

Definitions for Key Terms can be found on pages 4 unless otherwise noted.

PARTICIPATION

Who may participate? You, provided you are a California employee of Payday (the Company) and paid through the Company payroll. There is no enrollment—your coverage begins on the day you become an eligible employee. If you do not wish to participate in the Plan, you must reject coverage in writing, in which case you will be covered under the California Employment Development Department (EDD). If you wish to participate at a later date, you may do so by submitting a written election to participate to the Human Resources Department. You will be covered on the 1st day of the calendar quarter that follows the date on which you submit your notice.

COST

How much do I pay? Nothing. The Company pays all Plan costs. Because all Plan costs are paid by the Company, Plan benefits paid to you are taxable.

DISABILITY and PAID FAMILY LEAVE (PFL)

When am I considered disabled? When you are unable to perform your regular or customary work because of a mental or physical illness or injury. This includes pregnancy and childbirth. (If you participate in and complete a vocational rehabilitation program, your regular or customary work is the occupation for which you have been retrained.) You are considered disabled if you have been ordered to stay away from work by order of a bona fide health authority because you have or are suspected of having a communicable disease. Also, if you seek treatment for an alcohol or drug abuse problem, you are considered disabled, provided you are participating in an accredited residential program or outpatient program which requires attendance for a minimum of 5 days per week for a minimum of 8 hours per day. Benefits for alcohol and drug abuse treatment are limited to 90 days.

When am I eligible for PFL? When you are unable to work because you must provide care to a sick or injured Family Member or wish to Bond with a new minor Child. A leave for the purpose of bonding with a new minor Child is limited to the first year after the birth, adoption, or foster care placement of that child.

BENEFITS

How much will I receive if I'm disabled? If you are a Benefit Class 1 Employee, you will be paid a weekly benefit equivalent to your State Rate (see State Rate on page 5).

If you are a Benefit Class 2 Employee, you will be paid the higher of (i) 60% of your weekly Earnings to a maximum of \$1,216, or (ii) the weekly benefit rate as determined by the California EDD (see State Rate on page 5).

Partial weeks are paid at a daily rate that is 1/7 of your weekly benefit.

How much will I receive while on PFL? If you are a Benefit Class 1 Employee, you will be paid a weekly benefit equivalent to your State Rate (see page 5).

If you are a Benefit Class 2 Employee, you will be paid the higher of (i) 60% of your weekly Earnings to a maximum of \$1,216, or (ii) the weekly benefit rate as determined by the California EDD (see page 5).

Partial weeks are paid at a daily rate that is 1/7 of your weekly benefit.

The definition of "Earnings" can be found on page 2 under "On what are benefits based?"

During disability or PFL you may choose to redirect a portion of your weekly benefit to cover all or part of the cost of employee-paid benefits. To execute this option, you must designate in writing, on a form available from the Human Resources Department, the weekly amount to be redirected. This redirection may be initiated at the time you apply for benefits or at any time while you are receiving benefits; however, since the Company has its own procedures for continuing employee-paid benefits while an employee is on a leave, you should check with your Human Resources Representative before exercising the redirect option.

When do my benefits begin? Your disability benefits begin on the earliest of the following:

- the 8th consecutive day of your disability (provided you have been treated by a Physician or Practitioner during that 8-day period);
- your first full day of Hospital Confinement;
- the first full day you receive treatment in a Hospital Surgical Unit or approved Surgical Clinic provided you are disabled at least 8 days as a result of the condition requiring such treatment; or
- the first day of disability provided you are disabled for more than 14 days.

Your PFL benefits begin on the 1st day that you are out on Paid Family Leave.

A disability is deemed to be continuous (i.e. you do not need to serve another 7-day waiting period) if you return or are able to return to work for 60 days or less and become disabled again due to the same or related cause or condition. A PFL is deemed continuous if you must provide care to the same Care Recipient within a Twelve-month period.

How do Voluntary Plan benefits compare to benefits from the State? As a Plan participant, you are guaranteed rights at least equal to those provided by the Employment Development Department (EDD). You will receive a weekly rate and maximum benefit amount at least equal to the amount you would have received if you were covered the EDD.

On what are benefits based? If you are a Benefit Class 1 Employee, disability and PFL benefits are based on your Base Period earnings. (See "State Rate" on page 5 for more information.) If you are a Benefit Class 2 Employee, disability and PFL benefits are based on your earnings. "Earnings" mean your gross base pay (with the Company) in effect immediately prior to the start of your disability or PFL. Earnings do not include bonuses, commissions, differentials, overtime, or any other type of compensation.

