

FAMILY AND MEDICAL LEAVE POLICY

The Family and Medical Leave Act (FMLA) provides that employees who have worked for Propel HR/Client Company for at least 12 months and at least 1,250 hours during the prior 12 months may take up to 12 weeks of unpaid leave in a 12 month period for one or a combination of the following reasons:

- (1) The birth and/or care of a newborn child of the employee (leave must be taken within 12 months of the child's birth).
- (2) The placement of a child with the employee through adoption or foster care (leave must be taken within 12 months of the child's placement).
- (3) In order to care for the employee's spouse, child or parent who has a serious health condition.
- (4) A serious health condition which renders the employee unable to perform the essential functions of his or her position. Such medical leave may be extended up to a total of six months if necessitated by a medically verified temporary period of incapacity, illness, or injury. However, in the case of a medical leave that lasts in excess of 12 weeks, the benefits and reinstatement provisions set forth below may not apply.

Propel HR/Client Company measures the "12-month period" for FMLA purposes on a rolling calendar basis. Therefore, any FMLA-qualifying leave taken in the 12-month period preceding the commencement of any requested leave will operate to reduce an employee's entitlement to leave under the FMLA.

An eligible employee must apply for FMLA leave in writing at least 30 days before the leave is to commence or as soon as possible if 30 days' notice is not possible. Appropriate forms must be submitted to your supervisor and faxed to Propel HR to initiate FMLA leave and to return the employee to active status following such a leave. An employee requesting FMLA leave must provide Propel HR/Client Company with appropriate medical or other certification of the reason for the leave of absence. Failure to properly request leave or provide certification may result in a delay or denial of leave.

If FMLA leave is taken because of a serious health condition, the leave may be taken intermittently or on a reduced leave schedule if such leave is medically necessary. If FMLA leave is taken because of the birth or placement of a child, intermittent leave or a reduced leave schedule is not permitted unless approved by Propel HR/Client Company.

An employee will be required to use his or her available vacation time during any FMLA leave, and will be required to use his or her available sick days when taking FMLA leave because of a serious health condition. During leave, an employee will not accrue

employment benefits (vacation pay, sick pay, etc.). Employment benefits accrued by an employee prior to the time any FMLA leave begins will not be forfeited.

During FMLA leave, an employee with medical benefits coverage will remain entitled to such coverage. However, the employee must continue to contribute his or her share, if any, of the premium for such coverage. Failure of an employee to pay his or her share of such premium in a timely fashion may result in a loss of coverage. If an employee does not return to work after the expiration of FMLA leave, the employee may be required to reimburse Propel HR/Client Company for any premiums paid on his or her behalf during the leave of absence.

In general, an employee who returns to work from FMLA leave of not longer than 12 weeks in duration is entitled to be reinstated, without a reduction in pay or benefits, to the same or an equivalent position with the Client Company. An employee who fails to return to work following FMLA leave may be terminated.

For more information regarding your rights and obligations under the Family and Medical Leave Act, please contact Propel HR.