

- 1 • Medical, Dental and Vision Plans: Under each of these plans, the costs are
2 shared by Entergy and its employees.

3 *Medical Plan.* Entergy uses managed doctor and hospital networks, which
4 reduce claims costs. The Medical Plan provides employees and their dependents
5 comprehensive medical coverage. The Medical Plan offers three Preferred
6 Provider Organization (“PPO”) plan coverage options. Each coverage option has
7 different deductibles, copays, and coinsurance levels. All three coverage options
8 are provided through a network of health service providers managed by Aetna.
9 With the high deductible health plan coverage option, employees may make pre-
10 tax contributions to a health savings account (“HSA”) that they may use to pay
11 deductible expenses and other qualified medical expenses.

12 *Dental Plan.* The Dental Plan offers coverage for four types of services:
13 diagnostic and preventive care; basic restorative care; major restorative care; and
14 orthodontics. The plan pays 100% of diagnostic and preventive care, 80% of
15 basic restorative care, and 50% of both major restorative care and orthodontics
16 services. The Dental Plan has a lifetime coverage limit for orthodontic services.

17 *Vision Plan.* The Vision Plan offers a routine vision exam and an
18 allowance for either a set of frames or contact lenses each calendar year. The plan
19 offers a 15% discount off a contact lens exam when services are obtained from an
20 in-network provider.

- 21 • Reimbursement Plan

22 The Reimbursement Plan offers a health care FSA and a dependent day
23 care FSA. Employees who do not contribute to an HSA may make pre-tax

1 contributions to a traditional health care FSA through which they may be
2 reimbursed for all qualified medical expenses. Employees who contribute to an
3 HSA may make pre-tax contributions to a limited-scope FSA through which they
4 may be reimbursed for certain dental, vision, and preventive care prescription
5 drugs prior to meeting the high deductible health plan deductible, and for all
6 qualified medical expenses thereafter. Employees may make pre-tax
7 contributions to a dependent day care FSA through which they may be reimbursed
8 for eligible dependent day care expenses.

9 • Long-Term Disability Plan

10 The Long-Term Disability Plan provides monthly income for eligible
11 employees who become disabled while actively employed by Entergy. The plan
12 provides either 40% or 65% of the employees' monthly income, depending on the
13 coverage option elected by the employee and is reduced by any amounts received
14 by the employee from Worker's Compensation, Social Security, and certain other
15 income benefits. Entergy provides the 40% coverage option at no cost to
16 employees. Employees who choose the 65% coverage option pay the total cost
17 for the 65% coverage option that exceeds the cost of the 40% coverage option.

18 • Life Insurance Plan

19 Entergy offers eligible employees different levels of life insurance
20 coverage and accidental death and dismemberment ("AD&D") insurance
21 coverage, Active Death Benefit, Occupational Accidental Death and
22 Dismemberment ("OAD&D") Insurance, and Aircraft Accident Insurance.
23 Benefit levels for life and AD&D coverage options range from one-time annual

1 base pay to four times annual base pay. Entergy pays the premium for the
2 one-time annual base pay option. Employees pay the additional premium for any
3 life or AD&D coverage option that exceeds the one times annual base pay option.

4 In addition to employee life and AD&D insurance coverage, employees
5 may elect Survivor Income Insurance and Dependent Life Insurance. These
6 programs allow employees to take advantage of group rates, and employees pay
7 100% of the cost for these coverage options.

8 Premiums for OAD&D and Aircraft Accident Insurance are paid by the
9 Company. The Active Death Benefit is a self-insured benefit provided to the
10 spouse or the estate of a deceased active employee in the amount of 80 times the
11 employees base hourly rate of pay at the time of death.

12 • Tax-Qualified Retirement Benefit Plans¹⁸

13 Entergy sponsors several tax-qualified defined benefit pension plans and
14 employees may participate in either a final average pay plan or cash balance plan
15 based on the eligibility rules outlined in each plan. The plans provide eligible,
16 vested employees with a monthly benefit at retirement. These benefits are
17 provided at no cost to eligible Entergy employees. Effective January 1, 2021,

