Do you separate out vacation days and sick days, or are they in one pool of PTO to use?

- If you offer a separate vacation benefit, what is your vacation policy?
  - Is this based on the number of hours worked per week? Y/N
    - Please explain.
  - Is this based on the number of years at the organization? Y/N
    - Please explain.
  - Are there other factors that determine the amount of vacation an employee receives (such as exempt/non-exempt or title/level)? Y/N
    - Please explain.
  - Do you offer unlimited vacation time? Y/N
    - Please explain.

- If you offer one pool of PTO, please answer the following:
  - How do employees accrue PTO time?
    - Does this PTO roll over each year? Y/N
      - Please explain.
  - How does your organization deal with new hires who had accrued more PTO in their previous organization than they are now offered? (side deals, does it differ based on level, etc.)
  - Do you offer unlimited PTO? Y/N, please explain.
    - If yes, what do you offer for non-exempt or manufacturing personnel?
    - How is this managed from an accounting perspective (given that accruals are tracked)?

_Tina Wiskow, John Hancock; Melissa Scribner, Perkin Elmer, March 20, 2017_

<table>
<thead>
<tr>
<th>COMPANY, CONTACT NAME</th>
<th>COMMENT</th>
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<tbody>
<tr>
<td>Chubb Insurance</td>
<td>Do you separate out vacation days and sick days, or are they in one pool of PTO to use? One pool</td>
</tr>
<tr>
<td>Julie Flores</td>
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</tr>
<tr>
<td><a href="mailto:julieflores@chubb.com">julieflores@chubb.com</a></td>
<td></td>
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<tr>
<td></td>
<td>If you offer one pool of PTO, please answer the following:</td>
</tr>
<tr>
<td></td>
<td>How do employees accrue PTO time? Monthly accruals increase every few years based on length of service</td>
</tr>
<tr>
<td></td>
<td>Does this PTO roll over each year? A max of 5</td>
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<tr>
<td>Company</td>
<td>Contact Information</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Dot Foods, Inc.</td>
<td>Kelly Oliver</td>
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<tr>
<td></td>
<td><a href="mailto:kelly.oliver@dotfoods.com">kelly.oliver@dotfoods.com</a></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Eli Lilly and Company</td>
<td>John Patton</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:patton.john_d@lilly.com">patton.john_d@lilly.com</a></td>
</tr>
</tbody>
</table>

See p. 9 for full Time Off Policy
• If you offer a separate vacation benefit, what is your vacation policy? See below.
  o Is this based on the number of hours worked per week? No
  o Is this based on the number of years at the organization? Yes
  o Are there other factors that determine the amount of vacation an employee receives (such as exempt/non-exempt or title/level)? No
  o Do you offer unlimited vacation time? No

**Vacation Policy:**

There are a number of different ways you get vacation hours.

You earn vacation hours for each full month you work. Each month, you earn 1/12 of your annual vacation hours. You may use vacation hours before you earn them as long as you don’t exceed your annual vacation benefit.

We have a rich history of long-tenured employees and we greatly appreciate the service. Recognition hours are additional vacation hours that you receive on your 5th anniversary and every fifth year thereafter. In the year of your anniversary, you receive up to 40 additional hours of vacation. In addition, you are able to purchase up to 80 additional hours of vacation during your anniversary year!

During annual benefits enrollment, you will have the option to purchase additional vacation hours or trade vacation hours and receive a credit toward the cost of other benefit elections.

<table>
<thead>
<tr>
<th>John Hancock</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christina Wiskow</td>
</tr>
<tr>
<td><a href="mailto:cwiskow@jhancock.com">cwiskow@jhancock.com</a></td>
</tr>
</tbody>
</table>

Do you separate out vacation days and sick days, or are they in one pool of PTO to use? Separate

• If you offer a separate vacation benefit, what is your vacation policy?
  o Is this based on the number of hours worked per week? Yes
    See p. 14 John Hancock Chart 1 for details
  o Is this based on the number of years at the organization? Yes
<table>
<thead>
<tr>
<th>Years of Service (Anniversary)</th>
<th>Maximum Earned Annual Vacation</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>75 hours</td>
</tr>
<tr>
<td>3-9</td>
<td>112.5 hours</td>
</tr>
<tr>
<td>10-19</td>
<td>150 hours</td>
</tr>
<tr>
<td>20-24</td>
<td>187.5 hours</td>
</tr>
<tr>
<td>25+</td>
<td>225 hours</td>
</tr>
</tbody>
</table>

(See p. **** John Hancock Chart 2 for larger version)

- Are there other factors that determine the amount of vacation an employee receives (such as exempt/non-exempt or title/level)? Yes, see above
  - Please explain.
- Do you offer unlimited vacation time? No

---

**Kohl’s**  
**Megan Donovan**  
[mailto:megan.x.donovan@kohls.com](mailto:megan.x.donovan@kohls.com)

**Do you separate out vacation days and sick days, or are they in one pool of PTO to use?**

- If you offer a separate vacation benefit, what is your vacation policy?

At Kohl’s we offer a PTO benefit to our Full-Time (Non-Exempt & Exempt) Associates, a Vacation Buy benefit to our Full-Time Associates (eligibility requirements), and Sick time hours for locations that require Sick time. We also provide “wellness” hours to a population of grandfathered Part-time Associates.

Our PTO grants are given on 2/1 (Beginning of our Fiscal Year) and based off of years of service. We do have a ‘use it or lose it policy’ for all Associates.

We have a slightly different approach for FT vs. PT vs. Executive. For FT non-Exempt we apply a "carve out" model **but keep the sick time and PTO buckets separate in our time keeping system**. For example, if someone had 100 hours of PTO and they are now eligible for 24 hours of sick time... for the fiscal grant they would get 76 hours of PTO and 24 hours of Sick time. For PT sick time is offered in addition to any grandfathered wellness hours they may have (No PTO for this group). For Executives, it is in addition to any existing PTO.

Our vacation buy program is an opportunity for Associates to purchase additional PTO (pre-tax) during Open Enrollment. See
attached guide (p. 15) for additional information.

The PTO policy for Non-Exempt and Exempt Associates is attached. I have also included or Sick Time policy.

- **Is this based on the number of hours worked per week?** For PTO: No For Sick Time: Yes
  - *Please explain.* All Associates are granted PTO hours based on Years of Service. Our Sick time policy covers several programs that are built based on legislation requirements. Some of those programs are built based on hours worked.

- **Is this based on the number of years at the organization?** Yes
  - *Please explain.* We have years of service tier built into our PTO Policy. When you hit the next tier of years of service, you receive the additional PTO at the time of grant (2/1) during the year you hit the next tier. *(See p. 15 for policy)*

- **Are there other factors that determine the amount of vacation an employee receives (such as exempt/non-exempt or title/level)?** Yes
  - *Please explain.* Our Executive (Exempt) PTO Policy follows a years of service tier and Associates receive a number of days off. Our Non-Exempt PTO Policy is based on years of service and received a bank of hours based on that time. *(See p. 15)*

- **Do you offer unlimited vacation time?** No

---

**KPMG**

Cynthia Davidson  
cedavidson@kpmg.com

**Do you separate out vacation days and sick days, or are they in one pool of PTO to use?** One pool of PTO

- **If you offer one pool of PTO, please answer the following:**
  - **How do employees accrue PTO time?** They earn it each month
    - *Does this PTO roll over each year?* Some of it does. How much depends on level, tenure and where they live (i.e. California law says they can’t lose the earned PTO).
  - **Do you offer unlimited PTO?** No

---

**PIMCO**

**Do you separate out vacation days and sick days, or are they in one pool of PTO to use?** One pool of PTO

- **If you offer one pool of PTO, please answer the following:**
  - **How do employees accrue PTO time?** They earn it each month
    - *Does this PTO roll over each year?* Some of it does. How much depends on level, tenure and where they live (i.e. California law says they can’t lose the earned PTO).
  - **Do you offer unlimited PTO?** No
### Pool of PTO to use?

