

Appendix B

VACATION

Purpose

Annual paid vacation is for the purpose of rest and relaxation intended to benefit the employee's health and efficiency.

Eligibility

Employees are eligible for paid vacation after completing six months of continuous service. The only exception to this policy is for those employees who were hired from PG&E and their service was bridged upon employment with Mirant. All previous service with PG&E is immediately recognized towards eligibility of annual vacation allowances.

Vacation Allowance

After you complete six months of continuous service, you are entitled to five days (40 hours) of paid vacation. You will receive an additional ten days (80 hours) of vacation after you complete an additional six months of continuous service.

For each subsequent year of service, you will be credited with a vacation allowance on January 1. The amount of vacation time to which you are entitled is based on the number of years of continuous service you will complete in the upcoming calendar year. This allowance increases each January 1 of your 5th, 10th, and 30th year of employment, as shown below.

Years of Service	Earned Annual Vacation Number of Vacation days (hours)	Total Maximum Vacation Allowance *
6 months	5 days (40 hrs.)	N/A
1 - 4 years	10 days (80 hrs.)	30 days (240 hrs.)
5 - 9 years	15 days (120 hrs.)	45 days (360 hrs.)
10 - 19 years	20 days (160 hrs.)	60 days (480 hrs.)
20 - 29 years	25 days (200 hrs.)	75 days (600 hrs.)
30 or more years	30 days (240 hrs.)	90 days (720 hrs.)

- ❖ Total maximum vacation allowance is the maximum earned vacation you may have on record. See deferring your vacation for more information.

Part-time or Intermittent Employees

Employees who worked a part-time or intermittent schedule qualify for vacation after they have completed six months of continuous service. However, the number of vacation days to which they are entitled is based on the ratio of straight-time hours actually worked (including paid sick leave, vacation, Workers' Compensation of less than 110 workdays in a calendar year, and leaves of absence with pay) during the qualifying period.

Employees on Alternate Work Schedules

If you have worked an alternate work schedule (9/80, 4/10 or 12-hours), your vacation is recorded on an hourly basis and charged against your vacation allowance according to your regularly-scheduled work week. For example, if an employee on a 4/10 work schedule takes vacation on a scheduled workday, 10 hours of vacation will be recorded for that day.

Vacations

Effects of Absence on Vacation

Full-time employees forfeit 1/12 (one twelfth) of the next year's earned annual vacation for each 22 consecutive workdays they are off due to:

- unpaid leave of absence;
- severance;
- Long Term Disability; or
- Workers' Compensation of 110 workdays or more in a calendar year.

This policy does not apply to part-time or intermittent employees since only the hours actually worked are counted in determining vacation allowance.

Illness While on Vacation

If you should become sick or disabled while on vacation, you may request that your vacation be changed to sick leave for those days you were sick. However, you must submit satisfactory medical evidence to your supervisor within 10 workdays of your return to work.

Scheduling Your Vacation

Employees may take vacation in 4 hour or full-day increments. You cannot record vacation in less than 4 hour increments, except to supplement holiday hours if working an alternate work schedule.

Deferring Vacation

You are encouraged to take vacation each year in order to maintain your physical and emotional health. Nevertheless, there may be times when it is necessary for you to defer some of your vacation hours to the following year.

Unused vacation days will be automatically deferred to the next year; however, the total amount of vacation allowance (current and deferred) you may have on record at any time is limited to three times your current annual allowance. If you defer more than two year's annual vacation allowance, your new vacation allowance credited on January 1 will be reduced so that the total number of days does not exceed three times your current annual vacation allowance.

Return to Work

Employees who terminate and who are later re-employed do not receive vacation credit for prior service. Vacation will be earned in the same manner as for new employees.

Vacation Pay Upon Termination

If you terminate employment (including retirement or death) or are severed, you will be paid a vacation allowance of 1/12 (one twelfth) of your annual vacation allowance for each 22 workdays worked beyond January 1 of the next year in which your employment terminates. Any time for which you received pay while on sick leave, vacation, Workers' Compensation of less than 110 workdays in a calendar year, or a leave off absence with pay is included in this calculation. In addition, employees will be paid for any unused or deferred vacation. Vacation pay is computed at the base rate of pay applicable to your regular classification at the time you terminate.

