



CALIFORNIA HANDBOOK ADDENDUM

This Addendum contains additions and changes to the Talent Handbook (126/126e) that apply to all employees of Kelly Services and/or its subsidiaries ("Kelly" or "Kelly Services") in California. Except as noted below, nothing in this Addendum changes or modifies any of the policies or procedures set forth in the Talent Handbook.

Day of Rest Requirement

You are entitled to a "day of rest" (i.e., a day without work) every workweek. The "day of rest" will not necessarily be scheduled for the same day every workweek, but you will be provided at least one day of rest every workweek (unless you work 30 hours or less that week and not more than 6 hours per day, in which case you are exempt from the day of rest rule).

Overtime

Non-exempt employees will be paid one and one-half times their regular rate of pay for hours worked in excess of eight (8) hours in a work day or forty (40) hours in a workweek and for the first eight (8) hours worked on the seventh (7th) consecutive day worked in a workweek. Non-exempt employees will be paid two times their regular rate of pay for all hours worked in excess of 12 hours in a workday and in excess of eight (8) hours worked on the seventh (7th) consecutive day worked in a workweek.

Meal Breaks and Rest Periods

When you work a shift of more than five (5) hours, Kelly provides you with a 30-minute unpaid, duty-free and uninterrupted meal period by the end of the fifth hour of work. However, if you work six (6) hours or less in a workday and you and Kelly agree to voluntarily waive the meal period. You should begin your meal period by no later than the end of your fifth hour of work.

When you work a shift of more than 10 hours, Kelly provides you with a second 30-minute unpaid, duty-free and uninterrupted meal period by the end of the tenth hour of work. However, if you work more than 10 hours in a shift, but not more than 12 hours, then you and Kelly can agree to waive your second meal period. You should begin your second meal period by no later than the tenth hour of work.

Each non-exempt employee is required to record accurately the time they begin and end each meal period. Non-exempt employees must not perform any work "off the clock" during meal periods. Any time spent performing work during a meal period must be reflected on the employee's time record. Employees will be subject to discipline for violating this policy.

Employees are authorized and permitted to take one paid 10-minute duty-free and uninterrupted rest break for every four (4) hours worked or major portion thereof. Rest breaks should be taken as close to the middle of each four-hour work period as practicable. Employees working fewer than 3-1/2 hours in a shift are not entitled to a rest break. If you work between 3-1/2 and six (6) hours in a shift, then you are authorized and permitted to take one (1) paid rest break each shift. If you work more than six (6) hours in a shift, then you are authorized and permitted to take two paid rest breaks each shift. If you work more than 10 hours in a shift, then you are authorized and permitted to take an additional rest break. Kelly encourages employees to take all authorized rest breaks each shift.

A duty-free meal and rest period means that you are relieved of all of your work duties during your meal periods and rest breaks, and you are free to use this time for whatever purpose you desire, including leaving the premises. If you are not provided with a meal period or rest break as specified in this policy, or anyone directs or encourages you to skip your meal periods or rest breaks, you must contact your Kelly Representative or Human Resources immediately. You may do so without fear of retaliation, which Kelly policy prohibits.

Employees may not add their rest breaks to their meal periods to take a longer meal period. Employees also should not work through their meal periods in order to arrive late or leave early.

Kelly will assume that you have been provided with your meal periods and rest breaks as set forth in this policy unless you notify your Kelly Representative of a problem, and/or you submit a **Notice of Involuntarily Late, Missed, Shortened, or Interrupted Meal and/or Rest Periods - California (e862)** to your Kelly Representative advising you were unable to take a meal period and/or rest break, or you attest to not receiving a meal period via an applicable timekeeping tool's automated attestation. Regular (i.e., internal) non-exempt employees do not complete the **Notice of Involuntarily Late, Missed, Shortened, or Interrupted Meal and/or Rest Periods – California (e862)** as this is addressed through a different process. Contact your HR Representative with any questions.