What is the maximum disability benefit payable? If you are a Benefit Class 1 Employee, the maximum disability benefit payable will not exceed the maximum number of weeks you would have been paid had you been covered by the State program. If you are a Benefit Class 2 Employee, the maximum disability benefit payable will be 52 times your weekly benefit.

What is the maximum PFL benefit payable? If you are a Benefit Class 1 Employee, the maximum PFL benefit payable will not exceed the maximum number of weeks you would have been paid had you been covered by the State program. If you are a Benefit Class 2 Employee, the maximum benefit payable for Paid Family Leave during any 12-month period is 6 times your weekly benefit rate.

Are limits placed on my benefits? Yes. If you are a Benefit Class 2 Employee your disability and PFL benefits will be limited to your State Rate (see page 5) if (i) your disability or PFL begins during the first 90 days of your employment with the Company or (ii) your disability or PFL begins during the first 15 days following the commencement of an unpaid leave of absence (LOA) or a layoff (definite rehire date given). Your disability benefits will be limited to the State Rate if (i) you claim your disability is work-related, (ii) you decline modified work that you are able to perform and that has been offered to you, or (iii) your disability is not substantiated by objective medical evidence due to the stated diagnosis.

Will I still be eligible for benefits if I receive wages while I am disabled? Yes, provided that the amount of wages you receive when combined with your benefits does not exceed the amount of wages you earned (excluding overtime) during the week immediately preceding your disability or PFL. In that case, you will receive a weekly benefit equal to the difference between the two, but not more than you would have received if no wages were paid.

What if I am covered by more than one plan (for instance, another Voluntary Plan or SDI)? Your benefit will equal the amount by which this Plan exceeds your State Rate, plus the amount which results from dividing your State Rate by the number of Plans under which you are covered (for example, if you are covered by this Plan and EDD, you will divide by 2).

DOCUMENTATION FOR BONDING

What must I provide to have a valid claim? For the purpose of Bonding with a new minor Child you must submit a claim and supporting documentation that provides sufficient evidence of (i) your relationship with the child, and (ii) the birth, adoption or foster care placement of the child. The supporting documentation must contain but is not limited to the child's full name, date of birth, gender, and if applicable, date of foster care placement or adoption and, if available, social security number.

All supporting documents have specific requirements but the California Employment Development Department allows some discretion. If you have any questions as to whether or not the supporting documentation you are submitting is acceptable, please call The Larkin Company (PDSI, Inc.'s authorized claims administrator). You can reach The Larkin Company toll-free at (866) 923-3336.

EXCLUSIONS

Are there conditions under which I will not be eligible for benefits?

- You will not receive benefits if a certificate from a Physician or Practitioner does not support your disability or the Care Recipient's Serious Health Condition. An authorized medical officer of a US Government medical facility or a registrar of a county hospital may also certify a disability. If you, or the Care Recipient, belong to a bona fide religious organization that relies on prayer or other spiritual means for healing, a certificate from an authorized or accredited practitioner of that creed may be accepted.

The certificate must include the medical facts of your disability or the Care Recipient's Serious Health Condition, including, if applicable, secondary diagnoses. It must also include the issuer's opinion as to the probable duration of your disability or the Care Recipient's Serious Health Condition. Additionally, for the purposes of providing care to a Family Member, the issuer must provide an estimated amount of time (days and hours per day) that you are needed to provide care and a statement that the Serious Health Condition warrants your participation to provide care. The certificate must include a diagnosis or diagnostic code prescribed in the International Classification of Diseases. If no diagnosis has been made, a statement of symptoms must be included. All of the above must be based on a physical examination and a documented medical history.

If you can prove that you have received workers' compensation (WC) temporary disability benefits, you don't

have to submit a certificate. If you are claiming benefits while receiving treatment for alcohol or drug abuse, your doctor does not need to certify that you are disabled; however, you will still need to meet other Plan requirements.

