




Policy - U.S.A Paid Time Off (PTO) Policy

1. Document Control

Name:	HR-POL-012	Title:		U.S.A. PTO Policy				
Dept Owner:	HR	Sensitivity:		Internal				
Apply to:	Region: 	Division:	All	Function:		All		
Rev No	Change Date	Change Description	Revision History		Originator	Approved By:	Approval Date	MOC No
3	10-May-17	Amend U.S. PTO Policy and revise format			C. Dizon	M. Hickey	15-May-17	DMOC-0321

2. Purpose

The purpose of this Paid Time Off (PTO) Policy is to provide uniform guidelines to eligible employees regarding time off with pay. The policy provides provisions for employees to be away from work due to vacation, sickness and personal time off.

3. Scope

This policy applies to all regular full-time and regular part-time employees of Savanna Energy Services (U.S.A.) Corp. The eligibility and use of PTO is specific to employee classification as defined in the Employment Classification Policy.

4. Definitions & References

“Paid Time Off (PTO)” refers to the allotment of hours accrued for the employee to use for sick days, vacation days and personal time off.

“Grandfathered” is a provision where an employee is exempt from application of new rules, regulations or policy change due to his or her involvement/eligibility in the preceding rule, regulation or policy.

“Calendar year” refers to the year from January to December.

5. Policy Statements

5.1 Non-Exempt Rotational and Exempt Rotational Employees

Based on the nature of Savanna’s business needs and the work schedules associated with drilling rigs, traditional PTO is unpaid for both non-exempt rotational and exempt rotational employees. The exception is non-exempt rotational Drilling employees hired prior to January 1, 2013 who have been grandfathered into the previous program whereby they received a percentage of their regular base pay in each paycheck in lieu of PTO. Employees in the grandfathered program receive 4% of their regular base pay for up to five (5) years of service



Policy - U.S.A Paid Time Off (PTO) Policy

and 6% of their regular base pay for service of five (5) or more years. All employees hired after January 1, 2013 are not eligible for the grandfathered exception.

Exempt Rotational employees are eligible for PTO for short-term disability purposes only. The Corporation will pay up to (5) days of PTO to cover a portion of the employee's seven (7) day waiting period for short-term disability. Other than short-term disability coverage, this employee group is not eligible for PTO.

5.2 Exempt and Non-Exempt, Non-Rotational Employees

Exempt and Non-Exempt non-rotational employees are eligible for PTO. Savanna expects employees to be accountable and responsible in the management of their PTO to permit for sufficient reserves if there is a need to cover vacation, illness, disability, appointments, emergencies and any other personal needs that require time off from work.

The exception is non-exempt non-rotational Well Servicing Rig and Shop employees who receive a percentage of their regular base pay in each paycheck in lieu of PTO. Employees receive 4% of their regular base pay for up to five (5) years of service and 6% of their regular base pay for service of five (5) or more years.

5.3 Eligibility and Use

Employees in exempt and non-exempt, non-rotational positions scheduled to work a minimum of thirty (30) hours per week on a regular basis are eligible to accrue PTO. Part-time employees and employees who are scheduled less than 40 hours per week will accrue PTO on a pro-rated basis depending on their weekly scheduled hours.

An employee may use available accrued PTO in the pay period following the completion of 30 days of continuous employment. All subsequent PTO hours are available for employee use in the pay period after the hours were accrued.

New hires who notify the Corporation prior to hire of existing vacation plans may be granted the time off contingent on business needs and management approval. Should an employee need time off prior to the completion of 30 days of continuous employment due to an emergency situation, they may also be granted the time off contingent on business needs and management approval.

Savanna may require employees to use earned PTO or other accrued paid leave for any absence, including during any unpaid leave of absence.



Policy - U.S.A Paid Time Off (PTO) Policy

5.4 Accrual and Payment

PTO accruals are based on pay periods. The length of an employee's service/employment at Savanna determines the rate at which PTO is accrued. Exceptions to the accrual rate must be approved by a Senior Executive and the Manager of Human Resources.

PTO is paid at the employee's regular rate of pay and will not be used in any overtime calculations.

Management approval is required if an employee wishes to take time off that has not yet been accrued. When recording PTO, an employee can only submit a maximum of eight (8) hours of PTO per work day.

Employees who are in a position that grants guaranteed hours per week will have the hourly guarantee revoked if PTO is taken during the course of any work week. The employee will then be paid only for time worked in the week the PTO was taken.

During an unpaid leave of absence, no PTO is accrued and the available time off benefits must be exhausted prior to an unpaid Leave of Absence. Once an employee returns from leave, PTO accrual will resume.

Employees become eligible for the higher accrual rate on the first day of the pay period in which their anniversary date falls on a pro-rated basis. Accrual of PTO for a full time employee working 40 hours per week is based upon the following schedule:

Years of Service	Accrual Rate per Pay Period	Annual PTO Accrual	Maximum Carryover
Less than five (5) years	.6250	120 hours per year (15 days)	40 hours per year (5 days)
Five (5) years, through nine (9) years	.8333	160 hours per year (20 days)	40 hours per year (5 days)
Ten (10) or more years of service	1.0417	200 hours per year (25 days)	40 hours per year (5 days)

Part-time employees and employees who are scheduled to work less than 40 hours per week will accrue PTO on a pro-rated basis based upon the schedule above.



Policy - U.S.A Paid Time Off (PTO) Policy

5.5 Carryover Allowance

For each calendar year, 40 hours (5 days) are allowed to be carried over into the next calendar year. Employees are required to use any carryover hours by April 1st of the new calendar year or the hours are forfeited. Savanna does not permit pay in lieu of using PTO hours.

5.6 Payment Upon Termination

After 90 days of employment, all accrued, unused PTO balances will be paid in the final paycheck at the time of termination, resignation, separation or retirement in accordance with company policy. If a terminating employee has taken un-accrued PTO hours, the total of those hours will be deducted from the employee's final pay.

5.7 Use and Scheduling

All requests for PTO must be submitted in advance and are subject to approval based upon business needs. Conflicting requests will generally be given priority based on business necessity, the timeliest request and the tenure of the requesting employee. Savanna understands there are times when advanced notice of PTO is not possible due to unforeseen events. Every effort should be made to report the need for PTO due to unforeseen events as quickly as possible. However, frequent unscheduled absences which negatively impact departmental operations will result in the employee being counseled and/or disciplinary action up to and including termination of employment.

The Request for Paid Time Off (PTO) form can be found on the company's intranet site or by contacting Human Resources. All PTO forms must be submitted to Human Resources no later than (5) business days after returning to work.