We separate vacation and sick days.

- **If you offer a separate vacation benefit, what is your vacation policy?** See grid.

<table>
<thead>
<tr>
<th>Year(s) of Service</th>
<th>Days Accrued Annually</th>
<th>Accrual Rate*</th>
<th>Maximum Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exempt Employees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 - 9 Years</td>
<td>20 Days/760 Hours</td>
<td>1 hour accrued for every 13 hours worked</td>
<td>25 Days/200 Hours</td>
</tr>
<tr>
<td>10 + Years</td>
<td>25 Days/200 Hours</td>
<td>1 hour accrued for every 10.4 hours worked</td>
<td>30 Days/240 Hours</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year(s) of Service</th>
<th>Days Accrued Annually</th>
<th>Accrual Rate*</th>
<th>Maximum Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Exempt Employees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 - 9 Years</td>
<td>15 Days/720 Hours</td>
<td>1 hour accrued for every 17.33 hours worked</td>
<td>20 Days/160 Hours</td>
</tr>
<tr>
<td>10 - 24 Years</td>
<td>20 Days/760 Hours</td>
<td>1 hour accrued for every 13 hours worked</td>
<td>25 Days/200 Hours</td>
</tr>
<tr>
<td>25 + Years</td>
<td>25 Days/200 Hours</td>
<td>1 hour accrued for every 10.4 hours worked</td>
<td>30 Days/240 Hours</td>
</tr>
</tbody>
</table>

- **Is this based on the number of hours worked per week?** Yes
  - This is based on an 8 hour work day and assuming 5 days per week.

- **Is this based on the number of years at the organization?** Yes
  - Accrual rate goes up after a certain amount of years worked. See attached grid.

- **Are there other factors that determine the amount of vacation an employee receives (such as exempt/non-exempt or title/level)?** Yes
  - NX and EX employees start with a different rate and increase after being employed for different amount of years.

- **Do you offer unlimited vacation time?** No
  - Accruals have a maximum balance.

---

### Do you separate out vacation days and sick days, or are they in one pool of PTO to use? PTO in one pool

- **If you offer one pool of PTO, please answer the following:**
  - **How do employees accrue PTO time?** They accrue monthly
    - **Does this PTO roll over each year?** 5 days of PTO can roll over
    - **Please explain.** Roll over days need to be used by August of the following year
  - **How does your organization deal with new hires who had accrued more PTO in their previous organization than they are now offered?** There are sometimes changes in base as part of the negotiations
  - **Do you offer unlimited PTO?** No
| Sandia National Laboratories  
|---------------------------|-------------------------------------------------|
| Morgan Edwinson  
| muedwin@sandia.gov       | **Do you separate out vacation days and sick days, or are they in one pool of PTO to use?**  
|                           | - **If you offer a separate vacation benefit, what is your vacation policy?**  
|                           |   - **Is this based on the number of hours worked per week?**  
|                           |     Yes  
|                           |       ▪ **Please explain.** Most employees gain 10 hrs of vacation per month (40 hr weeks). This is adjusted in relation to hours worked if part time. Individuals with more than 10 years earn 12 hrs per month.  
|                           |   - **Is this based on the number of years at the organization?**  
|                           |     Yes  
|                           |       ▪ **Please explain.** See above.  
|                           |   - **Are there other factors that determine the amount of vacation an employee receives (such as exempt/non-exempt or title/level)?** No  
|                           |   - **Do you offer unlimited vacation time?** No.  
|                           | - **If you offer one pool of PTO, please answer the following:** N/A  
|                           | We offer employees the opportunity to purchase up to 80 additional hours of vacation per year. Desired purchases are entered during open enrollment each year and then deducted from paychecks. Unused portions are reimbursed in final paycheck of the year. |

| Travelers  
|-----------|-------------------------------------------------|
| Wendy Roy  
| WLROY@travelers.com       | **Do you separate out vacation days and sick days, or are they in one pool of PTO to use?** No. All PTO is available to employees to use at their discretion.  
|                           | - **If you offer a separate vacation benefit, what is your vacation policy?** N/A  
|                           | - **If you offer one pool of PTO, please answer the following:**  
|                           |   - **How do employees accrue PTO time?** PTO is awarded on a monthly basis. The amount of PTO awarded is based on scheduled hours and years of service.  
|                           |     ▪ **Does this PTO roll over each year?** Yes  
|                           |     ▪ **Please explain.** Full-time employees may carry over up to 40 hours of regular PTO into the following calendar year. If more than 40 hours are left at the end of the year that time will be lost. Part-time employees scheduled to work at least 20
| | hours per week may carry over up to the equivalent of one (1) standard workweek based on their scheduled hours. Where required by state law, employees may carry over more than 40 hours of PTO time.  
| o | How does your organization deal with new hires who had accrued more PTO in their previous organization than they are now offered? Negotiated at time of hire.  
| o | Do you offer unlimited PTO? No |
Dot Foods, Inc.

**DOT FOODS - TIME-OFF (12-20-07)**

The benefits included in this section are for full-time employees only. Your eligibility for all of the following benefits ends on the date your active full-time service ends for any reason.

**A. VACATION (1-1-15)**

Eligibility:

(a) For all Dot employees beginning their full-time employment on or after January 1, 2010, no such employee shall be entitled to accrue vacation pay, in whole or in part, until such employee has completed 6 months of full-time employment with Dot. (Example: An employee who resigns or is fired after 5 months of full-time employment will not receive any vacation pay with his/her final paycheck). At the six month anniversary, the employee will begin to accrue vacation time that can be used after the one-year anniversary. After the first anniversary of such employee’s full-time employment, an earn-in-arrears vacation pay policy will apply in accordance with the eligibility table in subsection (b) below.

(b) For all Dot employees beginning their full-time employment on or after January 1, 2003, and for all full-time Liverpool employees covered under Dot employee policies effective January 1, 2003, the following eligibility table will apply:

<table>
<thead>
<tr>
<th>Years of Consecutive Full-Time Service</th>
<th>Vacation Hours Awarded to 40 hours/week employees</th>
<th>Vacation Hours Awarded to 36 hours/week</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st anniversary of full-time hire date</td>
<td>80 hours</td>
<td>72 hours</td>
</tr>
<tr>
<td>At 5th anniversary of full-time hire date</td>
<td>120 hours</td>
<td>108 hours</td>
</tr>
<tr>
<td>At 12th anniversary of full-time hire date</td>
<td>160 hours</td>
<td>144 hours</td>
</tr>
<tr>
<td>At 25th anniversary of full-time hire date</td>
<td>200 hours</td>
<td>180 hours</td>
</tr>
</tbody>
</table>

(c) For all Dot employees who began their full-time employment prior to January 1, 2003, (and not transferred in January 1, 2003, as part of the Liverpool group) the following eligibility table will apply:

<table>
<thead>
<tr>
<th>Years of Consecutive Full-Time Service</th>
<th>Vacation Hours Awarded to 40 hours/week employees</th>
<th>Vacation Hours Awarded to 36 hours/week</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, of the year of your 2nd anniversary</td>
<td>40 hours</td>
<td>72 hours</td>
</tr>
<tr>
<td>January 1, of the year of your 5th anniversary</td>
<td>120 hours</td>
<td>108 hours</td>
</tr>
<tr>
<td>January 1, of the year of your 12th anniversary</td>
<td>160 hours</td>
<td>144 hours</td>
</tr>
</tbody>
</table>
January 1, of the year of your 25th anniversary  200 hours  180 hours

(d) If a Dot paid holiday falls during your vacation, you will use the holiday time off for that given day.

