burden on remaining employees. Therefore, requests for time off without pay will rarely be granted. Requesting time off in excess of accrued PTO and additional non-paid time off is considered excessive absenteeism.

Employees should plan all time off accordingly.

This policy does not apply to circumstance that qualifies for FMLA.

5.2 - FMLA

AOSM will comply with the Family and Medical Leave Act implementing Regulations as revised effective February 2013. The company posts the mandatory FMLA Notice and upon hire provides all new employees with notices required by the U.S. Department of Labor (DOL) on Employee Rights and Responsibilities under the Family and Medical Leave Act in TX. Please see notice attached.

The function of this policy is to provide employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

If you have any questions, concerns, or disputes with this policy, you must contact the Human Resources Manager in writing.

For Full Description of FMLA Policy Provisions please see FMLA Policy Attached.

5.3 - HOLIDAYS

AOSM observes the following holidays each year:

- New Years Day
- Good Friday
- Independence Day
- Memorial Day

- Labor Day
- Thanksgiving Day
- The Friday following Thanksgiving Day
- Christmas Day

Full time employees who have completed 90 days of continuous employment are eligible for holiday pay.

Employees will not be paid for holidays if the scheduled workday before and/or after the holiday is not worked unless the date was previously approved as PTO.

5.4 - BEREAVEMENT LEAVE

In the unfortunate event of a death in an employee's family, after discussion with his or her supervisor, the employee may be granted up to three days (24 hours) of paid bereavement leave per calendar year.

For the purposes of this policy, family includes one's immediate or extended family and step-families. These include your spouse, children, parents, siblings, mother/father in-law, brother/sister in law, daughter/son-in law, grandparents, grandchildren, spouse's grandparent or grandchild, step-children, step-parents, step-children.

PTO may be utilized for bereavement beyond the 3 day allowance or extended family & friends not listed above. Unpaid time off may be granted in situations where bereavement or PTO is not available. Requests for unpaid time off will be reviewed on a case by case basis.

Bereavement leave is available to full time employees who have completed 90 days of employment.

5.5 – WORKER'S COMPENSATION

All work-related injuries and accidents, regardless of the severity or lack thereof, must be immediately reported to your manager. Your manager will complete the appropriate accident report form and submit it to the HR Manager.

All workers' compensation claims will be handled by the workers compensation carrier.

Employees are expected to return to work immediately upon release. Employees on workers' compensation leave who have completed one year of continuous service with AOSM will be allowed to return to the same or comparable position if released within 12 weeks after injury.

5.6 - JURY DUTY

Employees summoned for jury duty will be allowed the necessary time off from work to perform this civic responsibility. Employees must give AOSM 15 day advance notice. AOSM will pay such employees the difference between their regular salary and any jury duty fees received. Employees will be expected to

report to work during all regular hours if their presence is not required in a jury room or court. AOSM may require the employee to supply documentation from the court affirming the employee's jury duty service.

Employees will also be granted time off when required to appear as a result of a court order or subpoena. The employee **must provide a copy of the court order**, subpoena, or jury summons to Human Resources in order to receive pay.

Employees will receive up to eight (8) hours pay per approved day of jury duty with a maximum of 3 days (24 hours) pay.

AOSM will not compensate an employee that is a party to any civil or criminal litigation.

5.7 - MILITARY LEAVE

AOSM is committed to protecting the job rights of employees absent on military leave. In accordance with federal and state law, it is the company's policy that no employee or prospective employee will be subjected to any form of discrimination on the basis of that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, reemployment, promotion or other benefit of employment on the basis of such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under applicable law or company policy. If any employee believes that he or she has been subjected to discrimination in violation of company policy, the employee should immediately contact Human Resources.

Employees taking part in a variety of military duties are eligible for benefits under this policy. Such military duties include leaves of absence taken by members of the uniformed services, including Reservists and National Guard members, for training, periods of active military service and funeral honors duty, as well as time spent being examined to determine fitness to perform such service. Subject to certain exceptions under the applicable laws, these benefits are generally limited to five years of leave of absence.

Employees requesting leave for military duty should contact Human Resources to request leave as soon as they are aware of the need for leave.

5.8 - EMERGENCY CLOSINGS AND SEVERE WEATHER

It is the policy of AOSM to remain open during most periods of inclement weather; however, where extraordinary circumstances warrant, the company reserves the right to close locations based on weather in the affected area. AOSM will attempt to make closure decisions in advance if possible. Employees will be notified by telephone of emergency closures. Unless notified by your supervisor, you are expected to report to work on all regularly scheduled workdays, regardless of weather conditions. If you are unable to report to work due to weather conditions, you must notify your supervisor as soon as possible.

Facility Closed

If the facility is announced to be closed, employees will not be required to report to work. Exempt level staff will receive their regular pay for the day of closure per FLSA regulations. PTO will be applied for exempt level staff. Hourly employees may request to have PTO applied as pay for the day.

Facility Open

If the facility remains open on an adverse weather day, employees who report to work will receive their normal pay for the day, i.e., exempt staff will receive their regular salary and hourly employees will be paid at their base rate for all hours worked. If an employee elects not to report to work on a facility open day, the employee can elect to 1) use any accrued paid time off for the missed day or 2) the employee will not be paid for the day. PTO will be applied for exempt level staff.

5.9 - LACTATION/BREASTFEEDING

For up to one year after a child's birth, an employee who is breastfeeding her child will be provided reasonable break times as needed to express breast milk for her baby. AOSM will designate a private room where the employee is allowed to be (other than a bathroom) for this purpose.

Any breast milk stored in the refrigerator must be completely sealed, labeled with the name of the employee and the date of expressing the breast milk. Any nonconforming products stored in the refrigerator may be disposed of. Employees storing milk in the refrigerator assume all responsibility for the safety of the milk and the risk of harm for any reason, including improper storage or refrigeration and tampering. Nursing mothers wishing to reserve a room for expressing milk should notify their immediate supervisor to make proper arrangements.

Breaks for the purpose of expressing milk will be unpaid, and the employee should clock in/out for each break period used for this purpose.

7.3 - JOB ABANDONMENT

Employees of AOSM that are absent for 2 full business days without notifying a direct manager (no call – no show) are considered to have voluntarily abandoned their employment with the company. The effective date of termination will be the last day the employee reported for work. If an employee abandons a job, he/she will not be entitled to receive pay for accrued vacation days, unless required by law.

7.5 - VOLUNTARY RESIGNATION

Employees are encouraged to provide a minimum of two weeks written notice prior to the effective date of their resignation. AOSM may permit an employee to continue employment during the two-week notice period or accept their resignation immediately.

PTO may not be requested after notice of resignation is given. Employees will be expected to work thru the date of resignation to allow for smooth transition. Failure to report to work as scheduled will be considered a voluntary quit with the last date of employment being the last date actually worked. Further, failure to provide a full 2 week advance notice will affect PTO payout as per the PTO policy.

In all cases the effective date of termination will be your final worked day.