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HOLIDAYS

Employees are eligible to receive holiday pay after completing their probationary period pursuant to Article 8.4. The parties recognize eleven eight-hour public holidays and one eight-hour floating holiday a year with pay. The eleven recognized holidays are:

New Year's Day	January 1
Martin Luther King, Jr. Day	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

Employees who work a 12-hour shift schedule:

Total holiday hours for all employees annually is 96 hours. The following will be the recognized public holidays for 12-hour shift workers:

New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Eve	December 24
Christmas Day	December 25

When a Recognized Public Holiday Falls on a Weekend or Non-Workday

When a recognized holiday falls on a Sunday, it will be observed on the following Monday. When a recognized holiday falls on a Saturday, it will be observed on the preceding Friday. Employees can elect to bank a holiday as another day off in-lieu of being paid for any holiday worked. If an in-lieu day is elected, then it will be recorded as taken on their next scheduled day off. For 12-hour shift employees, if a holiday falls on a non-workday they will be paid for the holiday.

Part-time and intermittent employees receive pay for non-workday holidays only if they are regularly scheduled to work on that day. The amount of payment an employee receives is equal to what the employee would have earned on that day had it not been a holiday.

Floating Holiday

Employees automatically qualify for one eight-hour floating holiday, and one 12-hour for shift employees, each year in which they have worked (including years in which you receive pay while on sick leave, vacation, Worker's Compensation of less than 110 cumulative workdays in a calendar year, or a paid leave of absence). An unused floating holiday can be deferred into the next calendar year.

Part-time employees may use floating holiday hours (8 hours total) on days in which they are regularly scheduled to work. However, they only receive floating holiday pay for the number of hours they are scheduled to work on that day. For example, if a part-time employee works eight hours a day, three days a week, in order to receive floating holiday pay, the employee must take the floating holiday on a day he or she is scheduled to work, and the employee will receive eight hours of floating holiday pay.

Unused Floating Holiday Pay Upon Termination

If you terminate employment (including retirement and death) or are severed, you will be paid for all unused floating holiday hours upon termination.

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SICK LEAVE

If employees cannot work because of illness or injury, employee' sick pay benefits to replace all or part of pay. Employees may also receive sick pay when time off is needed to care for a sick child, spouse, or parent.

Eligibility Requirements

Eligible employment classifications include:

- Regular full-time employee
- Regular part-time employee
- Cooperative education student

Employees in the above classifications are eligible for basic sick pay on their first day of work. Basic sick pay is paid at 100 percent of base salary. Employees are eligible for extended sick pay after being employed by the Company for one year. This includes time worked with an affiliate of the Company, time on a leave of absence, and time worked as a cooperative education student. Extended sick pay is paid at 60 percent of base salary.

For employees who have a break in service, the years of service before the break will count toward total years of service with the Company after being back at work for one year if:

- The break in service is less than five years
- The break in service is less than the years of service worked before the break

Benefits

Sick pay benefits depend on service with the Company:

Years of Service	Basic Sick pay Benefits	Extended Sick Pay Benefits*
Less than 1 year	1 week	None
1 year	2 weeks	24 weeks
2 years	4 weeks	22 weeks
3 years	6 weeks	20 weeks
4 years	8 weeks	18 weeks
5 years	10 weeks	16 weeks
6 years	12 weeks	14 weeks
7 years	14 weeks	12 weeks
8 years	16 weeks	10 weeks
9 years	18 weeks	8 weeks
10 years	20 weeks	6 weeks
11 years	22 weeks	4 weeks
12 years	24 weeks	2 weeks
13 years or more	26 weeks	0 weeks

NOTE: Cooperative education students can earn one-half the sick pay of regular full-time employees. Regular part-time employees earn a percentage of the sick pay of regular full-time employees, based on the number of hours worked per week.

Work Hours Per Week

20
24
30
32
35

Percent of Sick Days

50%
60%
75%
80%
88%

Employees may carry over any sick days that are not used during the year to the following year. A maximum of 26 weeks of sick pay benefits can be accrued.

<h2 style="text-align: center;">Kin Care Policy</h2>
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Purpose

Employees may use up to half, but no more than 40 hours per calendar year, to attend to a child, parent, spouse, domestic partner, or domestic partner's child who is ill. All conditions and restrictions placed on an employee's use of sick leave apply also to sick leave used for care of a child, parent, spouse, domestic partner or domestic partner's child.

Scope

All California union employees covered by the Collective Bargaining Agreement.

Policy

For purposes of Kin Care leave use, a "child" is defined as a biological, foster, or adopted child; stepchild; or a legal ward. A "child" also may be someone for whom you have accepted the duties and responsibilities of raising, even if he or she is not your legal child.

A "parent" is your biological, foster, or adoptive parent; stepparent; or legal guardian.

A "spouse" is your legal spouse according to the laws of California, which do not recognize "common law" spouses (a union that has not been certified by a civil or religious ceremony).

A "domestic partner" is another adult with whom you have chosen to share your life in an intimate and committed relationship of mutual caring, and with whom you have filed a Declaration of Domestic Partnership with the Secretary of State.