If you report being required to work during your meal periods or rest breaks, being required to return to work prior to the end of your meal periods or rest breaks (without the ability to restart a full, timely rest break after the interruption ends), being required to delay your meal periods until after the end of your 5th hour of work, or otherwise being denied a meal period or rest break, then you will be paid in accordance with applicable law. If you have any questions regarding this policy or your meal period and rest break entitlements, please contact your Kelly Representative immediately.

A Note About Pagers, Radios, Phones and Other Devices

Employees are not required or encouraged to carry their pagers, radios, phones, or any other device during their meal periods or rest periods and will not be subject to any discipline for failing to do so. If any employee voluntarily chooses to carry any such device, the employee is not required to answer or otherwise respond to any page, call, email message, or any other interruption and will not be subject to any discipline for failing to do so. An employee who is interrupted during a meal or rest period is to report that fact promptly so that management can remedy the situation.

California Family Rights Act

Similar to the FMLA, eligible California employees of Kelly Services can take up to 12 workweeks of unpaid leave in a 12-month period under the California Family Rights Act ("CFRA"). In most cases, FMLA and CFRA leave run concurrently, meaning that the employee is not entitled to 12 weeks of leave under the FMLA and an additional 12 weeks of leave under the CFRA. Pregnancy disability leave, discussed below, is an exception to this rule.

Employees may take CFRA leave for:

- **Birth/Placement (Bonding)** — to care for a child born to or placed for adoption or foster care with the employee.
- **Family Medical** — to care for the employee's parent, child (including adult children and children of domestic partners), spouse, grandparent, grandchild, sibling, parent-in-law, domestic partner, siblings, grandparents, and grandchildren with a serious health condition.

- **Employee Medical** — because of the employee’s own serious health condition, which renders the employee unable to perform one or more essential functions of his or her position.
- **Qualifying Exigency** -- because of a qualifying exigency related to the covered active duty or call to covered active duty of an employee’s spouse, domestic partner, child, or parent in the Armed Forces of the United States, as specified in Section 3302.2 of the Unemployment Insurance Code.

The eligibility requirements are similar under the FMLA and CFRA, but not identical. To be eligible for leave under the CFRA, the employee must (1) have worked for Kelly Services for 12 months or more within the seven years prior to the start of the leave (time on another leave counts toward the 12 month service requirement), (2) have worked at least 1,250 hours during the 12 months before the leave is to begin, and (3) work for an employer with at least five employees.

The same advance notice and medical certification requirements that are applicable to leaves taken under FMLA are also applicable to leaves under CFRA. Benefit continuation is the same as well.

Reinstatement rights are also the same under both the FMLA and the CFRA. If leave is covered by both the FMLA and CFRA, then leave taken under the CFRA will run concurrently with leave taken under the FMLA, unless otherwise provided by law.

Spouses Employed by Kelly

If otherwise eligible, spouses who both are employed by Kelly are each eligible for a total of 12 weeks of leave in a 12-month period for the birth, adoption, or foster care placement of their child or to care for a parent with a serious health condition. And if otherwise eligible, spouses who both are employed by Kelly are each eligible for a total of 26 weeks of leave in a single 12-month period to care for a covered service member.

Second and Third Opinions

Kelly Services may require second and third opinions only for the serious health condition of the employee.

Intermittent Birth/Placement Leave

Under the CFRA, an employee may be eligible for intermittent Birth/Placement leave. However, such intermittent leave generally must be taken in periods of at least two weeks’ duration, except on two occasions an employee can request such leave for a period of less than two weeks’ duration. This leave must be completed within one year of the birth or placement of the child.

Additional Leave Available In Connection with Pregnancy Disability Leave

Leave for pregnancy-related disability is covered under the FMLA, but not the CFRA. (Refer to the section below for pregnancy disability leave information). Therefore, if an employee takes a Family/Medical Leave for a pregnancy-related disability, she may be eligible for up to an additional 12 weeks of Family/Medical Leave in the 12-month period under the CFRA for reasons other than pregnancy-related disability. The amount of any such available Family/Medical Leave will be reduced by any other CFRA leave taken during the 12-month period. Additional leave may be available as an accommodation for individuals with a disability.

