

# FIVE BELOW Paid PARENTAL Leave POLICY

Five Below is excited to offer paid parental leave benefits to eligible associates starting on November 1, 2020. Eligible associates can use parental leave time to medically recover from pregnancy and childbirth and/or to bond with and care for a child following a birth, legal adoption or state foster care placement.

## 1. WHO IS ELIGIBLE FOR Paid PARENTAL Leave BENEFITS?

Full-time WowTown, WowTown West and exempt (salaried) Ship Center Associates who become new parents on or after November 1, 2020 are eligible for parental leave benefits upon hire. These associates must be employed by Five Below at the time of the birth, placement or adoption to be eligible.

Full-time Wow Crew Associates and non-exempt (hourly) Ship Center Associates who become new parents on or after November 1, 2020 are eligible for parental leave benefits upon reaching their “service eligibility date”, which is the 1<sup>st</sup> of the month following 60 days of service. (For example, an associate that starts on October 15<sup>th</sup> has 60 days of service on December 14<sup>th</sup> and reaches his or her service eligibility date on January 1<sup>st</sup>). To be eligible for benefits, the birth, adoption or placement must occur on or after the “service eligibility date.”

Part-time associates, seasonal associates, temporary associates and associates who became new parents before November 1, 2020 are not eligible for parental leave benefits under this policy.

## 2. HOW MUCH Paid PARENTAL Leave TIME WILL I RECEIVE?

Eligible birth mothers will receive up to 12 weeks of fully-paid parental leave, consisting of 6 to 8 weeks of pregnancy leave and 4 weeks of bonding leave. Eligible partners, adoptive and foster parents will receive 4 weeks of fully-paid bonding leave.

### a. BIRTH MOTHERS



Parental leave for birth mothers consists of:

- Pregnancy Leave: 6-8 weeks of paid leave following childbirth at 100% of salary/wages to medically recover from pregnancy and childbirth. This includes a one week Short-Term Disability (STD) application waiting period, when your wages/salary will be fully paid by Five Below, and 5 to 7 weeks of STD, when your wages/salary will be fully paid through a combination of payments by Five Below and Five Below's STD insurer.
- Bonding Leave: 4 additional weeks of leave fully-paid by Five Below at 100% of salary/wages to care for and bond with a child.

Generally, birth mothers will take pregnancy leave in one continuous period starting from the birth of the child. While birth mothers may begin their bonding leave right after pregnancy leave, they have the option

to take the bonding leave portion any time in the 12 months after the child's birth (subject to certain exceptions discussed below).

## **B. PARTNERS, ADOPTIVE AND FOSTER PARENTS**



Partners, adoptive and foster parents are eligible for 4 weeks of bonding leave, which be used anytime in the 12 months after the birth, adoption or placement (subject to certain exceptions discussed below).

### **3. HOW MUCH WILL I BE PAID DURING MY PARENTAL LEAVE?**

100% of your wages/salary! If you are an exempt (salaried) associate, your weekly benefit will be the same as your weekly base salary in effect on the date of the birth, adoption or placement. If you are a non-exempt (hourly) associate, your weekly benefit will equal 40 hours at your regular hourly rate in effect on the date of the birth, adoption or placement.

### **4. WHEN AND HOW CAN I USE MY 4 WEEKS OF BONDING LEAVE?**

You can use bonding leave anytime in the twelve months after the birth, adoption or placement, subject to the following restrictions:

- Although you do not need to use all of your bonding leave at once, you must take bonding leave in at least full one-week increments.
- If you want to take bonding leave more than 6 months after the birth, adoption or placement of the child, Five Below may deny the request if it would result in your absence during peak business periods. For example, if you become a new parent in March, and request to take your 4 weeks of bonding leave in the month of December, Five Below may ask you to instead defer taking bonding leave until after the busy holiday season ends.

If you do not use bonding leave within twelve months of the birth, adoption or placement, it will be considered forfeited.

### **5. IS MY JOB PROTECTED WHILE I AM OUT ON PARENTAL LEAVE?**

Yes. Your job will be held for you in accordance with applicable law while you are out on parental leave. When your leave ends, you will be reinstated to the same or an equivalent position with the same or equivalent benefits.

### **6. WILL MY BENEFITS (MEDICAL, DENTAL, 401K, ETC.) CONTINUE DURING PARENTAL LEAVE?**

Yes. During parental leave, all benefits are governed by the terms of the applicable benefit plan documents and will continue in accordance with the plans, your benefit elections, and applicable law. Deductions for the benefits will continue to be made from your parental leave payments.

## **7. HOW DOES FIVE BELOW'S PARENTAL LEAVE INTERACT WITH THE FAMILY AND MEDICAL LEAVE ACT (FMLA) AND OTHER LEAVE LAWS?**

Eligible associates taking parental leave will be required to apply for and take any other paid or unpaid leave benefits available to them under federal, state or local law, and such benefits will run concurrently with Five Below's parental leave. For example, all new parents who meet eligibility requirements under the FMLA will be required to apply for FMLA leave which will run concurrently with their parental leave.

## **8. MY STATE PROVIDES PAID FAMILY LEAVE BENEFITS FOR NEW PARENTS. AM I STILL ELIGIBLE FOR FIVE BELOW'S PARENTAL LEAVE BENEFITS?**

Yes, but your Five Below parental leave benefits will be reduced by any amount you receive from your state or local government program, and you must apply for any benefits available to you under the state or local program. Five Below will then supplement any government-provided payments to ensure that you receive 100% salary replacement during your qualifying parental leave period. For example, if you receive 60% salary replacement under the state or local program, Five Below will provide a supplemental payment of 40% of your salary.