(e) Employees will not earn vacation time when they are on long-term disability.

(f) Vacation hours are earned and paid based upon the regularly scheduled hours per week that the employee is working.

(g) Upon voluntary resignation or retirement, an employee may request extending their effective date of termination by applying unused vacation time. (12-20-07)

This request must be:
- in writing as part of the employee's signed Resignation Notice,
- be presented in a timely manner,
- be approved by signature of the employee's manager, and
- by signature of the Human Resource Manager for the location.

The Resignation Notice must specify both the last day actually worked and the desired termination date.

This extension of employment status is subject to the Payroll Department's verification of unused vacation time currently available to the employee.

Employees who have a current step of discipline on their record are not eligible to extend date of termination by use of vacation time.

This extension of employment is also subject to the employee's continuing satisfactory work performance and may be retracted upon manager discretion if work performance becomes unsatisfactory or the employee enters a stage of discipline.

(g) Upon termination or resignation of employment the employee will be paid for any remaining vacation and accrued vacation.

VACATION CARRY OVER (1-1-15)

California employees only:
Unused vacation may be carried over from one vacation year to the next up to a maximum of 2 times the annual amount earned as follows:
1. After 1st year of employment the employee receives 80 hours of vacation and may carry over a maximum of 80 hours.
2. After the 2nd year through the 4th year of employment the employee receives 80 hours of vacation and may carry over a maximum of 160 hours.
3. After the 5th year through the 11th year of employment the employee receives 120 hours of vacation and may carry over a maximum of 240 hours.
4. After the 12th year through the 24th year of employment the employee receives 160 hours of vacation and may carry over a maximum of 320 hours.
5. After the 25th year of employment and thereafter, the employee receives 200 hours and may carry over a maximum of 400 hours.

While at the maximum vacation allowed, the employee will not be eligible for new earned vacation.

All non-California employees:
Hourly (non-exempt) employees who earn 120 or more hours in a vacation year and who have used at least 80 hours of vacation may elect to carry over a maximum of 40 hours to the next vacation year. Employees who earn less than 120 hours per calendar year are not eligible to carry over vacation.

Salaried (exempt) employees are not eligible to carry over vacation.

B. HOLIDAYS

The following holidays are observed by Dot. Full-time employees will be paid regular pay for the following holidays:

New Year’s Day
Easter
Memorial Day
U.S. Independence Day
Labor Day
Thanksgiving Day
Christmas Eve
Christmas Day

Employees who are scheduled to work more than eight hours on a holiday will be paid eight hours pay and will be allowed to make up the difference, subject to the business needs of Dot or by using personal time. Employees on disciplinary suspension will not be eligible for holiday pay during their suspension.

From time to time, an employee may be asked to work on one of these holidays. If a nonexempt, full-time employee works on a paid holiday, he/she will receive 1½ pay for the hours worked that day in addition to the holiday pay. An employee who is scheduled to work on the observed holiday date will
be able (with manager's approval) to take their holiday off in advance of the scheduled holiday, or up to four weeks after the holiday. The employee will be paid during the payroll period in which he/she takes off, if the time off is taken in advance of the payroll and payroll is notified. If the time off is taken after the observed holiday, the employee will be paid during the payroll in which the holiday occurs. If a part-time hourly employee works on a holiday, he/she will receive 1½ pay, but no holiday pay.

C. PERSONAL TIME (11-23-14)

Full-time employees are entitled to 24 hours of personal time per calendar year. During the calendar year in which you begin working for Dot, you will receive a pro-rated amount of personal time. For example, if you started May 4, 2015, you would be entitled to 16 hours personal time in 2015 (8 months remaining in 2015 = 8/12 = 2/3 of full year’s personal time) and 24 hours personal time in 2016. Employees must complete 90 days of service in a full time capacity before using any personal time.

Personal time must be scheduled in advance with your supervisor except in the case of emergencies. Absences for non-emergency health care matters must be approved in advance by your supervisor.

Personal time does not accumulate or carry over from one calendar year to the next, unless deferred due to the 90 day waiting period. Upon termination, you will not be paid for unused personal time.

D. SICK TIME (11-19-13)

Your attendance at work is important to the service of our customers. Excellent attendance improves the productivity of our organization and shows dedication to your work.

If it is necessary for you to be absent from work because of illness or personal injury, you may be eligible for sick pay. Sick pay may be requested for personal illness, injury, or doctor's appointments. It may also be requested to care for your spouse, child, or parent (includes step-parent) or for their doctor’s appointments. Only full-time employees are entitled to 40 paid sick hours per year. During the first calendar year of employment, sick time is prorated the same as personal time. Employees must complete a minimum of 90 days service in a full time capacity before using any sick time.

Supervisors must approve all sick pay hours submitted to the payroll department, and may, at their discretion, require physician reports as appropriate. Sick time is at full pay and all taxes and deductions will be taken from your sick pay as in the case of regular pay.

Unused sick time does accumulate and carry over from one calendar year to the next, up to a maximum of 120 hours; counting the current year, employees could have 160 hours of available sick time to use. Carried over sick time may or may not be used prior to short-term disability (STD) time being used. An employee may use up to 40 hours of sick time in conjunction with maternity leave.
(see Maternity Leave Policy). Upon termination, employees will not be compensated for unused sick time.

Effective 1/1/14 hourly employees will be eligible for a sick time buy back, up to 40 hours maximum, if 160 hours of sick time is banked and new hours would cause an hourly employee to exceed the 160 hours. Dot will buy back up to 40 hours of sick time annually.

Employees who are absent from work must report to their supervisor by telephone each day when they are absent. This will help Dot plan for adequate coverage and continued service to our customers. In certain emergency situations, you may not be able to call and report your absence on the day you are ill. If this occurs, you must notify your supervisor as soon as possible.

**E. GUIDELINES FOR RECORDING PERSONAL, SICK & VACATION TIME (4-7-11)**

Time off for personal and sick time will be recorded only in half or full hour increments. No other time periods will be used to record such time.

Time off for vacation will be recorded in full and half day increments based upon your shift schedule. No other time periods will be used to record vacation time.
John Hancock

Chart 1.

![Vacation Time Eligibility Chart](image)

Chart 2.

<table>
<thead>
<tr>
<th>Years of Service (Anniversary)</th>
<th>Job Grades 7-12</th>
<th>Job Grades 13-15, P Inside Desk</th>
<th>Job Grades 16-AVP, P1 External –P3</th>
<th>Job Grades VPs, P4 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>75 hours</td>
<td>112.5 hours</td>
<td>150 hours</td>
<td>150 hours</td>
</tr>
<tr>
<td>3-9</td>
<td>112.5 hours</td>
<td>112.5 hours</td>
<td>150 hours</td>
<td>150 hours</td>
</tr>
<tr>
<td>10-19</td>
<td>150 hours</td>
<td>150 hours</td>
<td>150 hours</td>
<td>150 hours</td>
</tr>
<tr>
<td>20-24</td>
<td>150 hours</td>
<td>150 hours</td>
<td>187.5 hours</td>
<td>187.5 hours</td>
</tr>
<tr>
<td>25+</td>
<td>187.5 hours</td>
<td>187.5 hours</td>
<td>187.5 hours</td>
<td>187.5 hours</td>
</tr>
</tbody>
</table>
152 Paid Sick Time
© 02/01/2017

Revised: 2/1/2017

What We Mean By...