¹⁸ Entergy retirement plans are as follows: Entergy Corporation Retirement Plan for Bargaining Employees, Entergy Corporation Retirement Plan for Non-Bargaining Employees, Entergy Corporation Retirement Plan II for Bargaining Employees, Entergy Corporation Retirement Plan II for Non-Bargaining Employees, Entergy Corporation Retirement Plan III, Entergy Corporation Retirement Plan IV for Bargaining Employees, Entergy Corporation Cash Balance Plan for Bargaining Employees, Entergy Corporation Cash Balance Plan for Non-Bargaining Employees (effective January 1, 2022, this Plan was merged into Entergy Corporation Retirement Plan for Non-Bargaining Employees as Appendix J), Savings Plan of Entergy Corporation and Subsidiaries, Savings Plan of Entergy Corporation and Subsidiaries VI, Savings Plan of Entergy Corporation and Subsidiaries VII, Savings Plan of Entergy Corporation and Subsidiaries VIII, and Savings Plan of Entergy Corporation and Subsidiaries IX, some of which plans are not be applicable to ETL.

1 non-bargaining employees hired or rehired on or after January 1, 2021, are not
2 eligible to participate in a defined benefit pension plan. Entergy also sponsors
3 several tax-qualified defined contribution plans that include a 401(k) feature,
4 including but not limited to the Savings Plan of Entergy Corporation and
5 Subsidiaries ("Savings Plan I") and the Savings Plan of Entergy Corporation and
6 Subsidiaries VIII ("Savings Plan VIII"), which was adopted as of January 1,
7 2021. Employees can contribute from 1% to 50% of their eligible earnings in
8 whole percentages to the savings plan. Each savings plan provides for employer
9 matching contributions with different employer matching contribution formulas.
10 During the Test Year, for employees participating in Savings Plan I, Entergy
11 matched 70% or 100% of the employee's Savings Plan contributions up to 6% of
12 eligible earnings, depending on the employee's hire/rehire date. During the Test
13 Year, for employees participating in Savings Plan VIII, Entergy matched 100% of
14 the employee's savings Plan contributions up to 5% of eligible earnings. For the
15 Test Year, eligible employees participating in Savings Plan VIII also received a
16 discretionary annual employer retirement contribution of 4% of the employee's
17 eligible earnings (subject to a 3-year vesting requirement), regardless of whether
18 the employee made voluntary contributions to the Savings Plan.

19 • Other Post-Employment Benefits or OPEBs

20 OPEBs are benefits, excluding the retirement benefit plans mentioned
21 above, offered to eligible former non-bargaining employees hired or rehired prior
22 to July 1, 2014, and eligible former bargaining employees hired or rehired prior to
23 January 1, 2015, and include: (i) either a health reimbursement arrangement

1 (“HRA”) or medical, dental, and vision coverage; and (ii) life insurance coverage.
2 Entergy contributes the HRA amounts and pays the full cost of retiree life
3 insurance premiums; Entergy shares the costs of the medical, dental, and vision
4 coverage with its retired employees. Entergy eliminated OPEB benefits for non-
5 bargaining employees hired or rehired on or after July 1, 2014, and for bargaining
6 employees hired or rehired on or after January 1, 2015. Additionally, Entergy has
7 capped its premium contribution for retiree medical coverage for any former non-
8 bargaining employees whose retirement commencement date is on or after
9 January 1, 2015 (that is anyone whose last day worked is after November 30,
10 2014) and their eligible survivors and dependents at a set dollar amount. The cap
11 went into effect in 2019, based on 2018 cost levels, and Entergy’s premium
12 contribution increases each year at either the rate of inflation or the actual
13 increase in costs, whichever is less. The retiree is responsible for any annual
14 premium cost increases for retiree medical coverage that exceed the cap. This
15 change has also been negotiated with bargaining units as necessary. Entergy’s
16 treatment of OPEB for ratemaking purposes is addressed by Ms. Lofton.

17 Effective January 1, 2021, retired, former non-bargaining ETI and ESL
18 employees age 65 and older who are eligible for OPEB, and their eligible spouses
19 who are age 65 and older (collectively, Medicare-eligible Participants), are
20 eligible to participate in an HRA and are no longer eligible for retiree medical,
21 dental, and vision coverage provided through plans sponsored by Entergy.
22 Medicare-eligible Participants may use the HRA towards the purchase of various
23 types of qualified insurance offered through a Medicare exchange provider and

1 for other qualified medical expenses. The changes affecting active bargaining
2 unit employees will be negotiated with the unions prior to implementation, where
3 necessary, and to the extent required by law.

