

Policy Statement

Royal American Companies recognizes that employees may have a family emergency or a personal crisis that causes a severe impact to them resulting in a need for additional time off in excess of their available Paid-Time-Off (PTO). In accordance with the policy outlined below, and to address this need, all eligible employees will be allowed to donate PTO from their unused PTO balance to a leave bank to help their co-workers. This policy is strictly voluntary. Leave donations are anonymous and aggregated into a leave bank for the purposes noted in the policy. Recipients of donated leave pay will be paid through the payroll system at their base hourly rate and all applicable taxes will apply to donated leave pay. Donors may not claim donated leave as a charitable contribution for tax purposes.

The policy applies to all Royal American Management, Inc. (RAM) corporate and wholly owned RAM site staff, RAM third party owned sites with owner's approval, Royal American Construction, Inc., Royal American Development, Inc., First Service Corporation, Inc., TGIF Stores and Royal American Hospitality, Inc. regular full-time and part-time employees. The policy excludes seasonal and temporary employees, RAM third party owned sites without owner's approval, and any Royal American Companies, Inc. employee that is not eligible to accrue leave under the Company's PTO policy.

Donation Eligibility

Employees who donate PTO must be employed with Royal American Companies for a minimum of one year. They must maintain a minimum of 80 hours PTO in their personal bank after any donation to the leave bank. Employees cannot borrow against future PTO time to donate leave or exhaust their PTO balances.

Guidelines

Employees who would like to make a request to receive donated PTO from the leave bank, must be on active status with exception of FMLA leave, and have a situation that meets the following criteria. Employees must be employed at least 90 days (unless an extreme circumstance) to be eligible for leave bank hours. A maximum of 40 hours will be approved for employees here less than 1 year. Applicants must submit the request within 30 days following the medical emergency, 30-60 days following a major disaster, or 30 days following the death of an immediate family member (spouse, child, parent or other relationship in which the employee is the legal guardian or sole caretaker). Employees may apply to receive a maximum of 80 hours annually from the leave bank. It is strongly suggested for employees to elect short term disability insurance coverage at open enrollment, in addition, save adequate PTO for instances of medical situations causing an employee to be out for more than 80 hours. The committee may approve more than 80 hours under certain circumstances. Each request will be reviewed on a case-by-case basis. Paid leave from the leave bank is subject to RAM or third-party owner approval.

Employees are expected to be responsible with their PTO bank hours and save hours for unexpected absences due to illness or other personal reasons. Keeping a minimum of 40-

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80 hours in their PTO bank for unexpected absences is advised. Employees who do not have at least 40 hours of accrued PTO prior to their serious illness/injury/unplanned, emergency surgery will only be considered for up to 40 hours of donated PTO bank hours. Employees will be expected to use their (2) floating holidays before leave bank hours are approved.

1. **Family Health Related Emergency: Unplanned**, urgent or emergency surgery, illness, injury, (When leave bank hours maintain a 700-hour minimum balance.), critical or catastrophic illness or injury (loss of limb, severe burns, paralysis, cancer, stroke, heart attack, etc.) of the employee or an immediate family member that poses a threat to life and/or requires inpatient or hospice health care. Includes an employee that may qualify for unpaid FMLA leave. Immediate family member is defined as spouse, child, parent or other relationship in which the employee is the legal guardian or sole caretaker.
2. **Other Personal Crisis:** A personal crisis of a severe nature that directly impacts the employee. This may include a natural disaster impacting the employee's primary residence such as a fire or severe storm.
3. **Bereavement:** Death of an immediate family member as defined in number (1) where the employee is the executor/executrix of an estate and additional bereavement leave in addition to the three days normally provided is required.
4. **COVID-19:** Employees who have received the COVID-19 vaccination are eligible to request leave bank hours to cover the quarantine or illness period if they do not have enough accrued PTO to cover the hours needed. Employees who choose to not receive the vaccine (without medical or religious exemption) are not eligible to receive leave bank hours.

Employees who donate PTO from their unused balance must adhere to the following requirements:

- Donation minimum- 4 hours
- Donation maximum - 40 hours; or no more than 50 % of your current balance; or no more than your annual accrual
- Employees who receive donated PTO may receive no more than 480 hours (12 weeks) within a rolling 12- month period.
- Employees who are currently on an approved leave of absence cannot donate PTO.
- The plan places a "reasonable limit" on the period of time after a disaster occurs when leave may be donated and when it must be used. Reasonable limits will be determined by the severity of the disaster (30-60 days maximum).

- The donated leave recipient may use the leave received to offset an accrued negative leave balance.

Procedure

Employees who would like to make a request to receive donated PTO are required to complete a Leave Donation Request form and present it to the Director of Human Resources.

Employees who wish to donate PTO to the leave bank must complete a Leave Donation Request form and obtain their immediate supervisor's approval.

All forms should be returned to the Director of Human Resources.

Full and part-time variable hour employees (no set number of hours to work on a weekly basis – schedule changes weekly/daily) will be granted leave based on regular hours worked during the past six work weeks.

Approval

Requests for donations of PTO must be presented to the Director of Human Resources once the employee's immediate supervisor, RVP, and outside owner (if applicable) has signed the request form. Human Resources will forward the request to the Benefits Committee for review and consideration.

If the recipient employee has available PTO in their balance, the available time will be used prior to any PTO being received. Donated PTO may only be used for time off related to the approved request. Paid-Time-Off donated in excess of the time off needed by the employee will be returned to the leave bank.

Restrictions

1. Donated leave may be used to supplement short-term disability benefits.
2. Donated leave may not be used to supplement long-term disability benefits.
3. Donated leave must be used for the purpose requested.
4. New request forms are required for each leave donation.
5. Donated leave will be granted on an as needed basis within the employee's regular biweekly payroll schedule.
6. Unused leave will be deducted from the next scheduled payroll and hours will be re-deposited in the leave bank.



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Protected Health Information (PHI) Use and Disclosure:

Employees requesting leave for medical reasons must agree to the use and disclosure of PHI specific to the reason for the leave request to facilitate the approval process.

Only necessary PHI information regarding the reason for the leave request are used and disclosed to the Benefits Committee for this purpose.