

PAID TIME OFF PLAN
AND SUMMARY PLAN DESCRIPTION
FOR
COWORKERS OF
NEW ENTERPRISE STONE & LIME CO., INC.
HEAVY HIGHWAY CONSTRUCTION AND HOT MIX ASPHALT
CONSTRUCTION (HHC/HMAC) WORKING ON DAVIS BACON OR PREVAILING WAGE
PROJECTS

AS REVISED EFFECTIVE MAY 1, 2023

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GENERAL INFORMATION

This document, which is referred to as the “Plan” throughout this booklet, describes the paid time off program and benefits provided by New Enterprise Stone & Lime Co., Inc. (which is referred to either as the “Employer” or the “Plan Sponsor” throughout this booklet) under the Plan for its eligible coworkers.

This booklet describes the benefits that eligible coworkers can earn and should be kept for future reference. The table of contents will assist you in locating specific provisions of the Plan.

This version of the Plan document and Summary Plan Description is applicable only to eligible coworkers who are classified by the Employer as non-represented, non-exempt hourly coworkers of New Enterprise Stone & Lime Co., Inc. assigned to Heavy Highway Construction and Hot Mix Asphalt Construction (which is referred to as “HHC/HMAC”) working on Davis Bacon or Prevailing Wage Projects. Part-time coworkers and seasonal coworkers classified as “flagger,” are NOT Eligible Coworkers under this Plan.

I. INTRODUCTION

A. About this Document

Part I of this Plan gives a general overview of the Plan and details Plan Administrator information.

Part II describes the requirements for eligibility in the Plan.

Part III describes the Holiday Benefit within the Paid Time-Off Account. In this section the funding of your account and how payments are made are discussed.

Part IV describes the Vacation Benefit within the Paid Time-Off Account. In this section your entitlement to time off for vacation and the requirements and procedures to withdraw from your account are explained. In addition, the vacation credit is also explained.

Part V describes the Sick Time Benefit within the Paid Time-Off Account.

The remaining sections contain administrative information about the Plan and your rights.

B. General Information

New Enterprise Stone & Lime Co., Inc. is the Plan Administrator for the Plan. Service of legal process may be made upon the Plan Administrator. The Plan Administrator can be contacted at PO Box 77, 3912 Brumbaugh Rd, New Enterprise, PA 16664. The telephone number for the Plan Administrator is (814) 766-2211.

The Plan Administrator is responsible for the management, operation, and administration of the Plan. In exercising its responsibilities, the Plan Administrator has the authority and discretion to interpret and to decide all questions concerning the Plan, including interpreting the Plan and construing any missing or ambiguous provisions, determining any questions of fact and/or law, determining whether any individual is eligible for benefits under this Plan and determining the amount of benefits, if any, an individual is entitled to under this Plan. The Plan Administrator's decision is binding upon any individual claiming benefits under this Plan.

The "Plan Year" for the Plan is the 12-month period beginning March 1st and ending February 28th of each year.

C. Purpose of the Plan

The Plan is designed to provide time off benefits, including vacation and holiday to eligible coworkers. The details of the program, the eligibility requirements, and the conditions under which a coworker participating in the program may become entitled to receive paid time off benefits are described in this booklet. Subject to the limitations on benefits and the conditions of this Plan, eligible participants will receive time off pursuant to Sections V, VI, and VII of this Plan. A Paid Time-Off Account ("PTOA") is automatically established for each eligible participant.

Eligible Coworkers (as defined in Section II) will be eligible for holiday, vacation and sick time via this policy. Any prior vacation, holiday, sick time, or paid time off policy covering Eligible Coworkers is hereby voided and superseded, except that any current balances in coworkers PTOA accounts as of April 30, 2022 were carried forward.

Circumstances obviously may change and result in a need to modify the Plan. Accordingly, the Plan can be amended by the Plan Sponsor from time to time in its sole and absolute discretion. Although the Plan Sponsor intends to continue the Plan on a permanent basis, future business conditions cannot be foreseen. The Plan Sponsor, therefore, reserves the right to terminate the Plan at any time in its sole and absolute discretion.

