

Leaves of Absence Generally

At some point during your employment with FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, you may need to take a leave of absence. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS administers its leave of absence program in accordance with the requirements of federal and state laws and does not intend to create additional rights surrounding leaves of absences other than as required by law. Instances may exist where two or more leave of absence policies or laws provide overlapping protections for an eligible employee and in such cases, you will receive the benefit of the more favorable policy or law.

Employees who take an authorized leave of absence will not be discriminated against or in any way retaliated against for applying for or taking leave.

We will pay for benefits for at least as long as the law requires. Employee will be responsible for the employee portion of the cost for benefits.

Special Note About Counseling, Performance Reviews, or Disciplinary Action While On Leave: FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may postpone or proceed with any counseling, performance review, or disciplinary action, including discharge, that was contemplated prior to any employee's request for or receipt of a leave of absence or that has come to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' attention before or during the leave. If any action is postponed during the leave of absence, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserves the right to proceed with the action upon the employee's return. Requesting or receiving a leave of absence in no way relieves employee of their obligation while on the job to perform their job responsibilities capably and up to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' expectations and to observe all FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS policies, rules, and procedures.

Medical Leaves of Absence

Family Medical Leave Act and California Family Rights Act

The Family and Medical Leave Act ("FMLA") and California Family Rights Act ("CFRA") permit eligible employees to take up to 12 workweeks (or 26 workweeks where indicated) of FMLA leave in any 12-month period for certain purposes, which are set forth below. Where the FMLA conflicts with the California Family Rights Act ("CFRA"), FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will apply the provision most favorable to the employee. For purposes of this policy, any leave taken concurrently under the FMLA and CFRA is referred to as "FMLA leave" (even if the leave is actually under CFRA).

Under most circumstances, leave under federal and state law (FMLA and CFRA) will run at the same time (concurrently) and the eligible employee will be entitled to a total of 12 weeks of FMLA in the designated 12-month period.

Employees who take Pregnancy Disability Leave ("PDL", described in the next section) and who are eligible for FMLA leave will be placed on FMLA leave at the same time the employee is placed on PDL. Once the pregnant employee is no longer disabled by pregnancy, the employee may apply for additional leave under CFRA. In other words, an employee may be entitled to up to four months of PDL leave, followed by an additional 12 weeks of leave under the CFRA.

Employee Eligibility Criteria

To be eligible for FMLA leave, you must have been employed by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS for the last 12 months and must have worked at least 1,250 hours during the 12-month period immediately preceding commencement of your FMLA leave.

You may take up to 12 weeks of unpaid job-protected leave within a 12-month period. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS uses a rolling 12-month period to calculate the 12-month period during which eligible employees may take the 12 weeks of FMLA.

Events that May Entitle an Employee to FMLA Leave

1. The birth of a child or to bond with or provide care for the child; or
2. The placement of a child with you for adoption or foster care and to bond with or care for the new child; or
3. To care for a parent, child, spouse, or domestic partner with a serious health condition; or
4. For your own serious health condition that renders you unable to perform the functions of your position; or
5. For any “qualifying exigency” arising out of the fact that your spouse, son, daughter, or parent is a military member on covered active duty or call to active duty status. Qualifying exigencies may include attending certain military events, arranging for alternative child care, addressing certain financial and legal arrangements, attending certain counseling sessions and attending post-deployment reintegration briefings (Note: leave for this reason is referred to in this policy as “qualifying exigency leave” and is not covered under CFRA leave provisions).

Serious Health Condition

A “serious health condition” is an illness, injury, impairment, or physical or mental condition that involves: (1) inpatient care (i.e., an overnight stay) in a hospital, hospice, or continuing treatment by a healthcare provider for a condition that either prevents the employee from performing the functions of his or her job or prevents the qualified family members from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two (2) visits to a healthcare provider; one visit and a regimen of continuing treatment; incapacity due to pregnancy; or incapacity due to a chronic condition. Other conditions may also meet the definition of continuing treatment.

Qualifying Exigency

Eligible employees may also take up to 26 weeks of FMLA leave during a single 12-month period to care for a covered service member when the covered service member is the employee’s spouse, son, daughter, parents, or next of kin.