4 • Non-Tax-Qualified Retirement Benefit Plans

5 Certain non-bargaining employees who participate in the same tax-
6 qualified retirement benefit plans as other non-bargaining employees participate,
7 may also participate in one or more non-tax-qualified retirement benefit plans that
8 fall into two categories: (1) *restoration benefit plans*, which are designed to keep
9 employees whole with respect to certain limitations placed on tax-qualified
10 retirement plans by IRC Section 401(a)(17) (i.e., the compensation limit) and IRC
11 Section 415 (limitations on benefits and contributions); and (2) *supplemental*
12 *benefit plans*, which are designed to provide executives with a different benefit
13 level than the tax-qualified plan or a restoration plan would normally provide.
14 Entergy closed its supplemental benefit plans to new participants effective July 1,
15 2014.

16 Entergy has three restoration benefits plans: (1) the Pension Equalization
17 Plan of Entergy Corporation and Subsidiaries; (2) the Cash Balance Equalization
18 Plan of Entergy Corporation and Subsidiaries; and (3) the Defined Contribution
19 Restoration Plan for the Savings Plan of Entergy Corporation and Subsidiaries

20 VIII. ETI is seeking recovery for costs associated with its three restoration
21 benefit plans. However, ETI is not seeking recovery of costs associated with its
22 supplemental benefit plans, and Ms. Lofton sponsors the adjustment that removes
23 those costs from the requested cost of service.

1 **2. The Benefit Plans are Necessary, and the Costs are Reasonable**

2 Q60. DOES ENTERGY USE BENCHMARK STUDIES TO EVALUATE THEIR
3 BENEFIT PLANS?

4 A. Yes. Entergy uses the Willis Towers Watson BenVal Report to evaluate its
5 benefit plans and values for benefit packages offered to new hires. The most
6 recent BenVal Report is based on information available as of October 2021
7 ("2021 BenVal Report") and is provided in highly sensitive Exhibit JAR-6.

8
9 Q61. FOR THE TEST YEAR, WERE ENTERGY'S BENEFITS PLANS
10 NECESSARY?

11 A. Yes. In order to attract and retain a qualified workforce, it is necessary for
12 Entergy to incur the costs to provide its employees with competitive benefits
13 packages, as benefits packages are prevalent in industries in which Entergy
14 competes for talent [REDACTED]

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

19
20 Q62. HAS ENTERGY TAKEN ANY STEPS TO REDUCE THE COST OF ITS
21 BENEFITS PLANS?

22 A. Yes. Entergy has taken several steps to reduce the cost of its benefits plans,
23 including the following:

- 1 • For non-bargaining new hires/rehires who are hired on or after July 1,
2 2014, Entergy changed from a final average pay pension plan to a cash
3 balance pension plan and increased savings plan match percentage for
4 participants in the cash balance plan. Effective January 1, 2015, these
5 benefit changes have been successfully negotiated into all ETI bargaining
6 contracts. In addition, Entergy closed the supplemental non-qualified
7 retirement plans to new entrants beginning July 1, 2014. For non-
8 bargaining new hires/rehires who are hired on or after January 1, 2021,
9 Entergy closed the cash balance plan and began offering a savings plan
10 with an annual employer retirement contribution to eligible employees.
11 These benefit changes to close the cash balance plan to bargaining new
12 hires/rehires and offer a savings plan with annual retirement contribution
13 to eligible bargaining employees will be negotiated with the bargaining
14 units as necessary.
- 15 • For Medicare-eligible participants (defined in Q&A 60), Entergy changed
16 from offering retiree medical, dental, and vision coverage under its own
17 plans to offering participation in an HRA. Medicare-eligible participants
18 may use the HRA towards the purchase of various types of qualified
19 insurance offered through a Medicare exchange provider and for other
20 qualified medical expenses.
- 21 • Entergy maintains a wellness program called ENSHAPE to promote
22 employee wellness, to increase productivity and reduce sick leave, and to
23 reduce the rate of cost increases for medical, disability, and life insurance
24 benefit plans. ENSHAPE is designed to improve and maintain
25 employees' physical and psychological health and help employees' focus
26 on wellness and prudent consumerism. ENSHAPE encourages
27 participation in health screenings and health assessments as a preventive
28 care measure, encourages employees to participate in physical activity
29 programs, provides resources to help employees eat healthier diets to
30 reduce and maintain weight, and provides resources for tobacco cessation.
- 31 • During its annual relocation policy review, Entergy works with its
32 relocation vendor to identify potential savings (e.g., reducing the
33 maximum allowed on miscellaneous expense allowances).
- 34 • During its annual vendor contract renewals, Entergy works with its
35 vendors to negotiate and achieve savings whenever possible.
- 36 • Effective January 1, 2021, for active non-bargaining employees who
37 participate in an Entergy Medical Plan coverage option, the tobacco
38 surcharge of \$25/month assessed to an employee's Medical Plan premium
39 if the employee or the employee's covered spouse used any tobacco
40 products within the previous 12-month period was increased to \$50 per
41 month (indexed for inflation) for each employee, employee's covered
42 spouse, and/or employee's covered child(ren) age 18 or older who have