II. ELIGIBILITY FOR THE PLAN

A. Eligible Coworker

An Eligible Coworker is a regular, full-time hourly coworker assigned to Heavy Highway Construction (“HHC”) and Hot Mix Asphalt Construction (“HMAC”), provided that the coworker works on Davis Bacon or Prevailing Wage Projects. Part-time coworkers and seasonal coworkers classified as “flagger,” are NOT Eligible Coworkers under this Plan.

Some NESL coworkers are members of a bargaining unit and are represented by union(s). These bargaining units and collective bargaining agreements (CBA) were established via the United States National Labor Relations Act. Paid vacation time amounts (if any) and the respective vacation administration procedure(s) are negotiated and detailed in the respective CBA. This policy does not cover NESL coworkers who are members of any collective bargaining unit represented by a union, and is not meant to establish a starting point for said negotiations.

III. FUNDING YOUR PAID TIME OFF BENEFITS

The Company will credit your PTOA in an amount that is intended to be sufficient to pay your vacation, holiday, and sick time for the fiscal year. Each full day of paid time off available to you valued at eight (8) hours times the Paid Time Off Pay Rate (PTOPR”). In 2023 the PTOPR is \$33.53.

Your PTOA is credited for every hour you work (both prevailing wage and private work) based on your total annual anticipated time off benefit, divided by the average annual hours worked by Eligible Coworkers in the prior year (1680 hours for 2023). When you work on a prevailing wage job, the hourly PTOA credit is applied against the prevailing fringe benefit rate, because Paid Time Off is a fringe benefit. The hourly PTOA credit amounts in 2023 are as follows (vacation eligibility is covered in Section VI. A).

40hrs Vacation + 56hrs of Holiday	\$1.92
80hrs Vacation + 80hrs Holiday & Sick	\$3.19
120hrs Vacation + 80hrs Holiday & Sick	\$3.99
160hrs Vacation + 80hrs Holiday & Sick	\$4.79
200hrs Vacation + 80hrs Holiday & Sick	\$5.59

IV. PTO ACCOUNT PAYMENTS

Each month you will be paid the balance in your PTOA in the first pay period of the next month.

Any PTOA balance remaining upon termination of employment will be paid as soon as administratively practicable.

All payments from your PTOA will be treated as taxable wages when paid.

V. HOLIDAY TIME OFF

- A. Eligible Coworkers will be entitled to seven (7) floating holidays.
- B. If you are required to work on a designated holiday, you will be paid at your regular straight time rate for time worked.

VI. VACATION TIME OFF

A. Vacation Schedule

Commencing March 1st immediately following the date of hire, coworkers will be eligible to take vacation time off based upon length of service according to the schedule below:

<u>Years of Service</u>	<u>Vacation Granted</u>
Start of 1 st full fiscal year	2 weeks
7 th Anniversary of Date of Hire	3 weeks
15 th Anniversary of Date of Hire	4 weeks

Certain NESL Coworkers are eligible for the 5th week of vacation if he/she is grandfathered under previous policies.

NOTE: If you are scheduled to achieve a new level of vacation award during the fiscal year, you will be eligible for that additional time off as of March 1.

Example – If your 7th Anniversary of Date of Hire is July 1st, you will be eligible for 3 weeks of vacation time off as of the immediately preceding March 1.

In the initial year of hire Eligible Coworkers may take one week of vacation time off, prorated based on the month of hire as outlined below.

NESL New Hire Coworker Vacation Day Award Proration Table			
Month Hired	Days of Vacation	Month Hired	Days of Vacation
March	5	September	2
April	5	October	2
May	4	November	1
June	4	December	1
July	3	January	0
August	3	February	0

B. Vacation Procedure

All coworkers who are eligible for vacation must schedule time off with their supervisor sufficiently in advance of the time they wish to take time off to avoid disruption or inconvenience to operations and co-workers. Requests for time off will be reviewed based on various relevant factors, including the desires of the coworker, the date the request was filed, the needs of the Employer, and any absences or time off requests of other coworkers. If the Employer deems all other factors equal, time off requests by two or more coworkers will be resolved based on seniority.