A covered service member is a current member of the armed forces, including a member of the National Guard or the reserves who is undergoing medical treatment, recuperation, or therapy; is otherwise in outpatient status; or is otherwise on the temporary disability retired list for a serious injury or illness; or

A covered veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness. The veteran must be a member of the armed forces (including a member of the National Guard or reserves) who was discharged or released under conditions other than dishonorable at any time during the 5-year period before the first date the eligible employee takes FMLA leave to care for the covered veteran (Note: leave for this reason is referred to in this policy as “Military Caregiver Leave” and is not covered under CFRA leave provisions).

Military caregiver leave is a onetime FMLA benefit and as such, the 26 weeks are only available during a single 12-month period. However, an employee may be entitled to more than one period of military caregiver leave if the leave is to care for a different covered service member or to care for the same service member with a subsequent serious injury or illness, but no more than 26 workweeks of leave may be taken within any single 12-month period.

Leave under this particular subsection must be supported by a medical certification.

Amount of Time to be Taken

FMLA leave can be taken intermittently or all at once, but may not exceed twelve (12) workweeks total for any purpose in any 12-month period, as described below, for any one, or combination of the above-

described situations. "Twelve workweeks" means the equivalent of twelve of the employee's normally scheduled workweeks. For examples, for a full-time employee who works five (5) eight-hour days per week, "twelve workweeks" is the equivalent of sixty (60) working days and/or paid eight (8) hour days.

If a holiday falls within a week taken as FMLA leave, the week is nevertheless counted as a week of FMLA leave. If, however, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' business activity has temporarily ceased for some reason and employees are generally not expected to report for work for one or more weeks, the days FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' operations have ceased do not count against the employee's FMLA leave entitlement

Pay During FMLA Leave

Generally, FMLA leave is unpaid. Before taking the leave as unpaid, however, you will be required to substitute any accrued but unused Paid Sick Leave for leave taken under this section. The term "substitute" means that the paid leave will run concurrently with the unpaid FMLA leave.

Depending on the circumstances, you may be eligible for other wage-replacement benefits, including short- or long-term disability insurance payments, workers' compensation benefits, State Disability Insurance benefits, or Paid Family Leave benefits.

Please note that neither the substitution of Paid Sick Leave, nor the integration of other wage-replacement benefits for unpaid leave, shall extend the maximum FMLA period available or result in you receiving more than 100% of your salary.

Pregnancy, Childbirth and Related Conditions

While pregnancy and prenatal care are included in the definition of "serious health condition" under FMLA, they are not covered under the leave provisions of CFRA. If you take leave for pregnancy disability (up to 4 months, as certified by your healthcare provider) and are also eligible for FMLA, your FMLA leave will run concurrently with your Pregnancy Disability Leave (described in more detail below).

Requesting FMLA Leave

To request leave under FMLA, you must inform your Store Director or Human Resources Manager of your need for leave, **and** you must contact FMLASource by calling (877)-462-3652 (Monday through Friday between 5:30 am and 7:30 pm PST) or logging on to www.fmlasource.com. If you have any questions about how to contact FMLASource, please ask your Store Director or Human Resources Manager.

Your information will be verified by a Benefits Specialist who will initiate the leave of absence process and who will be available to answer any questions you may have. When requesting leave through FMLA Source, please be prepared to provide your Employee ID (which is your SSN).

You will receive a Leave Notification Packet from FMLASource with time-sensitive information enclosed. It is your responsibility to follow all instructions and to ensure that all required paperwork is turned in on time. If there will be delays, please notify FMLASource prior to the deadline you are provided.

You will be notified in writing of the status of your leave request once it has been processed. Please note that decisions regarding leave will be based on the certification completed by your healthcare provider.

If your need for FMLA is foreseeable (for example, if you are pregnant or have a scheduled surgery), you must give the Store Director or Human Resources Manager and FMLASource at least 30 days' prior written notice. If this is not possible or your need for FMLA is not foreseeable, you must let the Store Director or Human Resources Manager and FMLASource know as soon as practicable (generally the same day or next business day after you learn of the need for leave, depending on the circumstances), by contacting the Store Director or Human Resources Manager and FMLASource. You must also inform your Store Director or Human Resources Manager and FMLASource if the requested leave is for a reason for which FMLA (or state equivalent) was previously taken or certified.