Accrual – The amount of Paid Sick Time earned by Associates based on the number of hours worked as defined in the Paid Sick Time Program for the Associate's location.

Carryover (Paid Sick Time) – The number of granted or accrued but unused Paid Sick Time hours that the Associate is able to maintain and transfer to the next Fiscal Year.

Exempt Associate – Associate who is not covered by the overtime provisions of the Fair Labor Standards Act and other applicable Federal and state wage and hour laws. At Kohl's, Exempt Associates are paid on a semi-monthly basis. Exempt Status includes, but is not limited to the following status types: Full-time, Part-time. (Associates who meet the Exempt criteria are so designated in Kohl’s Human Capital Management system).

Fiscal Year – 12 month period beginning on or about February 1st and ending in January, consistently with the annual business calendar produced by the Finance department.

Hours Worked – Actual hours worked for Paid Sick Time purposes includes hours worked at the Associates location. It does not include time for wellness hours, PTO, unpaid time, leaves or other time away from work.

Maximum Use – The total amount of Paid Sick Time an Associate can use during the Fiscal Year.

Non-exempt Associate – Is one who is covered by the overtime provisions of the Federal and applicable State Wage and Hour Laws and is paid on an hourly basis. Non-exempt status includes, but is not limited to, the following status types: Full-time, "Grandfathered" Full-time, Full-time Flex, "Grandfathered" Part-time, Part-time, Part-time Exception, On-call and Limited Term Employment Associate.

Paid Sick Time – Time that is compensated at the same rate and with the same benefits as the Associate normally earns. This Paid Sick Time is provided by Kohl’s to an Associate for the purposes described within this policy, as a requirement of state or local law.

https://mykohls.kohls.com/human-resources/hr/associate-policies/employment-information--policies/152-paid-sick-time.html
Paid Sick Time Grant – The amount of time away from work designated as Paid Sick Time given to an Associate at the beginning of the Fiscal year. Grant amounts are based on the Paid Sick Time Program for the Associate’s location and the Associate’s employment status.

Paid Sick Time Location – A Kohl’s location that is in a jurisdiction that requires Paid Sick Time to be provided to Associates.

Paid Sick Time Programs – Programs designed to provide Paid Sick Time to Associates in locations that require sick time consistent with state or local law. See specific programs and locations below.

Non-Exempt Programs:
1. Program A - Massachusetts, Jersey City, NJ, NY City, NY and state of Arizona
2. Program B - Philadelphia, PA and state of Connecticut
3. Program C - State of California (see below for LA and San Diego)
4. Program D - State of Oregon, Spokane, WA
5. Program E - Montgomery County, Maryland
6. Program F - State of Vermont
7. Program G - Los Angeles, CA
8. Program H - San Diego, CA
9. Program I - Chicago, IL, and Cook County, IL

Exempt Programs:
1. Executive Program - Massachusetts, Jersey City, NJ, NY City, NY, Philadelphia, PA, Connecticut, California, Oregon, Vermont, Spokane, WA, Chicago, IL, Cook County, IL, San Diego, CA, Arizona
2. Executive Program E - Montgomery County, Maryland, Los Angeles, CA

Qualified Family Member (Paid Sick Time purposes) – Any of the following relationships:
1. A child, which for purposes of this policy means a biological, adopted, foster, or stepchild of the Associate, Associate’s spouse, Associate’s registered domestic partner, or Associate’s civil union partner, a legal ward of the Associate, a child to whom the Associate stands in loco parentis, a child for whom the employee has legal or physical custody or guardianship or a child for whom the employee is the primary caregiver. This definition of a child is applicable regardless of age or dependency status.
2. Marriage, civil union or other familial relationship recognized by applicable federal, state or local law.
3. A biological, adoptive, foster, or step parent or legal guardian of an Associate, or an Associate’s spouse, domestic partner or civil union partner, or a person who stood in loco parentis when the Associate was a minor child;
4. The Associate’s grandparent, or the spouse, registered domestic partner or civil union partner of the Associate’s grandparent;
5. The Associate’s grandchild; or
6. The Associate's biological, foster or adopted sibling, or the spouse of the
   Associate's biological, foster or adopted sibling
7. The Associate's "chosen family"

**Chosen Family** - an individual with whom the Associate has such a close relationship
that the individual is equivalent to family, even absent a blood or legal relationship

**SNFT** - the amount of time recorded in the locations scheduling system that an
Associate is to be at work

**Paid Sick Time Programs**

Kohl's has Paid Sick Time programs which run on the fiscal year (February – January).
All programs comply with local and state sick time laws where Kohl's does business.

### Part Time Non-Exempt Sick Time Program Chart

<table>
<thead>
<tr>
<th>Program</th>
<th>Accrual/Grant Begins</th>
<th>Wait Period to use Paid Sick Time</th>
<th>Accrual Rate/Grant</th>
<th>Max Annual Accrual/Grant (per year)</th>
<th>Max Use</th>
<th>Carryover</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>At Hire 90 days</td>
<td>Earn 1 hour for every 30 hours worked</td>
<td>40 hours</td>
<td>40 hours Up to 40 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>At Hire 90 days</td>
<td>Earn 1 hour for every 40 hours worked</td>
<td>40 hours</td>
<td>40 hours Up to 40 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>At Hire 90 days</td>
<td>Grant of 24 hours</td>
<td>24 hours</td>
<td>24 hours No carryover</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>At Hire 90 days</td>
<td>Earn 1 hour for every 30 hours worked</td>
<td>40 hours</td>
<td>40 hours Up to 40 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>At Hire 90 days</td>
<td>Earn 1 hour for every 30 hours worked</td>
<td>40 hours</td>
<td>40 hours Up to 56 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>At Hire 90 days</td>
<td>Earn 1 hour for every 52 hours worked</td>
<td>40 hours</td>
<td>40 hours Up to 40 hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td>----</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G</td>
<td>At Hire</td>
<td>90 days</td>
<td>Earn 1 hour for every 30 hours worked</td>
<td>72 hours</td>
<td>Up to 72 hours</td>
<td></td>
</tr>
<tr>
<td>H</td>
<td>At Hire</td>
<td>90 days</td>
<td>Earn 1 hour for 80 hours every 30 hours worked</td>
<td>40 hours</td>
<td>No limit</td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>At Hire</td>
<td>90 days</td>
<td>Earn 1 hour for every 40 hours worked</td>
<td>60 hours</td>
<td>Up to 60 hours</td>
<td></td>
</tr>
</tbody>
</table>