The supervisor must approve time off in advance of the start of the absence in order for a coworker to take time off. However, neither the supervisor nor the Employer has the responsibility to require coworkers to take time off or to make certain that coworkers use all available time off each year. It is your personal responsibility to schedule and take your time off. See the sample form at the end of this document that you need to complete with your supervisor when requesting vacation time off and/or vacation pay.

The following vacation scheduling rules apply:

- Coworkers may elect to take up to 5 days of their vacation time off as single days. Department Manager/Supervisor must monitor vacation time so that the job has adequate coverage throughout the work season. SEE APPENDIX A
- Coworkers may only use one week of vacation between May 1st and December 1st.
- Vacation time cannot be used when a coworker is on any type of other paid leave such as short-term disability, etc. Exceptions to the use of vacation time while a coworker is on another paid leave must be requested by the Vice

President of the respective department and approved by the Benefits Manager and the Vice President of Human Resources.

- Subject to the above scheduling rules, you are entitled to take vacation time off, even if you do not have funds in the PTOA.

VII. SICK TIME

All Eligible Coworkers may take up to 24 hours of sick time off to be used in case of a short-term illness, doctor appointments, or to care for/assist an immediate family member (spouse, child) with the same. Sick time must not be used for other purposes. New hires will qualify for sick time off beginning March 1st immediately following the date of hire.

In order to use sick time, the coworker must follow the established call off procedure and notify the supervisor of the need for a sick day prior to the scheduled start of the shift. When the need for sick time is known in advance, the supervisor should be given as much notice as possible, in order to avoid disruption or inconvenience to operations and co-workers. When applicable, a doctor's note may be requested to substantiate the need for time off due to illness or medical appointments.

VIII. GENERAL RULES

A. No Duplicative Payments

Coworkers are allowed time off for a floating holiday, vacation and sick time as set forth in Sections V, VI, and VII above. However, the payment for such time is made on a monthly basis, as explained in Section IV. There will be no duplicative payment when the time off is actually taken.

B. Overtime

PTOA payments and the actual time off for floating holidays, vacations, and sickness will not be counted as hours worked for the purpose of computing overtime for hours worked in excess of forty (40) hours during any week.

C. Prohibition of Carry-Overs

Under no circumstances will a coworker be permitted to carry over accrued and unused vacation or sick time from year to year. Any PTOA balance remaining at the end of the fiscal year will be paid to the coworker.

D. Different Plan Benefits

If your fringe benefit package under an applicable Davis-Bacon or Prevailing Wage qualifying project requires additional holiday or sick leave benefits than as set forth above, any additional benefits will be provided as required by the applicable wage determination and/or regulatory requirements. For example, if the applicable prevailing wage determination specifically requires any paid holiday to be separate from the prevailing fringe rate, the holiday will be paid through payroll for that pay period on the conditions stated in the wage determination in addition to the PTOA payment.

IX. LIMITATION ON PARTICIPANTS' RIGHTS

Participation in the Plan does not give any coworker the right to employment or to continued employment. Employment with the Employer is at the mutual consent of the coworker and the Employer. Accordingly, either the coworker or the Employer can terminate the employment relationship at will, at any time, with or without cause or advance notice.

X. CONTROLLING DOCUMENTS

If there is any real or perceived conflict between this summary plan description and any prior policies or documents that describe vacation, holiday, or sick benefits offered by the Employer, the provisions of this document will govern and control over such other policies and documents.

XI. FUNDING

Benefits payable hereunder shall be payable out of the general assets of the Company. Individual accounts for each eligible coworker will be established on the books of account of the Company to which amounts will be credited. Such separate accounts are for the purposes of record keeping only.

XII. EMPLOYER

For purposes of this Plan, "Employer" means New Enterprise Stone & Lime Co., Inc. and any of its affiliates or subsidiaries that adopts this Plan by action of the board of directors of such affiliate or subsidiary, with the consent of the board of directors of New Enterprise Stone & Lime Co., Inc. The board of directors of each subsidiary or affiliate that has adopted the Plan may vote at any time to withdraw from participation in the Plan.