If the event necessitating leave qualifies as Military Caregiver Leave, you must provide the Store Director or Human Resources Manager and FMLASource with as much notice of the need for the leave as is reasonable and practicable under the circumstances. When providing notice, you must include sufficient information for the Store Director or the Human Resources Manager and FMLASource to determine if the leave may qualify for FMLA (or state equivalent) protection and the anticipated timing and duration of the leave. Sufficient information may include that you are unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a healthcare provider, a copy of the military documentation showing deployment to a foreign country, or circumstances supporting the need for Military Caregiver Leave.

Failure to provide s notice may be grounds for delay of leave. Additionally, if you are planning a medical treatment, you must consult with the Store Director or your Human Resources Manager regarding the dates of such treatment to minimize disruption to business operations.

FMLA Certification

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS requires requests for FMLA to be supported by an appropriate medical certification. You will be provided with required certification forms through FMLASource. When you request leave, FMLASource will notify you of the requirement for certification and when it is due (no less than 15 calendar days after you request leave). If you are unable to obtain the certification due to reasons beyond your control, please notify FMLASource as soon as possible. Failure to provide requested certification in a timely manner may result in delay of your leave until required documentation is provided.

We may, in our own discretion, require a second medical opinion at our expense. We may also require re-certification from your healthcare provider if additional leave is requested. We may also require re-certification of certain leaves at reasonable intervals not to exceed every 30 days.

Health Benefits Continuation

An employee taking an approved FMLA leave will continue to participate in any health plans in which the employee was enrolled before the first day of the leave at the same level and under the same conditions of coverage as if the employee had remained an active employee, for up to 12 weeks.

If you are on FMLA (except for Military Caregiver Leave), FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will continue to pay the premium cost for your healthcare coverage (or COBRA) for up to 12 weeks to the same extent such premiums are paid for an active employee, or as otherwise required by law. If you are on Military Caregiver Leave, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will continue to pay the premium cost for your healthcare coverage (or COBRA) for up to 26 weeks to the same extent such premiums are paid for an active employee, or as otherwise required by law.

In the event you are out of work for more than 12 weeks (or 26 weeks for Military Caregiver Leave), your company-paid healthcare benefits coverage may end and you may elect to continue your healthcare benefits by paying for COBRA. Please note that failure to pay or make payments of your premiums or COBRA may impact your coverage.

Income Replacement Options During FMLA

During an approved FMLA leave,

- If you are unable to work because of your own serious health condition, you may be eligible for and should apply for State Disability Insurance ("SDI") benefits through the California Employment Development Department ("EDD"); and
- California employees may also be eligible for Paid Family Leave ("PFL") insurance benefits, which is administered by the EDD.

You may also elect to use any accrued but unused Vacation Time Off for income replacement during an approved FMLA leave. Please contact your Human Resources Manager for additional information.

401k Contributions

To the extent you are receiving payments from FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, you may continue to contribute to your retirement plan. In other words, if you are not receiving any payments directly from FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS, then you will not be able to contribute. However, you may later be eligible to participate in “catch up” contributions, pursuant to the terms of the retirement plan(s).

Reduced Schedules/Intermittent FMLA

FMLA and Military Caregiver Leave may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced-leave schedule (reducing the usual number of hours you work per workweek or workday) if medically necessary.

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will reduce your salary based on the amount of time actually worked during the workweek and you may be eligible for income replacement benefits as described above.

In addition, while you are on an intermittent or reduced-schedule leave, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS may, in its own discretion, temporarily transfer you to an available alternative position that you are qualified for that better accommodates your recurring leave and that has equivalent pay and benefits.

Job Reinstatement

If you are on FMLA Leave to care for another or on Military Caregiver Leave, please let the Director of Human Resources know of your expected return to work date as soon as possible but no later than seven (7) calendar days prior to your intended return to work date.

If you are on FMLA Leave to care for your own serious health condition, we require you to provide certification from your healthcare provider certifying that you are fit to return to your regular duties. This documentation must be submitted to the Director of Human Resources seven (7) calendar days prior to your intended return to work date. Failure to timely provide this documentation may delay your return to work.

When you return from FMLA Leave, you will be restored to your original or an equivalent position (with equivalent pay, benefits, and other employment terms). However, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS reserves the right to deny reinstatement of “key employees” whose salary is among the top 10 percent in the company if it would cause substantial and grievous economic injury to business operations.

Other Employment During FMLA

If you are on an approved FMLA Leave, you may not accept employment with any other employer without notifying FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS prior to accepting such employment. If you accept employment from another company while you are on FMLA Leave, you will be deemed to have resigned from employment.