**Full Time Non-Exempt Paid Sick Time Program Chart**

<table>
<thead>
<tr>
<th>Program Grant Begins</th>
<th>Wait Period to use Paid Sick Time</th>
<th>Grant Amount</th>
<th>Max Annual Grant</th>
<th>Max Use (per year)</th>
<th>Carryover</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 40 hours</td>
<td>40 hours</td>
<td>40 hours</td>
</tr>
<tr>
<td>B</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 40 hours</td>
<td>40 hours</td>
<td>40 hours</td>
</tr>
<tr>
<td>C</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 24 hours</td>
<td>24 hours</td>
<td>24 hours</td>
</tr>
<tr>
<td>D</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 40 hours</td>
<td>40 hours</td>
<td>40 hours</td>
</tr>
<tr>
<td>E</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 56 hours</td>
<td>56 hours</td>
<td>80 hours</td>
</tr>
<tr>
<td>F</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 40 hours</td>
<td>40 hours</td>
<td>40 hours</td>
</tr>
<tr>
<td>G</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 48 hours</td>
<td>48 hours</td>
<td>48 hours</td>
</tr>
<tr>
<td>H</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 40 hours</td>
<td>40 hours</td>
<td>40 hours</td>
</tr>
<tr>
<td>I</td>
<td>At Hire</td>
<td>90 days</td>
<td>Grant of 40 hours</td>
<td>40 hours</td>
<td>60 hours</td>
</tr>
</tbody>
</table>

Exempt Paid Sick Time Program Chart

<table>
<thead>
<tr>
<th>Program</th>
<th>Grant Awarded</th>
<th>Wait Period to use Paid Sick Time</th>
<th>Amount of Grant</th>
<th>Max Use (per year)</th>
<th>Carryover</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>At Hire</td>
<td>Immediate</td>
<td>45 hours</td>
<td>45 hours</td>
<td>Up to 40 hours</td>
</tr>
<tr>
<td>Executive E</td>
<td>At Hire</td>
<td>Immediate</td>
<td>55 hours</td>
<td>60 hours</td>
<td>Up to 40 hours</td>
</tr>
</tbody>
</table>

How Eligibility Works

All exempt and non-exempt Associates who work in a location that is covered by a program listed in What We Mean By... under “Paid Sick Time Programs” above are eligible for Paid Sick Time.

1. Non-exempt Associates in programs A, B, D, E, F, G, H and I in the above tables are eligible to begin accruing or be granted Paid Sick Time upon hire.
2. Non-exempt Associates in program C are eligible to receive a Paid Sick Time grant following the date of eligibility.
3. Exempt Associates in programs Executive and Executive E are eligible to receive a Paid Sick Time grant upon hire.

Transfers

1. Associates who transfer into a Paid Sick Time location from a location not governed by sick time laws are eligible to begin accruing Paid Sick Time or to receive a Paid Sick Time grant upon the effective date of the transfer.
2. Associates eligible for Paid Sick Time in programs A, D and E who transfer out of those locations will be paid out any unused accrued or granted Paid Sick Time.
3. Associates eligible for Paid Sick Time in programs B, C, F, G, H and I who transfer out of those locations into a location that does not have Paid Sick Time will lose any unused accrued or granted Paid Sick Time.
4. Exempt Associates in locations consistent with the states above will follow transfer payout guidelines.

A Few Guidelines

Timing and Increments of Paid Sick Time Use

1. Non-exempt Associates may begin using accrued or granted Paid Sick Time after reaching 90 days of employment with Kohl’s.
2. Exempt Associates may begin using Paid Sick Time upon hire.
3. Exempt Associates are deemed to work 45 hours per week for the purposes of this policy. For an Exempt Associate who works five days in a workweek, a day of Paid Sick Time equals nine hours. For an Exempt Associate who works 4 days in a workweek, a day of Paid Sick Time equals 11.25 hours.
4. Associates may use Paid Sick Time for an entire shift or a portion thereof.

Approved Paid Sick Time Purposes

1. Diagnosis, care or treatment of an existing health or mental health condition of, or preventative care for, the Associate or the Associate's qualified family member;
2. To address issues caused by the Associate or the Associate's qualified family member being a victim of domestic violence, harassment, sexual assault, or stalking;
3. When a law or regulation requires the Associate to be excluded from the workplace for health reasons;
4. To care for a qualified family member when it has been determined by a lawful public health authority or by a health care provider that the family member's presence in the community would jeopardize the health of others;
5. Closure of the Associate's workplace due to a public health emergency; or
6. The Associate's need to care for a child whose school or child care provider has been closed by order of a public official due to a public health emergency.
7. Oregon only - To deal with the death of a family member within 60 days of the date on which the Associate receives notice of the death of the family member by:
   - Attending the funeral or alternative to a funeral of the family member;
   - Making arrangements necessitated by the death of the family member, or
   - Grieving the death of the family member

Rate of Pay

1. The Associate will be paid sick time at his/her hourly wage at the time Paid Sick Time was taken.
2. Commission-eligible Associates and Salaried Overtime Eligible Associates rate of pay will be calculated by dividing the Associate's total wages, not including overtime premium pay, by the Associate's total hours worked in the full pay periods of the prior 90 days of employment.

Termination

Unused Paid Sick Time will not be paid out upon termination. All unused Paid Sick Time will be forfeited.

Rehired Associates

<table>
<thead>
<tr>
<th>Location</th>
<th>Reinstate Paid Sick Time at rehire if in same program</th>
<th>Break in service upon rehire when reinstatement will occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>Yes</td>
<td>12 months</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program</th>
<th>Required</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>NY City, NY &amp; Jersey City, NJ</td>
<td>Yes</td>
<td>6 months</td>
</tr>
<tr>
<td>Program B</td>
<td>No</td>
<td>n/a</td>
</tr>
<tr>
<td>Program C</td>
<td>Yes</td>
<td>12 months</td>
</tr>
<tr>
<td>Program D</td>
<td>Yes</td>
<td>6 months</td>
</tr>
<tr>
<td>Program E</td>
<td>Yes</td>
<td>9 months</td>
</tr>
<tr>
<td>Program F</td>
<td>Yes</td>
<td>12 months</td>
</tr>
<tr>
<td>Program G</td>
<td>Yes</td>
<td>12 months</td>
</tr>
<tr>
<td>Program H</td>
<td>Yes</td>
<td>6 months</td>
</tr>
<tr>
<td>Program I</td>
<td>Yes</td>
<td>12 months</td>
</tr>
<tr>
<td>Executive Program</td>
<td>Yes</td>
<td>12 months</td>
</tr>
<tr>
<td>Executive Program E</td>
<td>Yes</td>
<td>9 months</td>
</tr>
</tbody>
</table>

**Administration**

1. Associates are not required to pre-schedule Paid Sick Time. If the need for Paid Sick Time is foreseeable, the Associate must provide reasonable advance notification to location management. If the need for Paid Sick Time is unforeseeable, the Associate must provide notice to location within 24 hours.

2. If it is not possible to notify location management within 24 hours, the Associate must provide notification to location management by her/his next scheduled shift.

3. Location management and Associates should contact their HR Representatives in the event the Associate is unable to meet the notification requirements as outlined in What We Mean By... under “Transfers” of this policy.

4. The Associate is not required to provide documentation proving that an absence is due to a qualifying Paid Sick Time reason.

5. The Associate is not required to search for or find a replacement worker to cover the time during which s/he uses Paid Sick Time.

6. Associates eligible for Paid Sick Time must track Paid Sick Time use in Kohl’s timekeeping system (Kronos). Associates who do not have access to record her/his own Paid Sick Time should notify the location representative who handles other timekeeping and attendance records.

7. In general, an Associate who chooses to use Paid Sick Time to cover a missed scheduled shift or portion of a shift cannot be given an Attendance Occurrence.

for the absence or tardy, if the Associate has enough Paid Sick Time to cover the entire missed time. If an Associate does not have enough Paid Sick Time to cover the full absence or tardy, s/he will be given an occurrence for the missed time consistent with Policy 202 Attendance. Associates will be paid for the Paid Sick Time s/he used to cover a shift or any portion of a shift.