XIII. ADMINISTRATION

A. Claims Procedure

In the event that a dispute arises in connection with the denial of any benefits under the Plan, in whole or in part, any claim for the disputed benefits should be submitted in writing to Plan Administrator, New Enterprise Stone & Lime Co., Inc. Attn: Paid Time Off Plan, PO Box 77, 3912 Brumbaugh Rd, New Enterprise PA 16664. After reviewing the claim, the Plan Administrator will provide notice to any individual whose claim for benefits has been denied. This notice will be provided in an understandable manner and will include (a) the specific reasons for denial, (b) specific references to the Plan provisions on which the denial is based, (c)

a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claimant's claim for benefit, and (d) a description of the voluntary appeal procedures under the Plan and the claimant's right to obtain information about such procedures.

The Plan Administrator will send this notice within 90 days after receiving a claim or will notify the claimant within that period that an extension is necessary to process the claim. Any notice that an extension is needed will indicate why the extension is needed and when the Plan Administrator expects to issue a final decision. The final decision generally will be issued within 90 days from the date that the original notification would have been due had the period not been extended.

In addition, a claimant whose claim for benefits is denied will be given an opportunity for a full and fair review of the decision denying the claim. After being notified of the denial of his claim, the claimant or his duly authorized representative has 60 days to send a written request for a review to the Plan Administrator. The claimant will have the opportunity to review pertinent documents, and to submit issues and comments in writing. The decision on review will be completed and furnished to the claimant in writing within 60 days after receipt of the claimant's request for such review, unless special circumstances require an extension of time for processing the request for review. If such an extension is required, the decision will be completed and forwarded to the claimant as soon as possible, generally no later than 120 days after receipt of the claimant's request for review.

The decision will specify the reasons on which it is based in a manner that is understandable by the claimant. The decision will also contain specific references to the Plan provisions on which it is based. If any action described above is not taken within the time limits stated above, the claim should be considered denied as of the latest date by which the action should have been completed if it were completed within the time limits described above.

B. Rules and Decisions

The Plan Administrator may adopt such rules, as it deems necessary, desirable, or appropriate. All rules of, and actions taken by, the Plan Administrator involving discretion on its part in determining a coworker's rights or benefits under the Plan shall be handled in a non-discriminatory manner, and all coworkers in similar circumstances shall be treated in a uniform and consistent manner. When making a decision or calculation, the Plan Administrator shall be entitled to rely upon information furnished by the coworker, the Employer or the legal counsel of the Employer. The Plan Administrator shall have the power of full and final determination as to all issues concerning Plan interpretation and eligibility for benefits under the Plan.

C. Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial. If you have a claim for benefits which is denied or ignored, in whole or in part, you may legally enforce your rights by filing suit against the Plan Administrator.

XIV. PARA EMPLEADOS QUE HABLAN ESPAÑOL

Si tiene cualquier pregunta con relación a la información contenida en este formulario, dirijase a su superior para su ayuda.

APPENDIX A



Vacation/Sick Time Off Request Form For Heavy Highway and Hot Mix Asphalt Construction Date: _____

Employee Name: _____ Employee No.: _____

SECTION 1: Completed by the Employee

Vacation/sick requests must be submitted in advance (when applicable) to your supervisor for approval. Requests are not valid unless signed by both the employee and the supervisor. Requests for vacation/sick pay must be submitted on the Vacation/Sick Dollar Request form.

Date(s) Requested: _____
(Please list requested vacation/sick date(s) from and to or specific dates during one a one week period.)

Vacation date(s) listed above are: (check the box)

- New Request for Vacation Days New Request for Sick Days
 Vacation Date Change (include reason) _____

EMPLOYEE SIGNATURE: _____

SECTION 2: Completed by the Supervisor

- Approved Days/Hours available after this request _____
 Disapproved _____

SUPERVISOR SIGNATURE: _____