



FIVE STAR
SOLUTIONS

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Exempt Employee Handbook Addendum

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FORWARD

EXEMPT EMPLOYEE HANDBOOK ADDENDUM INCLUSION

The purpose of this Exempt Employee Handbook Addendum is to identify policies that apply specifically to exempt Five Star Solutions employees. Except where noted in this addendum, exempt employees are expected to follow all policies and guidelines outlined in the Employee Handbook.

Nothing in this handbook creates a contract of employment or alters the at-will employment relationship.

EMPLOYMENT STATUS & RECORD EXEMPT

EXEMPT PERFORMANCE EVALUATIONS

Five Star Solutions exempt performance evaluations are scheduled approximately every 12 months, in January, coinciding with a common review date for all exempt employees. Your immediate Manager can give you specific information as to when your performance evaluation will be.

TIMEKEEPING/PAYROLL & HOURS

TIMEKEEPING

Five Star Solutions exempt employees are compensated on a salary basis in accordance with applicable law and are not eligible for overtime pay. Salary is intended to cover all hours worked necessary to fulfill job responsibilities, which may exceed 40 hours in a workweek.

Exempt employees are not required to record hours worked, unless directed by management for business or compliance purposes.

Salary deductions will be made only in accordance with applicable law. Generally, exempt employees will not have pay reduced for partial-day absences. Permissible deductions may include full-day absences for personal reasons, full-day absences due to sickness or disability in accordance with Company policy, unpaid leave under the Family and Medical Leave Act (including intermittent or reduced schedule leave), and other deductions allowed by law.

Exempt employees must submit all PTO requests through Creative. PTO should be



requested and recorded in increments of four (4) or eight (8) hours.

PAYDAYS

Exempt employees are paid semi-monthly on the 15th and the last day of each month.

If a scheduled payday falls on a Saturday, payment will be issued on the preceding Friday. If a scheduled payday falls on a Sunday, payment will be issued on the following Monday. A company-recognized holiday may change this based on how Creative sets up the payment.

EMPLOYEE BENEFIT PROGRAMS

SUMMARY OF BENEFITS

Beyond the main Benefits Plans offered by Five Star Solutions, Long Term Disability is also offered to exempt employees and paid for by FSS.

Likewise, the amount of Basic Life Insurance provided by FSS is \$50,000.

PAID-TIME-OFF PTO PLAN

Five Star Solutions provides all eligible exempt employees with the opportunity to accrue Paid-Time-Off (PTO), which can be used for vacation, personal time, or illness. PTO will be used in 4- or 8-hour deductions.

The amount of PTO you receive each year increases with the length of employment as shown in the following schedule:

- Upon Hire = 15 days
- 2nd Anniversary = 16 days
- 4th Anniversary = 17 days
- 6th Anniversary = 18 days
- 8th Anniversary = 19 days
- 10th Anniversary = 20 days
- 12th Anniversary = 21 days
- 14th Anniversary = 22 days
- 16th Anniversary = 23 days
- 18th Anniversary = 24 days
- 20th Anniversary = 25 day

Length of eligible service is calculated on a calendar-year basis (January 1 through December 31). The calendar year may be extended for a qualifying leave of absence, except for military leave, which does not affect the calculation.



Managers are eligible for up to 200 hours of PTO annually. Exempt employees may carry over up to five (5) days (40 hours) of unused PTO into the following year; any carryover must be used by March 31 or will be forfeited.

PTO accrues monthly at a rate of 1/12 of the annual allotment for each calendar month of employment. Employees are considered to have worked a month if employed for at least one day during that month. PTO may be used as accrued, subject to manager approval, and may be approved in advance. Employees with less than 12 months of service in a calendar year will receive a prorated PTO allotment, including periods of approved leave.

Employees who resign without providing proper two weeks' notice, fail to work scheduled shifts during the notice period, or are terminated for just cause may forfeit* unused PTO. PTO during a resignation period must be pre-approved. No call /no-show absences will not be covered by PTO.

***Employees in Louisiana, Nebraska, and North Dakota will receive PTO payout on their final paycheck, regardless of separation reason, in accordance with applicable state laws.**

Flexible Time Off (FTO)

Five Star Solutions provides paid Flexible Time Off (FTO) to employees at the Director level and above. FTO allows eligible employees to take paid time off without accruing a fixed balance.

FTO is intended for employees who consistently meet performance expectations and fulfill their job responsibilities. Unlike a traditional PTO plan, FTO is not accrued or based on years of service. Use of FTO is subject to manager approval and business needs and must be exercised with appropriate discretion.

FTO may be used for vacation, personal time, or short-term illness. It may not be used in place of or to supplement leave taken under the Family and Medical Leave Act (FMLA), Americans with Disabilities Act (ADA), a leave of absence (LOA), workers' compensation, or any absence covered by or applied toward short-term or long-term disability (STD/LTD) benefits.