8. If an Associate in a Paid Sick Time location is absent from a scheduled shift and/or leaves prior to the end of a scheduled shift without notifying location management, s/he should be given a NC/NS occurrence. If the Associate returns for her/his next scheduled shift and requests to use Paid Sick Time to cover the missed time, the NC/NS occurrence must be removed and the Associate must be paid for the Paid Sick Time s/he used. If an Associate does not have enough Paid Sick Time to cover the entire missed time, the Associate must be given an occurrence for an absence and must be paid for the Paid Sick Time s/he used.

9. There are no blackout periods for Paid Sick Time use.

10. For multiple absences, consult applicable state leaves, Kohl's leave of absence policies, or the short term disability program for application to specific absence situations. If any questions regarding absences and application exist, contact location management and/or partner with human resources. It is the Associate's responsibility to contact Sedgewick, Leave Administrator at 1-877-KOHL-20, to determine leave eligibility and/or request leave.

11. Associates in need of Paid Sick Time for one of the purposes listed in the policy and denied that leave should contact HR for an individual review.
517 Non-exempt Full Time Paid Time Off

Revised: 02/01/2017

Introduction

Kohl’s is committed to building great teams and being an employer of choice by providing a work environment that supports our Associates and offers competitive wages and benefits. Kohl’s Paid Time Off (PTO) program is a benefit provided to eligible Associates which allows Associates to take time away from work for personal reasons. Paid Time away from work at the request of an Associate falls under this benefit policy or applicable policies related to leave, disability, or accommodations.

What We Mean By...

**Carry Over** – Number of unused hours from one fiscal year that an Associate is able to use in the following Fiscal Year. Carry Over is allowed only as required by law in California, Colorado, Montana and Nebraska.

**Fiscal Year** – 12 month period beginning on or about February 1st and ending in January, consistently with the annual business calendar produced by the Finance department.

**Full Time (FT)** – As identified in policy 201 Employment Status, Associates who are regularly scheduled to work 32-40 hours per week and are designated as FT in Kohl’s system of record for Human Capital Management (HCM).

**Limited Term Employment (LTE) Associate** - is an Associate hired for a finite period of time, not to exceed 180 days, during periods of the year when additional staffing is necessary to temporarily meet the needs of the business. A LTE Associate schedule may change on a day-to-day basis with no guarantee of hours. An Associate must work at least one day in a twelve (12) week period to remain employed with the Company, unless time away from work is due to a benefit or Associate program granting time away from work, such as a medical leave of absence, or other state or federal leave laws.

**Paid Time Off (PTO)** – Hours away from work granted to eligible Associates based on Years of Service.

**PTO Grant** – Number of hours provided as a benefit to an Associate at the beginning of the Fiscal Year, based upon Years of Service.


5/4
Paid Sick Time - Time that is compensated at the same rate and with the same benefits as the Associate normally earns. Paid Sick Time is a time off benefit separate from PTO hours provided by Kohl's to an Associate as a requirement of state or local law. See Policy 152 - Paid Sick Time for more information.

Years of Service - Cumulative number of current years an Associate is employed at Kohl's without a break in service. The first year of service is determined by the year in which the Associate began his/her current continuous employment with Kohl's. For example, an Associate who starts with Kohl's on July 25, 2009 will count 2009 as her first year of service.

Transfers - Associate who may move from one department to another, one position to another, one location to another and may also include changes in employment status (i.e. from Part-time to Full-time).

How Eligibility Works

1. Full Time, Non-exempt Distribution, e-Fulfillment Center, Corporate and Credit Associates are eligible for PTO on the first day of the month following their 90th day of employment. The initial grant will be pro-rated based on the number of months the Associate is eligible for PTO in that fiscal year. For example, an Associate who starts with Kohl's on March 4th will be eligible for PTO beginning July 1st.

2. Full Time, Non-exempt Store Associates are eligible for PTO following their first year anniversary of employment. The initial grant will be pro-rated based on the number of full months the Associate is eligible for PTO in that fiscal year. For example, an Associate who starts with Kohl's on March 4, 2015 will be eligible for PTO following the eligibility date in 2016 and will receive a pro-rated grant for 10 months. The first full annual grant will be on February 1, 2017.

3. Associates who reach the next Years of Service tier in the PTO Grant schedule will become eligible for the increased PTO Grant on February 1st of the fiscal year in which the next Years of Service tier is obtained.

4. Rehired Associates will follow the same PTO eligibility schedule as a new hire. Years of Service prior to a rehire date are not qualified for eligibility.

5. LTE Associates are not eligible to receive PTO.

PTO Grants

1. Eligible Associates will receive an annual PTO Grant in hours, based on Years of Service, that may be used throughout the Fiscal Year at the discretion of the Associate and location management, consistent with business needs.

2. Annual PTO Grants will be granted on February 1st as a lump sum to be available for Associates, (February 1st may or may not fall in the new fiscal year, however the annual PTO Grant on February 1st is to be used during the fiscal year February – January). These PTO Grants are not based on hours worked or monthly Associate accruals and are not intended to be 'wages', unless required by state law. They are considered a benefit program under Kohl's policy.

3. For Paid Sick Time locations, PTO hours are applied toward Paid Sick Time hours. Reference Policy 152 - Paid Sick Time for more information.

4. Annual PTO Grant Schedules - Full Time Non-Exempt Associates
   - Corporate/Credit/Distribution/Ae-Fulfillment Center
     a. Prorated after 90th day of employment: 120 hours
     b. Start of year 7: 160 hours
     c. Start of year 15: 200 hours
     d. Start of year 20: 224 hours
   - Stores
     a. Prorated after 1st full year (12 mos) of employment: 64 hours
     b. Start of year 3: 104 hours
     c. Start of year 7: 144 hours
     d. Start of year 14: 184 hours
     e. Start of year 19: 224 hours
   - *For Paid Sick Time locations, PTO hours are applied toward Paid Sick Time hours. Reference Policy 152 - Paid Sick Time for more information.

5. New hires who become eligible for their initial PTO Grant will receive a pro-rated grant following the effective date of eligibility. The pro-rated grant is based on the number of full months left in the fiscal year. For example, an Associate who is eligible on May 15th, will receive a PTO Grant following the eligibility date for 8 months of the annual grant listed in the schedule above. A Credit Associate in this example would receive 80 hours of PTO following the eligibility date.

PTO Guidelines

1. PTO hours cannot be carried over from year to year, unless required by law. All PTO hours should be used in the fiscal year in which they were granted. Associates with home locations in California, Colorado, Montana and Nebraska may carry over PTO hours consistent with their state law. Associates in these states may carry over up to one year’s grant of unused PTO from the current fiscal year to the next fiscal year, resulting in maximum PTO of up to twice (2x) the annual grant amount. Annual grants will be reduced to meet 2x max guidelines.

2. Associates who terminate their employment with Kohl's for any reason, including retirement, will forfeit any unused PTO, except where state law requires a payout of unused PTO which currently includes Associates in Arizona, California, Colorado, Illinois, Louisiana, Maryland, Massachusetts, Montana, Nebraska, and Rhode Island who will be paid for unused PTO at time of termination. Managers should partner with Human Resources to grant or deny an Associate’s request to use PTO time during a notice period for Associates who voluntarily terminate their employment with Kohl's.