Pregnancy Disability Leave

This policy explains how the Company complies with the California Pregnancy Disability Act, which requires the Company to give each female employee an unpaid leave of absence of up to four (4) months, as needed, for the period(s) of time a woman is actually disabled by pregnancy, childbirth, or related medical conditions.

Employee Eligibility Criteria

To be eligible for pregnancy disability leave, the employee must be disabled by pregnancy, childbirth, or a related medical condition and must provide appropriate medical certification concerning the disability.

Events That May Entitle an Employee to PDL

The four-month pregnancy disability leave allowance includes any time taken (with or without pay) for any of the following reasons:

- The employee is unable to work at all or is unable to perform any one or more of the essential functions of her job without undue risk to herself, the successful completion of her pregnancy, or to other persons because of pregnancy or childbirth, or because of any medically recognized physical or mental condition that is related to pregnancy or childbirth (including severe morning sickness); or
- The employee needs to take time off for prenatal care.

Duration of Pregnancy Disability Leave

Pregnancy disability leave may be taken in one or more periods, but not to exceed four months total. "Four months" means the number of days the employee would normally work within four months.

An employee on pregnancy disability leave remains an employee of the Company and a leave will not constitute a break in service.

Pregnancy disability leave does not count against an employee's CFRA leave entitlement but runs concurrently with FMLA. Accordingly, an employee may be entitled to up to a total of seven months' leave (four months PDL and 12 weeks CFRA) related to pregnancy and the birth of a child. Please contact FMLASource or your Human Resources Manager if you have any questions about the timing or duration of leave available to you

Pay during Pregnancy Disability Leave

An employee on pregnancy disability leave must use all accrued paid sick leave and may use any or all accrued vacation time at the beginning of any otherwise unpaid leave period.

The receipt of vacation pay, sick leave pay, or state disability insurance benefits will not extend the length of pregnancy disability leave.

Health Benefits During PDL

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide continued health insurance coverage while an employee is on a PDL leave consistent with applicable law. The continuation of health benefits is for a maximum of four (4) months in a 12-month period. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS can recover premiums that it already paid on behalf of an employee if both of the following conditions are met:

- The employee fails to return from leave after the designated leave period expires; and
- The employee's failure to return from leave is for a reason other than the following:
 - The employee is taking CFRA leave
 - The continuation, recurrence or onset of a health condition entitles the employee to CFRA leave or other circumstance beyond the employee's control.

PDL Certification

An employee requesting a pregnancy disability leave must provide medical certification from her healthcare provider on a form supplied by FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS through FMLASource. Failure to provide the required certification in a timely manner (within fifteen (15) days of the leave request) may result in a denial of the leave request until such certification is provided.

Re-certifications are required if leave is sought after expiration of the time estimated by the healthcare provider. Failure to submit required recertifications can result in termination of the leave.

Requesting and Scheduling PDL

An employee should request pregnancy disability leave by contacting FMLASource by calling (877)-462-3652 (Monday through Friday between 5:30 am and 7:30 pm PST) or logging on to www.fmlasource.com. Employees must also inform their Store Director or Human Resources Manager of their need for leave. FMLASource will provide the employee with the required paperwork to complete, including necessary medical certification form(s). An employee asking for PDL will be referred to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' then current pregnancy disability leave policy.

Employee should provide not less than thirty (30) days or as short of notice as is practicable, if the need for the leave is foreseeable. Failure to provide such notice is grounds for denial of the leave request, except if the need for pregnancy disability leave was an emergency and was otherwise unforeseeable.

Where possible, employees must make a reasonable effort to schedule foreseeable planned medical treatments so as not to unduly disrupt the Company's operations.

Pregnancy disability leave may be taken intermittently or on a reduced leave schedule when medically advisable, as determined by the employee's healthcare provider.

If an employee needs intermittent leave or leave on a reduced leave schedule that is foreseeable based on planned medical treatment, the employee may be transferred temporarily to an available alternative position for which he or she is qualified that has equivalent pay and benefits that better accommodates recurring periods of leave than the employee's regular position.

In most cases, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will respond to a pregnancy disability leave request within two (2) days of acquiring knowledge that the leave qualifies as pregnancy disability and, in any event, within ten (10) days of receiving the request. If a pregnancy disability leave request is granted, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will notify the employee in writing and leave will be counted against the employee's pregnancy disability leave entitlement. This notice will explain the employee's obligations and the consequences of failing to satisfy them.