Before providing any parental leave benefits, Five Below will require proof that you applied for any paid family leave benefits available to you under state or local law.

## **9. HOW DO I REQUEST PARENTAL LEAVE?**

Associates applying for parental leave must follow Five Below's regular notification procedure for requesting STD benefits and leave under federal, state and local laws. Specifically, as soon as practicable after you become aware of your need for time off due to becoming a new parent, you should:

1. Contact Tri Star and notify them of your need to take a leave of absence related to the birth or adoption/placement of a child by calling (844) 702-2352 or going to [www.fivebelow.ess-absencetracker.com](http://www.fivebelow.ess-absencetracker.com).
2. If you are a birth mother applying for the pregnancy leave of Five Below's parental leave, you must apply for STD Benefits with The Standard by calling (833) 760-7013.
3. If you live in a state that provides governmental Paid Family Leave Benefits (see question 8 above), you must apply for those benefits and obtain proof of application/approval letter to Five Below before it will authorize any Five Below-paid benefits to you.
4. Five Below will be notified of your Leave of Absence request and/or Short-Term Disability claim which will trigger the start of your Parental Leave benefits when your LOA begins.

A failure to follow these required procedures may result in denial of your request for parental leave.

**10. I AM ELIGIBLE FOR AN ANNUAL, QUARTERLY OR OTHER BONUS. WILL TAKING PARENTAL LEAVE AFFECT THE AMOUNT OF THE BONUS I WILL RECEIVE?**

Yes. Depending on amount of the time that you spend on parental leave, you may become ineligible for a bonus or have your bonus amount prorated.

For example, if you are eligible for and have otherwise earned a quarterly bonus that requires you to be actively employed for at least seven (7) weeks of the quarter, and you are on parental leave for eight (8) weeks during the quarter, you will not be eligible to receive a bonus during that quarter.

Similarly, if you are eligible for and have otherwise earned an annual bonus, the bonus amount will be prorated according to amount of time within the fiscal year that you were on parental leave. To illustrate, if you take twelve weeks of parental leave during the fiscal year, your actual bonus will be approximately 77% of the amount you otherwise would have received (reflecting your active employment in 40 out of 52 weeks, or 77%, of the fiscal year).

**11. WILL I BE EXPECTED TO PERFORM WORK DURING MY PARENTAL LEAVE?**

No. Five Below offers parental leave so that associates can spend time away from work to medically recover from childbirth and to care for and bond with their new child. Associates will not be expected to perform work during parental leave, and supervisors should not require that associates on parental leave perform any work, either at the worksite or remotely.

That said, associates taking parental leave must work closely with their supervisors *before* the leave to ensure that their duties and responsibilities are properly transitioned during their period of absence.

**12. CAN I SUPPLEMENT MY PARENTAL LEAVE TIME WITH MY UNUSED VACATION, PERSONAL/SICK OR TAKE FIVE TIME?**

Yes. Parental leave is a supplementary benefit in addition to any vacation, personal/sick, and Take Five time that you have otherwise earned. A parent can, for example, submit a vacation request for an additional week of time off after his or her bonding leave ends (extending his or her time off to 5 weeks instead of 4). However, consistent with the terms of Five Below's vacation policy, all such requests will be evaluated by your supervisor, who will then approve or deny the request based on a review of Five Below's business needs.

**13. HOW OFTEN CAN I RECEIVE PARENTAL LEAVE BENEFITS?**

Eligible associates can receive the parental leave benefits described in this policy once per rolling twelve (12) month period, even if they become parents multiple times in that period. For example, a second birth, adoption or placement occurring within twelve (12) months of a first birth, adoption or placement will not qualify an associate for any additional benefits under this policy.

**14. IF I SEPARATE FROM EMPLOYMENT PRIOR TO USING SOME OR ALL OF MY PARENTAL LEAVE BENEFITS, WILL THEY BE PAID OUT UPON SEPARATION?**

No. If you choose not to utilize parental leave time when it becomes available to you, and you separate from employment (for any reason) prior to the one year anniversary of the qualifying birth, adoption or placement, the parental leave benefits are considered forfeited and will not be paid out in your final paycheck. Similarly, if you separate from employment (for any reason) *during* your parental leave, any remaining weeks of parental leave that would have been available to you had you remained employed will not be paid out in your final paycheck.

**15. I BECAME A NEW PARENT BEFORE NOVEMBER 1, 2020. AM I ELIGIBLE FOR ANY BENEFITS?**

Associates who became new parents before November 1, 2020 are not eligible for pregnancy leave or bonding leave as described in this policy.

However, current full-time associates who became new parents between September 1, 2020 and October 31, 2020 may be eligible for a supplementary benefit and should contact their HR Manager / HR Business Partner by January 31, 2021 to apply for the benefit.

Associates who became new parents before September 1, 2020 are not eligible for pregnancy leave, bonding leave, or the supplementary benefit.

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*This Five Below Paid Parental Leave Policy does not create an express or implied contract between Five Below and any of its associates, whose employment remains “at-will.” Five Below reserves the right to modify, amend or terminate this policy (or any other employee benefit program) at any time, including by imposing additional requirements for eligibility and/or changing the amount of any benefits potentially available under this policy. All associates requesting benefits under this policy must follow the procedures outlined herein for doing so, and no individual manager or representative of Five Below has the authority to grant any benefits to associates who decline to follow these procedures.*