1 smoked or used tobacco products within the previous 12-month period, for
2 up to three participants. In addition, the tobacco surcharge was extended
3 to apply to the use of vaping products, including e-cigarettes and other
4 electronic nicotine delivery systems. The changes affecting active
5 bargaining unit employees will be negotiated with the unions prior to
6 implementation, where necessary, and to the extent required by law.

7 In addition, plan costs were monitored on a monthly basis and the costs for
8 providing the various benefit programs were compared against targets in the
9 budget.

10

11 Q63. HAVE THESE COST REDUCTION STEPS IMPACTED ENTERGY'S
12 ABILITY TO RETAIN A QUALIFIED WORKFORCE?

13 A. No, they have not. Since Entergy implemented these changes in 2021, benefits as
14 a reason for leaving has significantly decreased; thus, based on recent exit survey
15 data, it has not negatively affected Entergy's ability to retain a qualified
16 workforce.

17

18 Q64. DO YOU EXPECT ENTERGY'S COSTS RELATED TO ITS BENEFITS
19 PLANS TO DECREASE?

20 A. Not necessarily. Benefits consultants have projected continued increases to
21 Entergy's health and welfare benefits costs under a "business as usual" scenario,
22 citing high-cost claimants, an aging workforce, and the general upward trend in
23 healthcare costs nationwide as the key drivers. However, because Entergy has
24 been proactive in reducing the costs of its benefits programs, this projected
25 growth should occur at a slower rate than if no such actions had occurred.

1 Q65. DURING THE TEST YEAR, WERE ENTERGY'S BENEFIT PROGRAMS
2 REASONABLE?

3 A. Yes. [REDACTED]
4 [REDACTED]
5 [REDACTED]

6 As such, Entergy's benefit programs are reasonable and necessary.

7

8 Q66. IN COMPARING ENTERGY'S BENEFITS VALUES TO THE BENEFITS
9 VALUES PROVIDED BY COMPARABLE COMPANIES, HOW SHOULD
10 ONE DEFINE THE "MARKET LEVEL" OF BENEFITS?

11 A. As with Entergy's incentive programs, a level of benefits values with a reasonable
12 range (+/- 15%) of the median benefit values is reasonable. Assigning prices to
13 benefits values is an inexact science; thus, the market value is defined as a range
14 rather than as a single, specific point.

15

16 Q67. HOW DO ENTERGY'S BENEFIT VALUES COMPARE WITH THE
17 BENEFITS VALUES OFFERED BY THE PEER GROUP OF UTILITY
18 COMPANIES AND WITH GENERAL INDUSTRY (FORTUNE 500) DURING
19 THE TEST YEAR?

20 A. [REDACTED]
21 [REDACTED]
22 [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 [REDACTED]
4 [REDACTED]

[illegible]

5

6

7 [REDACTED]

8 [REDACTED]

9

10 **C. Other HR Labor-Related Costs**

11 Q68. DOES ENTERGY PROVIDE ITS EMPLOYEES WITH PAID TIME OFF?

12 A. Yes. [REDACTED]

13 [REDACTED]

Exhibit JAR-7 shows a representative group of Entergy's policies that provide paid time off to employees. These paid time off policies are: Absenteeism; Short-Term Disability; Military Leaves of Absence; Holidays; Vacation; and Paid Parental Leave and are described in the chart below.

