

TIME OFF AND PAID TIME OFF (PTO) POLICY

Summit Digital Solutions, Inc.

Effective Date: January 1, 2024

Policy Number: HR-2024-PTO-001

Version: 2.0

1. PURPOSE AND SCOPE

1. This Time Off and Paid Time Off ("PTO") Policy ("Policy") establishes the terms and conditions governing paid and unpaid leave for all full-time and part-time employees of Summit Digital Solutions, Inc. (the "Company").
2. This Policy applies to all employees based in the United States, excluding independent contractors and temporary workers.

2. DEFINITIONS

1. "Paid Time Off (PTO)" refers to compensated time away from work that can be used for vacation, personal matters, or illness.
2. "Accrual Period" means the 12-month period beginning January 1 and ending December 31.
3. "Full-Time Employee" refers to employees regularly scheduled to work 35 or more hours per week.
4. "Part-Time Employee" refers to employees regularly scheduled to work fewer than 35 hours per week.

3. PTO ACCRUAL

1. Full-Time Employee PTO Accrual Schedule:
 - 0-2 years of service: 15 days (120 hours) annually
 - 3-5 years of service: 20 days (160 hours) annually
 - 6+ years of service: 25 days (200 hours) annually
2. Part-Time Employee PTO Accrual:
 - Pro-rated based on regularly scheduled hours

- Calculated as: (Regular Hours Worked - 40) Full-Time Accrual Rate
3. Executive Leadership Team members receive 30 days (240 hours) annually, effective immediately upon hire.

4. ACCRUAL RULES AND LIMITATIONS

1. PTO begins accruing on the first day of employment.
2. Maximum PTO Balance:
 - Employees may carry over up to 40 hours of unused PTO to the following year
 - Any excess hours above 40 will be forfeited on December 31
 - Exceptions require written approval from Human Resources
3. New employees may begin using PTO after completing 90 days of employment.

5. REQUESTING AND USING PTO

1. Request Procedure:
 - Submit requests through the Company's HR management system
 - Provide minimum 2 weeks' notice for planned absences of 3+ days
 - Provide minimum 24 hours' notice for single-day absences
 - Emergency/illness exceptions handled case-by-case
2. Approval Process:
 - Requests reviewed by immediate supervisor
 - Approval based on business needs and staffing requirements
 - Conflicts resolved based on submission date and business priority
3. Minimum Increments:
 - PTO must be taken in minimum 4-hour increments
 - Exceptions for approved intermittent leave arrangements

6. ADDITIONAL LEAVE TYPES

1. Bereavement Leave:
 - 5 days for immediate family members

- 2 days for extended family members
- Additional time may be granted upon request

2. Jury Duty:

- Paid regular wages for up to 10 days
- Must provide court documentation
- Return to work if released early from duty

3. Military Leave:

- In accordance with USERRA requirements
- Maintain benefits as required by law
- Position protection as required by law

7. SEPARATION AND PTO PAYOUT

1. Voluntary Resignation:

- Minimum 2 weeks' notice required for PTO payout
- Unused PTO paid at base rate
- Maximum 80 hours paid out

2. Involuntary Termination:

- No PTO payout for cause
- Pro-rated payout for reduction in force

8. POLICY ADMINISTRATION

1. Human Resources maintains responsibility for Policy administration.

2. Modifications:

- Company reserves right to modify Policy
- Changes communicated with 30 days' notice
- Modifications apply prospectively

9. COMPLIANCE

1. This Policy complies with all applicable federal, state, and local laws.

2. Where this Policy conflicts with applicable law, law shall prevail.

10. ACKNOWLEDGMENT

I acknowledge that I have received, read, and understand this Time Off and PTO Policy.

Employee Name: _

Employee Signature:

Date:

Last Updated: January 1, 2024

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