- You will not receive benefits under this Plan for any disability or PFL period that does not begin while you are covered under this Plan.
- You will not receive benefits under this Plan if you receive (or are eligible to receive) WC temporary disability indemnity, permanent disability benefits (if such benefits are paid due to the same illness or injury), or maintenance allowance benefits **unless** the amount you are receiving from WC is less than your Plan benefit. If this is the case, the Plan will pay the difference between your normal Plan benefit and what you are receiving from WC. If you are receiving WC maintenance allowance benefits, you must supplement those benefits with the maximum permanent disability benefit to which you are entitled; if you don't you will no longer be eligible for Plan payments.
- You will not receive benefits if (i) you are incarcerated (in jail or any other facility) as a result of a criminal conviction, (ii) your disability arises out of your commission of a crime, or (iii) your disability stems from alcohol or drug addiction, or from aberrant sexual behavior, and you are confined by court order in an institution or some other place.
- If you intentionally make a false statement or representation (or you withhold material facts) in order to obtain benefits, you will be ineligible for benefits for at least 7 days (starting on the date we notify you) but not more than 35 days. You will not receive benefits for an additional 56 days if there is a 2nd infraction of this provision.
- You will not receive benefits if you are receiving or are entitled to receive unemployment benefits under any unemployment compensation act of the United States or of any state.
- Except as described under "What if I'm covered by more than one plan...?" (above), you will not receive benefits if you are receiving or are entitled to receive disability or Paid Family Leave benefits from the State of California or any other state or any company plan established in lieu of a state plan.
- You will not receive benefits for any day that would otherwise qualify for PFL benefits if another Family Member is ready, willing, able, and available for the same period of time on a day that you are providing the required care.

COVERAGE ENDS

When does my coverage end?

- when you cease to be an eligible employee;
- at midnight of the day your employment ends;
- at midnight of the 15th day after you begin an unpaid leave of absence (LOA) or on the 15th day following a layoff without pay;

- on the first day of the calendar quarter following your written request (or electronic request) to withdraw from the Plan;
- on the date withdrawal of the Plan is approved; or
- on the date the Plan is terminated.

If you established a Care Recipient Period while covered by this Plan, all subsequent claims for the same Care Recipient through the end of the Twelve-month Period will remain the liability of this Plan.

CLAIMS

How do I file a claim? Claim forms and claim filing information may be obtained from your Human Resources Department or by calling The Larkin Company at (650) 938-0933 or toll free at (866) 923-3336. (Payday has appointed The Larkin Company as its claims administrator.) Fill out the disability and/or Paid Family Leave form(s) and return them to The Larkin Company. (The mailing address and fax number can be found at the bottom of the forms.) A claim for benefits must be filed not later than 45 days after you would have been eligible to receive benefits, unless there is good cause for an extension.

When you file a claim, you will receive a Notice of Computation (DE429D) from the State that shows the amount that the State would have paid you. You should note that the way the State calculates your wages is done using wage quarters. This may result in the State awarding you a different benefit amount. Furthermore, if you were in the military service, received workers' compensation benefits or did not work because of a trade dispute during the Base Period, you may be able to substitute wages paid in prior quarters to make your claim valid or increase the benefit amount. If your claim is invalid because of extended unemployment during the Base Period, you may also be able to substitute wages paid in prior quarters to make the claim valid.

Under the provisions of the California Unemployment Insurance Code, the Company or its authorized administrator shall have the right to (i) require supplemental forms from you, or the Care Recipient's, Physician or Practitioner, or those authorized to certify to disabilities, as often as deemed necessary, and, (ii) have you, or the Care Recipient, examined by a Physician or Practitioner while you are claiming benefits under the Plan. This may be done as often as may reasonably be required during the period benefit payments may be due under the Plan.

What if my claim is denied? If you are denied disability benefits under this Plan, you may appeal the denial. You may appeal in person or in writing at any office of the Employment Development Department within 30 days from the date the notice of the denial was mailed, or within 30 days if you do not receive a notice of denial. Written appeals must be signed and include your name, Social Security Account Number, the name of your employer and the reason you are filing the appeal.

Appeals for Paid Family Leave benefits are the same as above except the appeal must be sent to the following address: Paid Family Leave, PO Box 997017, Sacramento, CA 95799-7017 within 30 days of the denial.

This is a summary Statement of Coverage of the PDSI, Inc. (d.b.a. Payday). Voluntary Plan. The actual Plan Document governs the Plan and describes all of the provisions in more detail. A copy of the complete Plan Document is available for your review at your HR Department.

DEFINITIONS FOR KEY TERMS

"Benefit Class 1 Employee" means a temporary employee (an employee hired by the Company to work in facilities of another employer on an as needed or temporary basis).

"Benefit Class 2 Employee" means a permanent full-time employee (an employee schedule to work at least 40 hours per week).

"Bond or Bonding" means to develop a psychological and emotional attachment between yourself and the new minor Child. Bonding involves being in one another's presence.

"Care Recipient" means either (i) the Family Member who is receiving care for a Serious Health Condition or (ii) the new minor Child with whom you are Bonding.

"Care Recipient Period" means all periods of Paid Family Leave that you take within a Twelve-month Period to care for the same Care Recipient.

