VACATION ADMINISTRATION

Purpose

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

Scope

This Policy applies to all U.S. hourly and salaried non-union team members of McWane, Inc. and its divisions and subsidiaries ("McWane" or "Company").

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 will be accrued in the current year. Terminating team members will be paid only for vacation that has been accrued and not taken as of their last day of work.

B. Vacation Accrual

The maximum amount of vacation a team member may take 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.

A team member is eligible for vacation in the current calendar year 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. Although vacation accrued over the course of the current year, a team member may use the vacation time at any time during that year, even before it is accrued.

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

Vacation time may be taken throughout the year. Vacation must be scheduled and taken during the calendar year in which the vacation time is accrued, except as provided below and in states where this is not allowed.

Carryover of vacation will only be permitted (1) on an exception basis with the approval of the team member's supervisor, (2) where a new hire has been unable to use accrued vacation because he/she was hired within the last six months of the year and (3) in cases where Company business requirements have prevented an individual from taking the vacation to which he/she was entitled during that calendar year, as well as in states where the law requires the employer to permit vacation carryover. Vacation may not be carried over more than ninety (90) days past year-end (i.e., must be taken by March 31, except in states requiring longer carry-over. Team members in states requiring longer carryover will not accrue additional vacation for the current calendar year until all carried-over vacation is exhausted.

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) will not extend the 12 weeks permitted under FMLA. 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 eligible for a pro-rata payout of vacation based on the time the team member has worked in that calendar year.

The maximum vacation for which a terminating team member may be eligible is that for which such team member established eligibility on the last eligibility date that occurred prior to the team member's last day worked.

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 accrued, 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 following the team member's termination in accordance with prevailing state laws.

When employment terminates due to elimination of the team member's job or death of the team member, the team member or his/her estate will be paid vacation pay equivalent to the maximum amount less any vacation already taken.

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.