- Employees are expected to schedule FTO in advance; approvals are subject to departmental staffing limits.
- FTO must be requested and recorded in the same manner as PTO for tracking purposes.
- FTO requests may be denied based on business needs or performance.
- Absences of less than four (4) hours in a workday will not be counted as FTO.



- Employees are required to take a minimum of five (5) days of FTO per calendar year.
- A maximum of ten (10) consecutive business days may be taken without Owner approval.
- Management reserves the right to review FTO usage and address excessive or inappropriate use on a case-by-case basis.
- Excessive use of FTO may be considered misuse or may indicate the capacity for additional work assignments.
- FTO is not accrued and, to the extent permitted by applicable law, will not be paid out upon separation of employment.

HOLIDAYS

Five Star Solutions provides holiday time off to exempt employees on the following holidays:

- New Year's Day (January 1)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving (fourth Thursday in November)
- Christmas (December 25)

Paid holiday leave is provided to regular full-time exempt employees upon assignment to an eligible classification. Holiday pay is calculated at the employee's straight-time rate for the number of hours the employee would otherwise have worked on the holiday.

Holidays falling on a Saturday are generally observed on the preceding Friday; holidays falling on a Sunday are observed on the following Monday.

If a holiday occurs during an employee's approved paid absence, holiday pay will be provided in lieu of PTO.

Employees who work on a recognized holiday will be paid at their straight-time rate and may take equivalent time off on an alternate day, subject to manager approval.

BEREAVEMENT LEAVE

Five Star Solutions provides paid bereavement leave to exempt employees with management approval.



If additional time beyond the standard allowance is needed, employees may request additional time off using available PTO, subject to management approval.

FSS recognizes employees may have close personal relationships outside of immediate family. Time off for these circumstances will be charged to the employee's PTO balance.

Bereavement leave is generally approved; however, approval may be denied based on business needs or staffing requirements. Management may also request appropriate documentation to support the request.

JURY DUTY

Five Star Solutions exempt employees may receive up to ten (10) days of paid jury duty leave within any two (2) year period.

Employees eligible for paid jury duty leave will be compensated at their base rate of pay for the number of hours they would normally have worked on a scheduled workday. Any compensation received for jury service must be reported to Payroll and will be offset against regular pay, as permitted by law.

If jury duty extends beyond the paid leave period, employees may use available PTO or request unpaid leave of absence.

Employees must notify their manager upon receipt of a jury duty summons to allow for scheduling adjustments. Employees are expected to report to work when court obligations permit.

Either the employee or Five Star Solutions may request excusal from jury duty when appropriate.

During approved unpaid jury duty leave, health insurance benefits will be maintained in accordance with the terms, conditions, and limitations of the applicable plan. PTO will continue to accrue during unpaid jury duty leave, as applicable.

BONUSES AND INCENTIVES

If a referral bonus is offered, Managers are eligible as long as the candidate would not report directly to them as part of their normal job responsibilities.

Managers are eligible to earn a commission for referring new business that results in a signed contract with FSS.



- Commissions are typically up to 3%.
- Commissions may be split if other sales team members were involved in the sale.
- Commissions are generally paid monthly and are based on collected (paid) invoices.
- Accounts that become past due may be deemed ineligible for commission payments.
- All commissions are subject to approval by a FSS officer.

To be eligible for any Five Star Solutions incentive compensation, including bonuses, commissions, or raises, employees must be actively employed on the designated payout date. Employees who resign must provide at least two weeks' notice and work all scheduled shifts in full during the notice period to remain eligible.

Employees who are on a written warning or other active disciplinary action at the time of payout are not eligible for incentive compensation.

GENERAL INFORMATION

GAMING

Any form of “gaming” to receive compensation or incentives is strictly prohibited. Gaming is defined as manipulation, falsification, or misrepresentation of data, metrics, or performance results to influence compensation or incentive eligibility. Such conduct may result in disciplinary action, up to and including termination.

Examples of prohibited conduct include, but are not limited to:

- Reclassifying, transferring, or restructuring existing business to improperly qualify for incentives, unless expressly approved as part of a FSS directed strategy.
- Offering unauthorized discounts or incentives to influence a sale or increase commission.
- Submitting invalid or unqualified referrals to obtain credit under an incentive program.
- Exploiting incentive plan provisions or loopholes in a manner inconsistent with the intent of the program or the best interests of FSS or its customers.

All incentive determinations are subject to review and final approval by FSS.

Prohibited conduct may result in disciplinary action, up to and including termination of employment.



POLICY CHANGES

FSS reserves the right to modify, suspend, or revoke any policy, procedure, or practice at any time, with or without notice. We will attempt to make timely notification of any changes to the handbook as they occur.

Nothing in this handbook creates a contract of employment or alters the at-will employment relationship.