3. Associates who transfer, either status or location, will maintain their current PTO hours balance through the remainder of the fiscal year. Changes to annual grants are not adjusted for transfers during the fiscal year.

4. Business units and managers have discretion to grant or deny Associates' requests to use PTO, consistent with business needs. This includes business units "blacklisting" certain high business periods from Associates using PTO.

5. Holidays which fall within planned PTO will not count as PTO. Reference Policy 506 - Holidays or 506A - Holidays Distribution Center.

6. PTO may not be used when an Associate is already receiving paid benefits through another company program for the same time period.

908 Executive Paid Time Off

© 08/10/2016

Revised: 4/25/2016

Introduction

Kohl’s is committed to building great teams and being an employer of choice by providing a work environment that supports our Associates and offers competitive wages and benefits. Kohl’s Paid Time Off (PTO) program for exempt Associates is a benefit which allows Associates to take time away from work for personal reasons. (Note: Paid time away from work at the request of an Associate may fall under this policy or other applicable policies related to leave, disability, or accommodations).

What We Mean By...

**Carry Over** - Number of unused PTO days from one fiscal year that an Associate is able to use in the following Fiscal Year. Carry Over is allowed only as required by law currently in California, Colorado, Montana and Nebraska.

**Exempt** - Associate who is not covered by the overtime provisions of the Fair Labor Standards Act and other applicable Federal and state wage and hour laws. At Kohl’s, Exempt Associates are paid on a semi-monthly basis. Exempt Status includes, but is not limited to the following status types: Full-time, Part-time. (Associates who meet the Exempt criteria are so designated in Kohl’s Human Capital Management system).

**Fiscal Year** - 12 month period beginning on or about February 1st and ending in January, consistently with the annual business calendar produced by the Finance Department.

**Paid Time Off (PTO)** - Set number of days away from work for which the Associate will receive his/her compensation. Total amounts are granted to eligible Associates based upon the Associate’s Years of Service.

**PTO Annual Grant** - Number of days provided as a benefit to an Associate at the beginning of the Fiscal Year, based upon the Associate’s Years of Service.

**Years of Service** - Cumulative number of current years an Associate is employed at Kohl’s without a break in service. Years of Service are determined by the Associate’s anniversary date. For example, an Associate who began her current continuous employment with Kohl’s on July 25, 2009 will have her first Year of Service complete on July 25, 2010.

Transfers - Associate who may move from one department to another, one position to another, one location to another and may also include changes in employment status (i.e. from Part-time to Full-time).

How Eligibility Works

1. All Exempt Associates are eligible for PTO on the first day of the calendar month following their date of hire and will receive a pro-rated grant of PTO for the remainder of the fiscal year. For example, an Associate who starts with Kohl's on March 4th will be eligible for PTO beginning April 1st and will receive a pro-rated grant for 10 months of eligibility for the remaining months in the fiscal calendar year.

2. Associates who reach the next Years of Service tier in the PTO Grant schedule will become eligible for the increased PTO Grant on February 1st of the fiscal year in which the anniversary occurs, regardless of date of anniversary. For example, an Associate who has his/her 5 year anniversary on June 1st, 2016, will receive the five years of service tier grant of 20 days on February 1st, 2016.

3. Rehired Associates will follow the same PTO eligibility schedule as a new hire. Years of Service will be determined based on the most recent hire date. Years of Service prior to a rehire date are not qualified for eligibility.

PTO Grants

1. A PTO Grant is measured in days and is considered time away from work which an Associate may take while being paid. PTO days may be used throughout the fiscal year and should be approved with the Associate's immediate supervisor.

2. Annual PTO days will be granted on February 1st as a lump sum to be available for Associates throughout the fiscal year.

3. Annual PTO Grant Schedules

   Associates will receive the following PTO grants to be used during the fiscal year (unless carry over is required by state law).

All Exempt Associates (except California) receive:

1. 0 < 5 Years of Service: 15 Annual PTO Days
2. 5 < 15 Years of Service: 20 Annual PTO Days
3. 15 or More Years of Service: 25 Annual PTO Days

Exempt Associates in California (Associates whose home location is in California) receive:

1. 0 < 5 Years of Service: 20 Annual PTO Days
2. 5 < 15 Years of Service: 25 Annual PTO Days
3. 15 or More Years of Service: 30 Annual PTO Days

PTO Guidelines

1. PTO cannot be carried over from year to year, unless required by law. All PTO should be used in the fiscal year in which they were granted. Associates with home locations in California, Colorado, Montana and Nebraska may carry over PTO consistent with their state law. Associates in Colorado may carry over up to

one year's grant resulting in a maximum PTO grant up to twice (2x) the annual grant amount. Associates in California, Montana, and Nebraska may carryover up to 2.5x the annual grant amount in 2016. In 2017, California, Montana and Nebraska may carryover up to twice (2x) the annual grant amount.

2. Associates who terminate their employment with Kohl's for any reason, including retirement, will forfeit any unused PTO, except where state law requires a payout of unused PTO. This currently includes Associates in Arizona, California, Colorado, Illinois, Louisiana, Maryland, Massachusetts, Montana, Nebraska, and Rhode Island. Associates in those states will be paid for unused PTO at time of termination. Managers should partner with Human Resources to grant or deny an Associate's request to use PTO time during a notice period for Associates who voluntarily terminate their employment with Kohl's.

3. Associates who transfer, either status or location, will maintain their current PTO Hours balance through the remainder of the fiscal year. Changes to annual grants are reflected the next fiscal year. Annual grants are not adjusted for transfers during the fiscal year.

4. Business units and managers have discretion to grant or deny Associates' requests to use PTO, consistent with business needs. This includes business units "blackout" certain high business periods from Associates using PTO. Associates and managers are encouraged to understand and communicate blackout dates to schedule time off accordingly.

5. A PTO day is not required for time off on a holiday that is a Kohl's recognized paid holiday (see Policies 506 & 506A). For example, an Associate who uses PTO days for the week of Monday July 1st - Friday July 5th will use four PTO days as she will not need to use a day of PTO for Thursday July 4th, a Kohl's recognized paid holiday.

6. PTO may not be used when an Associate is already receiving paid benefits through another company program for the same time period/day.

7. Kohl's adheres to all federal, state, and local leave and disability laws. Any time off requests which fall under a leave or disability law will be granted or denied consistent with the applicable law.

Non-exempt Promotion to Exempt Position

Associates who promote from a Non-exempt position into an Exempt PTO eligible position are eligible for the difference between their current Non-exempt annual grant and the Executive annual grant based on their years of service and location. For example, a FT Non-exempt Associate with 3 years of service has an annual grant of 104 hours. If they promote to Executive, an Executive with 3 years of service has 15 days of PTO (or 135 hours). The difference of 135 hours - 104 hours is 31. 31 hours divided by 9 hours per day is rounded to 3.5 days.
Relax and Recharge

2017 Vacation Buy Guide

Kohl's supports developing positive relationships with those around you.
Vacation...All I Ever Wanted...

THE VACATION BUY PROGRAM OFFERS ELIGIBLE ASSOCIATES THE OPPORTUNITY TO PURCHASE VACATION TIME WITH PRE-TAX DOLLARS.

Purchasing additional vacation allows you to take extra time off without being financially impacted all at once. The cost of the program is spread out evenly per pay period on a pre-tax basis. This is an "elective" program. For details on enrollment, including how to calculate the cost of this benefit, see page 2.