A "domestic partner's child" is the biological, foster, or adopted child; stepchild; or legal ward of your domestic partner. A "domestic partner's child" also may be someone for whom your domestic partner has accepted the duties and responsibilities of raising, even if he or she is not your domestic partner's legal child.

Employees may receive Kin Care benefits for:

- Home care
- Hospital care, if necessary, as in the case of a child
- The day of surgery
- Physician visits
- Hospital or other outpatient services as recommended by a physician

Employees may not receive Kin Care benefits for:

- Well baby checkups
- Extension of maternity leave of absence
- Hospital visits while the patient is recovering from treatment
- Routine checkups and physicals

Please note that time off needed to care for children, parent, spouse or domestic partner may qualify for Family Medical Leave. Employees should contact Unum Provident at (800) 313-0050 for additional information.

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MEDICAL LEAVES OF ABSENCE

Pursuant to the FMLA and CFRA laws, eligible employees who are unable to work for more than three consecutive workdays due to their own “serious health condition” may take up to 12 weeks of unpaid FMLA/CFRA leave in a 12-month period. If the leave is taken due to pregnancy disability, the employee is entitled up to four months of medical leave while disabled due to pregnancy pursuant to California’s Fair Employment and Housing Act. This four-month leave is separate from any childcare leave, which is available pursuant to FMLA/CFRA laws.

A Leave of Absence Application and Agreement Form and a Certificate of Health Care Provider, available at your local Human resources Department, must be submitted for approval. Thirty-day’s written advance notice is required when the leave is “foreseeable”. Mirant may require a second and third opinion for re-certification of an employee’s own serious health condition. When released to return to work, employees return to your former or an equivalent classification and work location.

PERSONAL LEAVES OF ABSENCE

Eligible employees are able to receive up to 12 weeks of unpaid leave each year for specific family-related reasons. However, there are certain restrictions, employee eligibility criteria and limitations for this type of leave, which your local Human Resources Department can provide additional information to you.

PERSONAL TIME OFF

Purpose

To clearly define the process in the event an employee needs to request personal time off without pay.

Policy Conditions

Employees are eligible to receive personal time off after completing their probationary period pursuant to Article 8.4. Mirant recognizes that there are times when personal circumstances require that an employee be away from work due to a rare emergency or urgent situation. If an employee needs time off for personal reasons, the company provides vacation and floating holidays. In the rare instance an employee needs to take additional time off with permission/without pay, the request must be made in writing to the employees’ supervisor. The request must outline the reason and the anticipated duration of time off. The company may ask for proof verifying the conditions of such a request. Personal time off will only be granted on an exception basis and after all vacation and floating holidays have been used.

Supervisors must get approval to grant personal time off without pay, based on operating requirements, from their manager. Requests such as this will only be granted for extenuating circumstances or extreme emergency situations and is not covered by any other policy or provision of the Collective Bargaining Agreement. The maximum time off allowed is limited to 10 days.

Once approved or denied by the manager, supervisors will respond in writing to the employee outlining the conditions of granting the time off or not granted with an explanation of denial.

Managers should also consult with Human Resources prior to granting such time off to discuss consistent and practical application of these requests.

FUNERAL LEAVE

Employees are eligible to receive funeral pay after completing their probationary period pursuant to Article 8.4. An employee will be allowed up to five days of paid leave if there is a death in the employee’s immediate family (spouse, domestic partner, child, parents, parents-in-law, brothers, brothers-in-law, sisters, sisters-in-law, son-in-law, daughter-in-law, grandparents, grandparents-in-law, and grandchildren).

An employee may take up to one day of paid leave if death occurs among the employee's extended family (aunts, uncles, nieces, and nephews). Full-time regular employees will receive their regular pay for the days taken, while part-time regular employees will receive a prorated portion of their regular pay (based on the number of hours they regularly work in a week).

Time off to attend the funeral of anyone deemed necessary to pay respect will be granted only with supervisors approval. This time off may be granted in hourly increments.

An employee may use a floating holiday, or vacation days if additional time off from work is needed. While it normally will not be necessary, the Company reserves the right to require an employee to furnish proof of death and attendance at the funeral.

JURY DUTY

Employees are eligible to receive jury duty pay after completing their probationary period pursuant to Article 8.4. The parties recognize the importance of civic responsibility. All employees are encouraged to participate as a juror or subpoenaed witness whenever they are called for service. An employee who has been called for jury duty or as a subpoenaed witness must provided his or her supervisor with a copy of the notice as soon as possible so that work coverage can be arranged. Employees are expected to work their regular hours.

An employee who has been called for jury duty will receive his or her regular rate of pay for each day served. Employees are required to attach proof that time was served on jury duty to the timesheet for the corresponding pay period(s). Employees do no reimburse the Company for monies received by the court for service as a juror.

There will be no action taken against an employee who serves as a juror or subpoenaed witness.