VACATION ADMINISTRATION POLICY FOR CALIFORNIA LOCATIONS

Purpose

To set out the Company's policy for providing paid vacation leave to team members.

Scope

This Policy applies to all hourly and salaried non-union team members of McWane, Inc. and its divisions and subsidiaries ("McWane" or "Company") working at Company locations in California.

Policy Statement

McWane's divisions and subsidiaries regularly provide paid vacation leave to their team members, with union-represented facilities administering vacation for bargaining unit team members in accordance with the applicable collective bargaining agreement for that location. Vacation leave for McWane's non-union salaried and hourly team members will be governed by this Policy.

A. Eligibility

Regular full-time salaried and non-union hourly team members will be eligible for paid vacation per the vacation accrual in effect at their location. Vacation time is earned pro rata as the team member works. Terminating team members will be paid only for vacation that has been earned and not taken as of their last day of work.

B. Vacation Accrual

The rate at which a team member earns (or accrues) vacation in a calendar year will be based on length of continuous employment with the Company. "Employment" means continuous employment by the Company at any of its locations since the team member's most recent hire date. Approved leaves of absence will not cause a break in a team member's continuous service with the Company.

Each business unit will recognize for vacation purposes the continuous service that transferred team members may have accumulated with other business units. Transfers between departments, locations and subsidiaries or from hourly to salaried status do not interrupt continuous employment for the purpose of computing vacation.

Team members who transfer from an hourly status under a collective bargaining agreement to a salaried status become eligible for vacation as defined under this Policy (and vice versa). If any vacation time has already been used during the year in which the transfer occurs, that time will be considered used under the team member's new vacation eligibility for that year.

The rate at which a team member is eligible to earn (or accrue) vacation in the current calendar year is based on length of continuous service according to the schedule established at the team member's location. Service will be determined as of the team member's anniversary date.

New team members begin to accrue vacation from their date of hire, but are not eligible to take vacation until they have completed six (6) months of continuous service.

C. Vacation Scheduling

Team members should be employed for six (6) months prior to using any vacation time.

Team members are asked to request vacation in advance, preferably in writing thirty (30) days prior to the requested vacation time. Vacation scheduling will be subject to the mutual agreement between the team member and the department supervisor. The department supervisor will consider peak business periods and operational demands in order to ensure that adequate staffing levels are maintained at all times.

If two or more team members within a department request the same vacation time and this creates a conflict, the supervisor will consider the timing of the requests and the length of service of the team members in apportioning vacation time between those who have applied for the same period. In most cases, longer service team members may be given preference in this regard.

D. Carryover and Maximum Vacation Balance

Vacation time may be taken throughout the year to the extent it has been earned and is available. Vacation should be scheduled and taken during the calendar year in which it is earned, but in the event the team member is unable to take vacation, any earned vacation will carry over into the next year. Vacation accrues, however, only up to a maximum of 1.5 times the team member's annual vacation entitlement. For example, the maximum vacation balance of a team member who earns 10 days of vacation per year is 15 days. Once the team member's unused vacation balance reaches this maximum, no further vacation will be earned until the team member takes vacation and his or her vacation balance drops below the maximum.

E. Rehires

Rehired team members who return to employment with the Company within one (1) year of their termination date may be reinstated at the same vacation eligibility.

F. Leaves of Absence

Team members who take a leave of absence in which all or some portion of the time away from work is unpaid may use vacation to which they are entitled as of their last day worked. Vacation used during a leave of absence that is covered under the Family Medical Leave Act (FMLA) or California Family Rights

Act (CFRA) will not extend the 12 weeks permitted under FMLA/CFRA. Vacation must be requested by the team member and will be paid out following the completion of any regular pay or salary continuation that is due to the team member.

G. Vacation Pay at Termination

When a team member leaves the Company (except as noted below), he/she will be paid out all vacation earned through the last day of employment, based on the time the team member has worked in that calendar year.

If a team member has already taken more vacation time than the amount for which he/she is eligible at termination based on the pro-rata payout calculation, the team member will be required to pay back to the Company the dollar value of the time in excess of what has been earned, subject to applicable state law.

Before payment of vacation to a terminating team member can be made, it must be approved by the team member's supervisor and should be noted on the Personnel Action Report form to ensure timely payment. Vacation payments, if any, will be made in the final paycheck in accordance with California law.

Local Application

This Policy is subject to revision at each location to comply with state and local laws and regulations. Each location will attach to this Policy an addendum applicable to that location including the applicable accrual rates and other changes to comply with local laws and regulations, which addenda will become part of this Policy with respect to affected team members at that location and which will supersede any conflicting terms set forth above.

Questions

Questions regarding this Policy should be directed to your local Human Resources representative.

McWane reserves the right to modify, amend, supplement or replace this Policy at any time with or without prior notice.