

As either a manager or employee, it is important to understand Windstream's compensation philosophy and to ensure that salary administration decisions or recommendations are in line with the intent of Windstream's compensation philosophy and its business strategies and that they are understandable by the employees affected. The effective use of the tools in the compensation program will assist in recruiting, retaining and rewarding employees appropriately.

It is important that managers and employees understand the framework in which their salaries exist, the factors that determine their level of pay, and the opportunities for salary advancement. Most importantly, Windstream wants its employees to recognize the link between their pay and their performance.

Contact your Human Resources representative for guidelines in making compensation decisions or recommendations that are consistent and fair.

ATTENDANCE AND TIME AWAY FROM WORK

Overview

The following section deals with attendance and absenteeism as well as various absences due to inclement weather and death in the family. In addition, this section contains information relative to various leaves of absence, both with and without pay.

Absences

Windstream needs the help and skills of each employee every day that they are scheduled to work. When there is an absence or incidence of an employee being late, regardless of the reason, the Company's ability to serve its customers is negatively impacted. Regular attendance and punctuality are important job requirements, equally as important as other job performance expectations.

Some absences are unavoidable; however, Windstream does not have a pay provision for every absence considered justifiable. The employee's manager or supervisor is responsible for absence control and approval of pay under certain circumstances, when an employee is absent. Some groups have defined attendance policies. However, in other groups there is no standard definition for what constitutes "excessive absenteeism." Within each workgroup or market, the manager has the responsibility of determining the allowable limits of absenteeism and to communicate those limits to their employees. Each absence or leave request will be considered for approval on its individual merits. Management reserves the right to require documentation of the reasons for any absence.

Although Windstream provides the Sick Pay Program, employees should not view this as an entitlement to take paid time off if they are not incapacitated. Excessive absenteeism or abuse or misuse of the Sick Pay Program will result in corrective action, up to and including termination of employment for cause.

Failure to Report an Absence

If an employee is absent and fails to notify their supervisor, or acting supervisor, for two consecutive days, the employee is presumed to have abandoned his/her job, and therefore employment may be terminated.

HOLIDAYS

Company Designated Holidays

Windstream employees are entitled to designated holidays (or pay in lieu) each year based on office location in accordance with minimum ESA standards.

The designated holidays for employees located in *New Brunswick* are:

NEW BRUNSWICK	
Holiday	Celebrated
New Year's Day	January 1
Family Day	Third Monday in February
Good Friday	Friday before the first Sunday after the first full moon after March 21
Victoria Day	Last Monday before May 25
Canada Day	July 1
New Brunswick Day	First Monday in August
Labour Day	First Monday in September
Thanksgiving	Second Monday in September
National Day for Truth and Reconciliation	September 30
Remembrance Day	November 11
Christmas Day	December 25
Boxing Day	December 26

The designated holidays for employees located in *Ontario* are:

ONTARIO	
Holiday	Celebrated
New Year's Day	January 1
Family Day	Third Monday in February
Good Friday	Friday before the first Sunday after the first full moon after March 21
Victoria Day	Last Monday before May 25
Canada Day	July 1
Civic Holiday	First Monday in August
Labour Day	First Monday in September
National Day for Truth and Reconciliation	September 30
Thanksgiving Day	Second Monday in October
Christmas Day	December 25
Boxing Day	December 26

NOTE: If the holiday falls on a Saturday, Windstream will observe the holiday on the previous Friday; if the holiday falls on a Sunday, the holiday will be observed on the following Monday.

Holiday Pay for Company Designated Holidays

Windstream employees will receive pro-rated holiday pay based on the total amount of regular wages earned in the pay period immediately before the holiday ÷ number of days that the employee worked in that period. If the employee was absent during the entire previous pay period due to a statutory personal emergency leave or vacation, the calculation of holiday pay is based on the next preceding pay period.

Employee Works on a Company Designated Holiday

If an employee agrees to work or is required to work on a Company Designated Holiday, the employee is entitled to receive regular wages for hours worked plus a substitute holiday with Company Designated Holiday pay. If an employee is provided a substitute holiday, the employer must provide the employee with a written statement before the Company Designated Holiday setting out the Company Designated Holiday that is being substituted, the date of the substitute holiday, and the date the statement is provided to the employee.

OPTIONAL HOLIDAYS

Windstream recognizes that many employees desire time off to celebrate ethnic, cultural, religious or other significant observances that do not fall under Windstream's standard company holiday offering. For this reason, in addition to the Designated Company Holidays, certain regular full-time employees who have completed 90 days of continuous employment may receive optional holiday pay. Ontario employees are eligible for up to sixteen (16) hours of optional holiday pay per year. New Brunswick employees are eligible for up to eight (8) hours of optional holiday pay per year.

Employees cannot accrue more than Regular part-time employees who are regularly scheduled to work 20 or more hours per week and who have completed 90 days of continuous service will receive optional holidays on a pro-rated basis ($\text{Reg. hrs. scheduled} / 5 = \text{Avg. hrs. scheduled} \times \text{Eligible optional holidays} = \text{Total eligible hrs. of optional holidays}$). When necessary, the time should be rounded up to the nearest quarter hour. Please note that prior to taking any unpaid leave, the employee must first exhaust all paid time off, such as vacation and optional holidays. Employees must be actively at work with no restrictions for at least one full day in the new calendar year to be eligible to receive optional holiday pay. For example, an employee on a leave of absence on January 1 will not be eligible for optional holiday pay until his/her return to work for one day. See the Personal Leave of Absence section for details.

Optional holidays are also provided as service milestone awards. One additional optional holiday (8 hours of pay) is granted at the beginning of the year (January) when an employee is scheduled to reach a service milestone. This optional holiday pay is given one time during the year of a service milestone. This additional optional holiday to recognize a service milestone is only available to be taken during the year of the service milestone. The following year (i.e. year 2-4, year 6-9, etc.) the optional holiday pay returns to the standard hours of optional holidays designated by the policy.

Service Award Milestones

- 1 year of service
- Each interval of 5 years of service (5 years, 10 years, 15 years, etc.)

The employee, with manager approval, may choose when to take an optional holiday(s). Optional holidays must be taken prior to the end of each calendar year. If not taken, they will be forfeited. If an employee is leaving Windstream and has unused optional holidays, the holidays will be forfeited at the time the employee gives his/her notice unless the law requires otherwise. Therefore, the days may not be taken during the notice period, nor will they be included in the calculation of termination benefits. Employees leaving Windstream due to retirement may take optional holidays during the notice period in the event the employee provides at least one month's notice. Certain employees may be excluded from receiving Optional Holidays under this Policy.

Holiday Pay for Optional Holidays

Pay for optional holidays will be at the same rate as that for company designated holidays and will be included in the computation of overtime.

Eligibility Requirements for Rehired Employees

Employees whose service has been bridged due to rehire will become eligible for optional holidays according to the new hire schedule immediately upon rehire. Employees who are rehired in the same calendar year as their termination of employment will also become eligible for optional holidays according to the new hire schedule; however, the employee will not receive more than the maximum total hours of optional holidays for the year.

Change of Status