Job Reinstatement

Upon timely return at the expiration of the pregnancy disability leave period (and any additional available leave taken pursuant to FMLA and/or CFRA), an employee is entitled to the same position unless the employee would not otherwise have been employed in the same position (at the time reinstatement is requested). If the employee is not reinstated to the same position, she must be reinstated to a comparable position unless there is no comparable position available, or filling that position with the returning employee would substantially undermine FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' ability to operate the business safely and efficiently. A "comparable" position is a position that involves the same or similar duties and responsibilities and is virtually identical to the employee's original position in terms of pay, benefits, and working conditions.

When a request for pregnancy disability leave is granted to an employee, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will give the employee a written guarantee of reinstatement at the end of the leave (with the limitations explained above).

Before an employee will be permitted to return from a pregnancy disability leave of three days or more, the employee must obtain a certification from her healthcare provider that she is able to resume work.

If the employee can return to work with limitations, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will evaluate those limitations and, will reasonably accommodate the employee, which may include additional medical leave of absence, unless it would result in undue hardship to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS. .

Employment during Leave

An employee on pregnancy disability leave may not accept employment with any other employer without FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' written permission. An employee who accepts employment

with any other employer during leave without the Company's written permission shall be deemed to have resigned from employment.

Leave as a Reasonable Accommodation

There are times when an employee who has taken a medical leave of absence has not yet been released to return to work by his or her healthcare provider and the employee has exhausted all other forms of leave. In such cases, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide additional unpaid leave of absence as a reasonable accommodation, so long as it does not place an undue hardship on the company. . If you are granted leave under this policy, you will be placed on inactive status. Please refer to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' policy entitled Reasonable Accommodation for Employees With Disabilities earlier in this Handbook for details on how to request leave as a reasonable accommodation.

Leave under this policy is unpaid. To the extent you have any accrued but unused Paid Sick Leave and/or Vacation Time Off at the time you are granted a leave of absence under this policy, you must use one or both before taking the leave as unpaid.

Rehabilitation Leave

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS wishes to assist employees who recognize that they have a problem with alcohol or drugs that may interfere with their ability to perform their job in a satisfactory manner. If you believe you have a problem with alcohol or drugs and decide to enroll voluntarily in a rehabilitation program, you will be granted unpaid time off to participate in the program, unless it would result in an undue hardship to FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS to provide the time off. If you request time off to participate in such a program, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will also make reasonable efforts to keep the fact that you are enrolled in the program confidential. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS' support for treatment and rehabilitation does not obligate it to employ any person who violates our Drug and Alcohol Free Workplace or Drug Testing Policies or whose job performance is impaired because of substance abuse. FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS is also not obligated to reemploy any person who has participated in treatment or rehabilitation if that person's job performance remains impaired as a result of dependency. Employees who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of company policy will not be given a second opportunity to seek treatment or rehabilitation.

Leave under this policy is unpaid. An employee who is granted a leave of absence under this policy must utilize any accrued but unused Paid Sick Leave and Vacation Time Off during the period of his or her absence.

Organ and Bone Marrow Donation Leave

FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide the following paid leaves to employees who choose to donate organs or bone marrow:

- Organ donors – will be provided a thirty (30) day (workdays) paid leave of absence in any one-year period.
- Bone marrow donors – will be provided a paid leave of absence up to five (5) workdays in any one-year period.

If you are seeking leave under this law, you must contact FMLA Source (by phone at (877) 462-3652 M-F, 5:30am to 7:30pm PST; via Internet at www.fmlasource.com) and your Store Director or Human Resources Manager to inform them of your need for leave. You will be required to provide written verification that you are an organ or bone marrow donor and that there is a medical necessity for the organ or bone marrow donation. You must use, if available, up to five (5) days of accrued unused Paid Sick Leave for bone marrow donations, and up to two (2) weeks of Paid Sick Leave for organ donations, if available. If no accrued Paid Sick Leave is available, FOOD 4 LESS/RANCHO SAN MIGUEL MARKETS will provide up to thirty (30) days of

paid leave per year for an organ donation in any one-year period, and up to five (5) days of paid leave per year for a bone marrow donation. Leave may be taken in one or more periods intermittently.