Leave Is Unpaid/Substitution of Accrued Paid Leave

Family Medical Leave is unpaid leave. However, the following applies if the employee is eligible for sick, vacation, or paid time off (PTO). If leave is taken for an employee's own serious health condition, then any accrued paid time available to the employee (such as sick, vacation or PTO pay) may be used by the employee during any otherwise unpaid Family Medical Leave period.

Employees taking Family Medical leave to care for the serious health condition of a covered family member or for baby bonding, adoption, or foster care placement may use accrued vacation or PTO time during their leave.

Please consult with Kelly for applicable limitations on use of accrued sick time under such a leave. If an employee is receiving state disability insurance benefits ("SDI"), Paid Family Leave ("PFL") or workers' compensation benefits ("W/C Benefits") during the Family Medical Leave, he or she may use accrued vacation, sick or PTO time to supplement the SDI, PFL or W/C Benefits up to an amount equal to 100% of his or her wage rate. The receipt of disability, PFL, or workers' compensation benefits or the substitution of paid leave for unpaid leave time does not extend the maximum Family/Medical Leave period.

Retaliation and interference with the good faith use of CFRA leave is strictly prohibited. Employees are encouraged to immediately report any concerns of interference or retaliation for taking or requesting a CFRA leave.

PREGNANCY-RELATED DISABILITY LEAVE AND ACCOMMODATION

Under California law, an employee disabled by pregnancy, childbirth or related medical conditions is eligible for an unpaid leave of absence for the period of disability, up to a maximum of four months per pregnancy. When medically advisable, a Pregnancy Disability Leave may be taken intermittently or on a reduced work schedule. Multiple disability leaves for the same pregnancy will be combined for purposes of calculating the four months. Leave taken under the pregnancy disability policy runs concurrently with family and medical leave under federal law—but not with family and medical leave under California law.

A pregnant employee may be entitled to transfer to a less strenuous or hazardous position for the duration of her pregnancy upon request, where such transfer can be reasonably accommodated. An employee also may be entitled to reasonable accommodation for conditions related to pregnancy, childbirth or related medical conditions upon request, where such reasonable accommodation would not cause an undue hardship to Kelly Services. A request for reasonable accommodation or transfer must be supported by the written certification of the employee's health care provider that such an accommodation or transfer is medically advisable.

Pregnancy Disability Leaves generally are unpaid. However, employees taking leave for a pregnancy-related disability may use accrued sick time during their leave, and they may also use accrued vacation or PTO time, if they are eligible for such paid time. In addition, an employee may be eligible for state disability benefits during the leave, although the employee may not receive more than an amount equal to 100% of her salary from a combination of use of accrued paid time and state disability benefits. The substitution of paid time for unpaid leave time and/or the receipt of disability benefits does not extend the maximum four-month Pregnancy Disability Leave period.

Employees do not accrue PTO, vacation or sick pay during periods of unpaid Pregnancy Disability Leave.

During an approved Pregnancy Disability Leave, Kelly Services will maintain an employee's group health benefits as under the same conditions as if she had continued to be actively employed.

If possible, an employee must provide at least thirty (30) days' notice of her intention to take leave, or as much notice as is practicable under the circumstances. A request for leave must be supported by a medical certification from the employee's health care provider.

Generally, upon return from an approved Pregnancy Disability Leave that does not exceed the maximum available leave, an employee will be reinstated to the same position or a comparable position, subject to any applicable exceptions. However, an employee has no greater rights to reinstatement or to other benefits and conditions of employment than if she had not taken the Pregnancy Disability Leave. In addition, any right to reinstatement terminates if an employee fails to return to work at the end of an approved leave, in accordance with applicable laws. As a condition of returning from a Pregnancy Disability Leave, an employee must provide Kelly Services with a certification from her health care provider that she is able to resume work.

Requests for additional leave may be available based on disabilities continuing past the leave limitations discussed above will be evaluated on a case-by-case basis. Questions or concerns related to this policy may be presented to your immediate Kelly manager, your Kelly Human Resources representative and/or **Kelly Services' Business Conduct & Ethics Reporting Program at 1-877-978-0049** or www.integrity-helpline.com/kellyservices.jsp. This program is administered by a third party.