Vacation Policy Addendum

California-based Employees Only

Policy

It is the policy of BlueLinx Corporation to grant annual vacation with pay to salaried employees in accordance with the guidelines established below. BlueLinx encourages employees to use all vacation earned each year.

Application

This addendum applies to all full time salaried employees, part-time salaried employees who work 30 or more hours per week, and full-time non-bargained hourly employees with salaried benefits who are based in the state of California.

Guidelines

Vacation Earning and Use

- Employees earn vacation and are eligible to use vacation as outlined on the Vacation Earning and Accrual CAPS grid below. The grid also includes the total amount of vacation an employee can accrue.
- Vacation may be taken only after it is earned.

Last Revision: 01/2009
- Employees who reach a “milestone” anniversary during the calendar year will earn vacation at the new rate after reaching the anniversary date.
- Employees are asked to schedule and take the majority of their annual vacation eligibility each calendar year.
- Employees will only be allowed to accrue up to one and one-half (1 ½) times their annual earned vacation. A cap will be placed on vacation accrual. Once that cap is reached and vacation days are earned but not taken, no further vacation or vacation pay accrues until the balance falls below the cap.

### Vacation Earning and Accrual CAPS

<table>
<thead>
<tr>
<th>Continuous Service Requirement</th>
<th>Amount of Vacation earned by Month</th>
<th>Maximum Vacation earned in 12 month period</th>
<th>Maximum Vacation Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Following six months of employment *</td>
<td>0.84 days per month</td>
<td>10 days</td>
<td>15 days</td>
</tr>
<tr>
<td>Fifth (5th) January 1st following employment</td>
<td>1.25 days per month</td>
<td>15 days</td>
<td>22.5 days</td>
</tr>
<tr>
<td>Tenth (10th) January 1st following employment</td>
<td>1.67 days per month</td>
<td>20 days</td>
<td>30 days</td>
</tr>
<tr>
<td>Eighteenth (18th) January 1st following employment</td>
<td>2.08 days per month</td>
<td>25 days</td>
<td>37.5 days</td>
</tr>
<tr>
<td>Thirtieth (30th) January 1st following employment</td>
<td>2.5 days per month</td>
<td>30 days</td>
<td>45 days</td>
</tr>
</tbody>
</table>

Last Revision: 01/2009
* See **New Employee Eligibility for Vacation** for guidelines in calculating the six-month service requirement.

**Example:**

1. Eddie started January 1, 2007 with 10 days of banked vacation. Eddie continued accruing vacation in 2007 until June 30, when he hit his 15-day CAP (1.5 X 10 days – his annual vacation eligibility). Eddie did not accrue any vacation in July, August or September, and he did not begin accruing vacation again until October 1, 2007, when he took 5 days of vacation. Eddie accrued 2.5 additional days of vacation during October, November and December, 2007 so Eddie ended the year with total vacation of 12.5 days (10 banked days + 7.5 accrued days - 5 days of vacation taken). In 2008, Eddie began accruing vacation until April 1 when having accrued 2.5 days he again reached his CAP of 15 days (12.5 banked days + 2.5 accrued days).

**New Employee Eligibility for Vacation**

- New employees must complete six months of active full-time or approved part-time service before being eligible to earn vacation. Employees hired before the 15th of the month will be credited for a full month of employment, which will count towards the six-month service requirement. Otherwise, the calculation will begin with the following month.
- Approved part-time employees are eligible to earn vacation on a pro-rata basis in accordance with the employee’s part-time schedule.

**Part Time Employee Eligibility for Vacation**

- Part time employees who are scheduled to work at least 30 hours per week must complete six months of active service before being eligible to take vacation. After that time, the employee will have accrued a prorated amount of vacation (based on part-time hours worked) for the time between their hire date and the end of the calendar.
Part-time employees who are scheduled *less than 30 hours per week* are not entitled to any paid vacation time.

- BlueLinx will grant vacation days pro-rated at the work schedule rate times the rate specified under company policy for full time vacation. Pay for such days will be at the same rate of pay as the part time employee would have received had they actually worked that time. When a part time employee uses their vacation time, it will be counted only against periods when the part time employee would normally have worked.

**New Part Time Eligibility Examples**

**EXAMPLE**

Bill is hired on March 10 and is scheduled to work five 6-hour days (30 hours) per week. His fraction is .75 (30/40). He is not eligible to take any vacation prior to September 10, which completes six months of active part-time employment. On September 10, Bill will have earned 4 vacation days paid at the rate of 6 hours/day (March through September = .84 days per month times 6 months times .75).

**Termination and Resignation**

- Employees who voluntarily resign are expected to give two weeks notice.
- At the discretion of the company, the employee may be released immediately upon submission of their resignation notice and paid up to two weeks' pay in lieu of working during their notice period. In the event of a competitive situation, notice pay will not be granted.
- Employees will be paid for all accrued but unused vacation at termination at their final rate of pay.

**Scheduling Employee Vacation**

- Vacation scheduling is the responsibility of local management, with the primary consideration being the operation of the business.

Last Revision: 01/2009
• Generally, employees with the greater length of continuous service should be given preference in the selection of vacation period to be taken.
• Employees are encouraged to take vacation time away from work.

**Death in Family (During Vacation)**

• If there is a death in the employee’s immediate family while the employee is on vacation, the employee’s vacation may be extended by the amount of time normally allotted for funeral leave.

**Exceptions**

• In those limited cases where a hiring manager determines that it will be necessary to offer more initial vacation than the new employee eligibility permits in order to employ an experienced applicant from outside the company, the new employee should not be granted more vacation than (s)he has currently with the employer they are leaving.
• This policy exception requires the approval of and coordination with the respective business unit Vice President or Vice President of Human Resources or Chief Administrative Officer.

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**Additional Resources**

- Human Resources