

VACATION POLICY	
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Policy Overview

Concept Packaging Group (hereinafter “Concept”) aims to create a proper balance between work and home life. A vacation is a period of time in which a regular, fulltime employee is authorized to be absent from work for the purposes of rest and recuperation. On January 1 of each year, these employees become eligible to request and take vacation during that calendar year.

The purpose of this Policy is to provide employees with a general overview of the provisions surrounding vacation eligibility, usage, and procedures. In the event of any conflict between this policy and the applicable law(s), employees will be afforded all rights required by law.

Your eligibility to earn and receive various CPG company benefit programs commence upon your CPG hire date. Time served in any employment capacity prior to your CPG hire date will not count as time served for these benefits. The only exception will occur when a CPG employee leaves CPG and is rehired within 12 months of leaving. In that instance, the employee will return with seniority based upon their original hire date. Should the employee return after 12 months of leaving, then their eligibility to receive CPG benefits begins with their new hire date.

THIS DOCUMENT IS NOT INTENDED TO AND DOES NOT CONSTITUTE A CONTRACT OF EMPLOYMENT. ALL EMPLOYEES ARE EMPLOYED ON AN AT WILL BASIS WHICH MEANS THAT EITHER THE EMPLOYEE OR THE EMPLOYER MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, WITH OR WITHOUT NOTICE OR CAUSE.
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Eligibility

Regular, full-time employees are eligible to request and take, upon being approved, between 80-hours and 160-hours of vacation as of January 1 of each year based on their length of service as follows:

<u>Length of Service</u>	<u>Vacation Days (To be taken January-December)</u>
1 year but less than 7 years	80 hours
7 years but less than 15 years	120 hours
15 years and over	160 hours

The additional vacation for which an individual may become eligible will be granted as of January 1 in the year the applicable anniversary is achieved. However, should the employee leave CPG for any reason prior to their applicable anniversary, they will only receive vacation payout based on their actual allotment and not the additional front-loaded vacation.

Newly Hired Employees

Employees who start their employment during the calendar year will be eligible to take with approval, up to 5 unpaid Personal Days (separate benefit account) to accommodate time off needs for the Calendar year of their hire.

- Unpaid personal days will not be available to employees who are in their 2nd calendar year of employment and beyond.
- Vacation will not be available in the calendar year of employment.
- If employee has worked a minimum of 720 hours in the year of hire, the employee will be eligible to take 80 hours of vacation beginning 1/1 of the following year.
 - Example: An employee hired mid-year will be eligible for vacation on 1/1 of the following year.
- If employee has worked less than 720 hours in the year of hire, they will be eligible to take 80 hours of vacation in the following year after they have completed 720 hours of employment.
 - Example: An employee hired 10/31 will be eligible to take 80 hours of vacation on 1/31 of the following year.
- Vacation days will not be paid out to new hires upon termination of employment unless they have worked 1 full year with CPG.
 - Example: An employee hired on 10/31/17 leaves CPG on 5/1/18, will not be paid any outstanding vacation hours since they have not worked one full year at CPG, which would occur 10/31/18.

Rehired Employees

All rehired employees must follow the Newly Hired Employees eligibility as listed above under Newly Hired Employees.

Employees on Leave

Employees on disability (Short Term or Long Term), Workers' Compensation, Family and Medical Leave (FMLA), or military leave of absence will be considered continuously employed for purposes of determining service for vacation eligibility. Employees must use all except 1 week of vacation if available upon any commencement of full-time and/or intermittent leave. Employees actively on leave at the end of a calendar year must utilize all except 1 week of vacation at the start of a new calendar year to satisfy this requirement as well. However, an employee will not be eligible to receive any further vacation time until they have returned to work. Specifically, this means that an employee on leave will not receive a new bank of vacation on January 1 of the New Year if he/she is out on leave. Before the vacation bank is awarded, the employee must return to work.

Terminated Employees

A terminated employee will be paid for any vacation remaining for that calendar year, but will not be allowed to use vacation time in lieu of giving notice. Employees with less than one (1) year of service will not receive unused vacation time on their final paycheck. This includes all rehired employees.

Vacation Usage

It is the intention to give employees their preferred choice of dates when scheduling vacations. However, management is responsible for ensuring that vacation schedules do not disrupt the operations of the department/company.

1. All vacation time must be taken within the calendar year. Vacation benefits do not accumulate and all unused vacation in the calendar year will be forfeited except as outlined in the following section.
 - a. If due to **business requirements** an employee is requested by management to cancel a Pre-Approved scheduled vacation or business conditions change such that management places a freeze on submitting vacation requests, a maximum of five (40 hours) will be paid out to the employee no later than the 1st pay period of the following calendar year
 - b. All business requirement vacation payouts must be submitted and require the approval of the GM and the Human Resources Department.
2. If a holiday falls within the approved vacation period, the holiday is not counted as 8 hours of vacation. The employee will be paid for the holiday and then has another 8 hours of vacation available.
3. Vacation hours do not count as time worked for purposes of calculating overtime.
4. GM Managers in conjunction with the Human Resources Department, supervisors and the needs of the company, will determine vacation eligibility of employees.

Pay for Vacation Time

Employees will receive pay during their vacation time off at their base rate of pay for eight (8) hours per day of vacation. Vacation payment is made on the regular payday for the pay period in which the vacation is taken. Employees may NOT request that they receive vacation pay prior to leaving for vacation.

Vacation Scheduling

Each department is responsible for scheduling and ensuring there is adequate coverage for vacations. Approved vacations will be generally awarded to employees on a first come basis.

Employees that work a permanent schedule of 8 hours a day, 40 hours per week (Monday through Friday) may schedule vacation in 40-hour increments, 80-hour increments, etc., depending on the amount of vacation for which they are eligible. Employees may also take vacation in either four (4) hour, or eight (8) hour increments with supervisory approval.

Employees that work a permanent schedule of 10 hours a day, 40 hours per week (Monday through Thursday) may schedule vacation in 40-hour increments, 80-hour increments, etc., depending on the amount of vacation for which they are eligible. Those employees may also take vacation in either five (5) hour, or ten (10) hour increments with supervisory approval. Immediate Managers or Supervisors must approve requests prior to the actual vacation being taken. A Time Off Request form must be completed and approved for all vacation time.

Call-in vacations are not allowed. However, employees who are in need of compensation may elect to request vacation payout and still receive the occurrence per the current CPG Attendance Policy.

If the Company must determine vacation schedules according to operational needs, notification will be given as early as possible in the calendar year.

Vacation does not become a vested benefit until a form has been submitted, approved by the Manager or Supervisor, and the vacation is to begin.

Policy Implementation

Human Resources is responsible for the overall implementation of this policy. Any exception to this policy requires the advance approval of the General Managers / CFO.