"Child" means a biological, adopted or foster child, a stepchild, a legal ward, a son or daughter of a Domestic Partner, or a child for whom you stand "in loco parentis."

"Domestic Partner" has the same meaning as defined in Section 297 of the California Family Code.

"Family Member" means Child, Parent, Parent-in-law, Grandparent, Grandchild, Sibling, Spouse, or Domestic Partner as defined in this section.

"Grandchild" means a Child of one of your children.

"Grandparent" means a Parent of one of your Parents or Parents-in-law.

"Hospital" means an institution with organized facilities for diagnosis and surgery, and 24-hour nursing services for the care and treatment of sick or injured persons. Such institution must be licensed as a hospital pursuant to the statutes or laws of the state or foreign country in which it operates unless such state or foreign country does not have statutes or laws concerning requirements for licensing hospitals.

"Hospital Confinement" means confinement as a registered bed patient in a Hospital for a 24-hour period of time, or any part thereof, for which the Participant is charged a full day's rate for room and board

"Parent" means a biological, foster or adoptive parent, a stepparent, a legal guardian, or other person who stood "in loco parentis" to you when you were a child.

"Parent-in-law" means the Parent to your Spouse or Domestic Partner.

"Physician" means a physician or surgeon holding an MD or DO degree, Psychologist, optometrist or chiropractic practitioner who is (i) licensed by or certified by the state or foreign country in which he or she practices, and (ii) is acting within the scope of his or her practice.

"Practitioner" means a person duly licensed or certified by the state or foreign country in which he or she practices, acting within the scope of his or her license or certification who is a dentist, podiatrist, or a nurse practitioner or physician assistant (provided the nurse practitioner or physician assistant performed a physical examination and collaborated with a Physician or surgeon). With regard to disability resulting from normal pregnancy or childbirth, Practitioner will also include midwife, nurse midwife, or nurse practitioner.

"Psychologist" means a psychologist, licensed in the state of practice, with a doctoral degree in psychology, who either has at least 2 years clinical experience in a recognized health setting, or has met the standards of the National Register of the Health Services Providers in Psychology.

"Serious Health Condition" means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential health care facility, or continuing supervision by a health care provider, as defined in Section 12945.2 of the California Government Code.

"Sibling" means a person related to you by blood, adoption, or affinity through a common legal or biological Parent.

"Spouse" means a partner to a lawful marriage.

"Surgical Clinic" means a clinic that (i) provides treatment for patients who remain fewer than 24 hours and is not part of and not operating under the license of a Hospital, and (ii) is either licensed by the State Department of Health Services (if not exempt from such licensing) or certified to participate in the federal Medicare program as an "ambulatory surgical center" as defined in the Code of Federal Regulations. A "Surgical Clinic" does not include the offices of private physicians in individual or group practice.

"Surgical Unit" means a unit located in or operating under the license of a Hospital and providing treatment for patients who remain fewer than 24 hours.

"Twelve-month Period" means the 365 consecutive days that begins with the first day you first establish a valid claim for PFL.

MISCELLANEOUS

Paid Family Leave does **not** provide job protection or return rights. You may have job protection rights if you are eligible for a leave under the federal Family and Medical Leave Act and/or the California Family Rights Act or any other applicable California law that provides for such protections.

Unless specifically stated otherwise, this Plan is intended to comply with all applicable sections of Part 2 of the California Unemployment Insurance Code.

STATE RATE-

When Plan benefits are payable at the State Rate, you will receive benefits equal to what the California EDD would have paid had you been covered by the State.

The weekly and maximum benefit will be based on disability insurance taxable wages paid to you during the "base period." Such wages must total at least \$300.

<i>If your claim begins in:</i>	<i>Your "Base Period" is the twelve-month period ending the prior:</i>
Jan/Feb/Mar	September 30 th
Apr/May/Jun	December 31 st
Jul/Aug/Sep	March 31 st
Oct/Nov/Dec	June 30 th

When the quarter in which you received the highest wages during your base period is less than \$929 your weekly benefit amount will be \$50.

When the quarter in which you received the highest wages during your base period is equal to or more than \$929 and less than 1/3rd of the state average quarterly wage, your benefit will be 70% of the amount of your highest quarterly wage divided by 13 rounded up to the next higher whole dollar. In 2018, the maximum weekly is \$1,216.

When the quarter in which you received the highest wages during your base period is 1/3rd or more of the state average quarterly wage, your weekly benefit will be the greater of (i) 23.3% of the state average weekly wage, or (ii) 60% of the amount of your highest quarterly wage divided by 13 rounded up to the next higher whole dollar. In 2018, the maximum weekly is \$1,216.