

MEMO

Date: February 26, 2010
To: All Hourly Associates
From: Tracy Chaffin
Subject: Vacation Policy

Beginning March 1, 2010 we will be making a change to our vacation policy by adding a “cap” to the amount of vacation time an associate can accrue. The purpose of this policy change is to encourage all associates to use the vacation benefits the company provides. We believe taking vacation time is beneficial to the individual and we want everyone to have the opportunity to use their vacation time.

To help you understand exactly what a vacation cap is and what it means to you, I have included some questions and answers I hope will help.

What is a cap?

A cap limits the total number of hours of vacation you can build up over time.

Why is the company adding a cap?

The company provides you with vacation benefits so you can take time off for rest and relaxation, something everyone deserves. It has also been the company’s policy to have associates use their vacation time every year. Placing a cap on the amount of vacation time you may accrue is an added incentive for everyone to use their vacation time.

How does a cap work?

You will continue to accrue vacation as usual until you reach the cap. Once you reach the cap your vacation accruals will stop and you will no longer accrue additional vacation benefits until you use some of your accrued vacation and drop below the cap. You can only accrue vacation time if your balance is below the cap.

I take my vacation every year. How will a cap affect me?

If you use the vacation available to you every year a cap will not impact you at all. The cap will only affect those that do not use their vacation time and build up a large balance of unused vacation time.

Did the amount of vacation time I get every year change?

No. The only change to our current vacation policy is the addition of a cap. The amount of vacation time you get has not changed.

What happens if I reach the cap?

If you reach the cap, you will stop accruing vacation time until your vacation balance falls below the cap. In order to accrue vacation benefits your vacation hours must be below the cap.

If I reach the cap what can I do to start accruing vacation again?

If you reach the cap, you need to schedule vacation time off with your supervisor. Once your vacation balance falls below the cap, you will again accrue vacation time up to the cap amount.

What is my vacation cap?

Below is the vacation cap schedule. Basically the cap is twice the amount of vacation you earn in one year.

IF YOUR ANNUAL VACATION IS:	YOUR CAP IS:
80 hours	160 hours
100 hours (employees hired before 6/1/2003)	200 hours
120 hours	240 hours
150 hours (employees hired before 6/1/2003)	300 hours
160 hours	320 hours
200 hours (employees hired before 6/1/2003)	400 hours

If you have any questions or comments, please direct any questions to me at ext. 2289 or Kevin Kelly at ext. 2203.