VACATION POLICY
(Effective 05/01/2012)

The company recognizes that employees need scheduled time away from normal work duties for their personal well-being as well as personal activities.

Vacation Eligibility

Upon employment, each employee begins to accrue vacation for each calendar month remaining in the calendar year, up to a maximum of ten (10) days per year. As of January 1st of each year, all other employees accrue vacation time in monthly increments according to the following schedule:

<table>
<thead>
<tr>
<th>Length of Continuous Service</th>
<th>Vacation Earned Per month</th>
<th>Total Vacation Per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – less than 5 years</td>
<td>.83 days</td>
<td>10 days</td>
</tr>
<tr>
<td>5 years – less than 10 years</td>
<td>1.25 days</td>
<td>15 days</td>
</tr>
<tr>
<td>10 years – less than 15 years</td>
<td>1.67 days</td>
<td>20 days</td>
</tr>
<tr>
<td>15 years or more</td>
<td>2.08 days</td>
<td>25 days</td>
</tr>
</tbody>
</table>

Earned Vacation time not taken within each calendar year will be forfeited if not used by December 31st of the current year.

Vacation Pay

The following provisions apply with regard to vacation pay:

- Pay for vacation time will be at the employee’s regular pay rate in effect at the time he/she takes vacation.
- Employee will not be entitled to receive pay in lieu of time off.
- Vacation will be considered earned for the month if the employee worked at least one day during the month.
- Vacation will be paid according to the company’s regular payroll schedule (it will not be paid in advance of an employee’s vacation)
- Employees will be permitted to borrow up to a maximum of (5) days against unearned vacation time during the current calendar year.
- Upon termination of employment, all vacation earned, but not taken will be paid according to the company’s regular payroll schedule. Vacation borrowed but not earned will be deducted from any earnings due at the time of termination.
• Paid vacation time will not be considered as time worked for the purpose of computing overtime.
• Employees terminated for gross misbehavior (theft, harmful acts to others, etc.) will forfeit any vacation time previously accrued.

**Vacation Schedules**

Vacation requests of more than 1 day must be made at least 14 days prior to the desired vacation time. Vacation may be taken at any time during the year after the initial eligibility with the following provisions:

• The company retains the right to implement, at their discretion, a mandatory vacation shut-down for one or two weeks during the year, a minimum of which one week will be during the summer months. Employees will be required to use and/or borrow any vacation during a mandatory shut-down.
• Employees will be given their preference as to the date of their vacation, whenever possible. Conflicts of choice between employees will be determined by the department head.
• Employees may accrue up to a maximum of five (5) weeks vacation (employees with 15 or more years of service). Any earned / unused vacation days must be taken by December 31st of the current calendar year, otherwise they will be forfeited.
• Vacation time may be taken in increments of one half day (1/2) day.
• A holiday observed by the company that falls during the vacation period will be considered as a paid holiday and not vacation time. This day of vacation may be taken at another time as approved.
• Vacation benefits will not accrue during layoff or personal, medical, Family Medical Leave, worker’s compensation, or military leaves of absence of more than four (4) weeks. Employees who accumulate more than four (4) weeks of layoff and/or leaves of absence during the vacation year will have the vacation benefits reduced on a pro-rated basis.
• Vacation time cannot be used toward two week notice at termination unless requested by the supervisor.

**Outside Sales Representatives (effective 03/12/2011)**

Outside sales personnel (those who work from their home office and on the road) will not accrue vacation time. Due to their flexible work schedules, outside sales personnel will be permitted to take time away from work, (up to a maximum of 3 weeks) however, time away must be communicated with and approved by their supervisor.

**All earned vacation must be taken by December 31st of the current calendar year or it will be forfeited.**

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