Read this guide to learn more about how the program works. If you have any questions, please call 844-KOHLSHOP (844-564-7847). Select your preferred language, then select Option 7.

Your supervisor or manager must approve your scheduled vacation in advance. All blackout periods apply to the use of purchased vacation.

CRITICAL PROGRAM ELEMENTS:

- Company-granted paid time off must be used first.
- Purchased vacation must be used in the 2017 calendar year.
- Any unused purchased vacation will be cashed out at the rate of pay at which you bought it. In other words, the cash-out will not reflect any pay increases received in 2017. This cash-out will take place at the end of the calendar year. This does not apply to unused Company-granted paid time off.
Eligibility and Enrollment

Full-time nonexempt and exempt Associates (unless listed below) with one year of continuous service before January 1, 2017 (whose most recent hire date is before January 1, 2016) are eligible for this program. However, this program is not available to:

- Senior vice presidents and above
- Store exempt Associates
- Part-time exempt and nonexempt Associates

**Enrollment**

You can elect to purchase vacation (for use during the following calendar year) during each year’s designated Open Enrollment period using the enrollment site: yourtotalrewards.com/kohls. Once enrollment is confirmed, you cannot change your election until next year’s Open Enrollment.

You should carefully consider whether to elect to participate in this program based on your other benefit elections and individual circumstances.

**Amount**

The program allows eligible Associates to purchase vacation in addition to their Kohl’s Company-granted paid time off. Associates can purchase the following amounts.

**EXEMPT ASSOCIATES**

- 45 hours (1 week)
- 90 hours (2 weeks)

**NONEXEMPT ASSOCIATES**

- 40 hours (1 week)
- 80 hours (2 weeks)

Associates cannot purchase individual days or amounts other than those indicated.

**Cost**

You pay for the vacation time you elect to purchase as a pre-tax deduction from each paycheck throughout the calendar year.

For exempt Associates, the cost of purchased vacation generally is based on the annual base salary in effect on the first day of the Open Enrollment period (prior to the year for which the election applies). For nonexempt Associates, the cost of purchased vacation generally is based on the hourly rate in effect on the first day of the Open Enrollment period (prior to the year for which the election applies).

Purchased vacation time will be paid out at the current rate of pay at the time taken. You are taxed on this amount, which is subject to normal withholdings that are deducted from your regular paycheck.

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**Calculating the Cost of Vacation**

**EXEMPT ASSOCIATES**

For example, if your annual salary is $52,000 and you elect to buy two weeks of vacation time, your total cost and deduction amounts are as follows:

**STEP 1:**

Divide your annual salary by 52.

$52,000 ÷ 52 = $1,000

**STEP 2:**

Multiply the result of Step 1 by the number of weeks you elect to purchase.

$1,000 × 2 weeks = $2,000

**STEP 3:**

Divide the result of Step 2 by 24 pay periods.

$2,000 ÷ 24 = $83.33 (semi-monthly pre-tax payroll deductions)

**NONEXEMPT ASSOCIATES**

For example, if your hourly rate is $10.00 and you elect to buy 40 hours of vacation time, your total cost and deduction amounts are as follows:

**STEP 1:**

Multiply your hourly rate by 40.

$10 × 40 hours = $400 (total cost)

**STEP 2:**

$400 ÷ 52 pay periods = $7.69 (weekly pre-tax payroll deductions)
How the Program Works

Scheduling Vacation
Purchased vacation must be used during the 2017 calendar year and should be scheduled and taken according to the Company’s regular paid time off policy. All blackout periods apply to the use of purchased vacation.

Vacation Buy hours will be recorded the same as Company-granted paid time off in Assets/Kronos* and are subject to manager/location approval.

IRS Rules
Before you can take your purchased vacation time:

1. The IRS requires that you use all your current regular, Company-granted paid time off first.
2. You must use all your purchased vacation days during the calendar year for which you elect them, subject to blackout periods based on business needs. You cannot carry over purchased vacation days into the next calendar year. Unused vacation days purchased under this program will be cashed out in December 2017.

Status/Pay Changes
If you meet the eligibility requirements and then have a status change during the calendar year that would otherwise cause you to become ineligible, you are deemed ineligible for the rest of the calendar year, regardless of the status change and will no longer be able to use purchased vacation time. A calculation will be performed to determine if you are due a refund or if you still owe. If you have paid more than you have received, your Vacation Buy deduction will be stopped and you will be issued a refund. If you have used more time than you paid for, you are responsible for paying for the hours you used, and deductions will continue for the remainder of the calendar year.

If your employment changes from part-time to full-time and you otherwise meet the eligibility requirements, you must wait until the next Open Enrollment period to elect Vacation Buy.

If you receive an increase or decrease in your hourly rate or annual salary during the plan year, you will continue to pay for the purchased vacation time at the hourly rate or annual salary you earned at the beginning of the Open Enrollment period prior to the year for which your election applies (“purchase rate”).

If your employment changes from an exempt position to a nonexempt position or vice versa, your deduction amount will be automatically recalculated over the remaining pay periods for that calendar year based on your original election and purchase rate.

Company-Approved Unpaid Leave of Absence**
If you are on an approved unpaid leave of absence, your participation under this program will continue; however, deductions will stop during your unpaid leave. Upon your return to work, missed payments as well as your remaining annual contribution will be recalculated over the remaining pay periods for that calendar year. This may cause an increase in your deduction amount.

Carryover or Cash-out
You must use all purchased vacation time by the end of the calendar year for which you elect it. Purchased vacation time not used cannot be carried into the next calendar year; rather these hours will be cashed out at the end of the calendar year—December 2017. Any unused purchased vacation will be cashed out at the rate of pay at which you bought it. In other words, your cash-out will not reflect any pay increases received in 2017.

You may not request a payout of purchased vacation as a cash advance in addition to your regular wages/salary. However, vacation may be added to supplement a short workweek, up to your regularly scheduled workweek.

You may not transfer or donate purchased vacation time to another Associate.

Leaving the Company**
If your employment with the Company ends for any reason (termination, resignation, retirement, etc.), a calculation will be performed to determine if you are due a refund or if you still owe. If you have paid more than you have used, you will be issued a refund. If you have used more time than you have paid for, you may be required to repay the Company.

QUESTIONS?
Call 844-KOHLSHR (844-564-5747). Monday through Friday from 7 a.m. to 7 p.m. (Central time). Select your preferred language, then select Option 7.

*Kronos tracking applies to non-exempt Associates only.
**If you do not repay the Company for any amount that is in arrears for any reason, the Company will treat the unpaid amount as a debt owed to it by you. As such, the Company reserves the right to recoup the unpaid amount without your permission via payroll deduction or any other method permitted by law. Your acceptance of coverage under the program will be treated as your prior consent to these recoupment methods.
Using Your Vacation Buy

1. On August 1 you schedule a one-week vacation and request to use 40 hours paid time off.

2. As of August 1 you have 40 hours of purchased vacation and 160 hours of Company-granted paid time off remaining for the calendar year.

3. 40 hours of Company-granted paid time off will go toward your vacation, leaving you with 80 hours of Company-granted paid time off and 40 hours of purchased vacation. You will need to plan accordingly to use all Company-granted paid time off before your purchased vacation. Unused purchased vacation will not roll over to the next calendar year.

TRACK YOUR TIME OFF IN KRONOS®

Associates who elect to participate in the Vacation Buy Program for 2017 will need to track their time off in Kronos.

People tracking applies to non-exempt Associates only.