

POLICY TITLE: PAID TIME OFF AND PAY POLICY CHANGES

POLICY #: HR-012

COMPANY: American Pet Resort, LLC (“Pet Paradise” or the
“Company”)

DIVISION/DEPARTMENT: All

POLICY SUMMARY:

This policy is to ensure that all Pet Paradise® employees and their managers/supervisors understand certain key changes to the paid time off (“PTO”) and payday policies, effective January 1, 2023. To the extent any applicable paid sick time/leave law or ordinance provides any greater rights than set forth in this policy, such provisions are incorporated by reference and/or addressed in a supplemental policy for covered employees. Capitalized terms not defined herein have the meaning set forth in the Company’s Employee Handbook.

POLICY PROCEDURES/GUIDELINES:

1. **Accrual of PTO:** Accrued PTO is based on a calendar year and not on date of hire. Accrual rates will change when an employee changes from one tier to another based on the employee’s years of service or type of role, and these changes may happen at any time during a calendar year. At the end of the calendar year, up to forty (40) hours of any unused PTO balance will roll over into the new calendar year and any accrued but unused PTO in excess of forty (40) hours will be forfeited.
2. **PTO Cash Out Policy:** All employees, except HQ Employees, Regional Managers and Veterinarians, may sell up to sixteen (16) hours of their earned and available PTO.

Employees may sell up to sixteen (16) hours of earned and available PTO adhering to following conditions:

- Employee must request cash-out hours through the HR portal, which is then subject to Manager approval.
 - Approved cash-outs will be paid on one of two pay dates in November only.
3. **PTO Requests:** Employees must take PTO in increments of a day (eight (8) hours) or, subject to limited exceptions, not less than one (1) hour. All Employees must submit all PTO requests through the Company’s HR portal.
 4. **Payday:** For payroll purposes, the workweek starts on Monday at 12:00 am local time and ends on Sunday at 11:59 pm local time. Employees are paid bi-weekly, on Fridays, for the period that ends on the previous Sunday. When a payday falls on a holiday, Employees are generally paid on the first business day after the holiday.