Absenteeism	Permits 56 hours of paid time off a year for compelling reasons, e.g., employee illness or spouse, child, or parent illness.
Short-Term Disability	Permits paid time off, based on years of employee service, for more than 40 consecutive hours of personal illness.
Military Leaves of Absence	Permits pay differential and the continuation of benefits in the case of active-duty activation.
Holidays	Permits 11 paid holidays per year to ETI and ESL employees.
Vacation	Permits vacation, based on years of employment service, up to five weeks per year.
Paid Parental Leave	Permits 6 weeks paid leave at base pay for employees to bond with a new child within twelve months of birth, adoption or foster placement of a child.

Q69. HOW ARE THE COSTS RELATING TO ENTERGY'S PAID TIME OFF POLICIES REFLECTED IN TEST YEAR COSTS?

A. There is no explicit charge for paid time off. Instead, the costs for paid time off are subsumed within base pay.

Q70. FOR THE TEST YEAR, WERE THE COSTS ASSOCIATED WITH ENTERGY'S PAID TIME OFF POLICIES REASONABLE?

A. Yes. As I demonstrated earlier, the total annual compensation (base pay plus annual incentive compensation) during the Test Year was reasonable. Given that

the costs of paid time off are subsumed within the base pay component of total annual compensation, the costs of the paid time off policies during the Test Year were also reasonable.

Q71. DOES ENTERGY HAVE RELOCATION ASSISTANCE POLICIES?

A. Yes. In order to be competitive in the employment market, it is necessary that Entergy provide relocation assistance to certain categories of employees. Entergy's relocation policies are summarized below.

Table 7: Summary of Relocation Policies

Policy	Eligibility
Relocation Assistance Policy Level I	Offered to employees in management and above roles.
Relocation Assistance Policy Level II	Offered to employees in experienced individual contributors and supervisory roles.
Relocation Assistance Policy Level III	Offered to employees in entry level roles.

Q72. ARE THE COSTS ATTRIBUTABLE TO ENTERGY'S RELOCATION ASSISTANCE POLICIES REASONABLE?

A. Yes. Based upon my professional experience and knowledge of recruitment and personnel practices, Entergy's relocation assistance policies are consistent with general industry practice. Without these programs, the total package of compensation and benefits would be less competitive. Entergy's average relocation assistance amount during the Test Year was \$17,107 for renters and \$84,608 for homeowners. These amounts are within the average ranges provided

1 by our relocation vendor Weichart of \$17,000 - \$31,400 for renters and \$82,690 -
2 \$98,500 for homeowners, which demonstrates that Entergy's costs attributable to
3 its relocation programs are reasonable.
4

5 **D. Affiliate Benefits and Compensation Expenses**

6 Q73. IN WHAT CLASS OR CLASSES ARE ESL'S COMPENSATION AND
7 BENEFITS EXPENSES CHARGED TO ETI?

8 A. In general, compensation costs are reflected in the cost components, such as
9 Payroll & Employee Costs, of each class of affiliate services that provides ESL
10 labor-related services to ETI. Benefits costs are reflected in the HR Class that I
11 detail below. As Ryan Dumas explains, the costs of these services are also
12 captured in project codes and then allocated and charged to ETI.
13

14 Q74. HOW ARE ESL'S COMPENSATION AND BENEFITS EXPENSES
15 CHARGED TO ETI?

16 A. ESL employees are responsible for recording their time to project codes that are
17 designed to accumulate and reflect the costs of the various specific services being
18 provided. Each ESL project code is assigned one billing method which
19 determines how Entergy will be billed for the labor charges. Payroll-related costs
20 such as payroll taxes, employee benefits, certain employee compensation, and
21 paid time off are loaded to the projects that each individual charges so that each
22 project is fully loaded with both the direct costs assigned to the project as well as

1 ESL's payroll-related overhead costs. Mr. Dumas discusses the Payroll Loader
2 and Allocation processes in his testimony.
3

4 **IV. AFFILIATE EXPENSES FOR THE HUMAN RESOURCES CLASS**

5 **A. Description of HR Class**

6 Q75. WHICH AFFILIATE CLASS DO YOU SPONSOR?

7 A. I sponsor the HR Class of affiliate services and expenses.
8

9 Q76. HOW DOES YOUR EARLIER TESTIMONY RELATE TO YOUR
10 DISCUSSION HERE ABOUT THE HR CLASS?

11 A. Earlier in Section III of my testimony, I demonstrated that Entergy's
12 compensation rates and benefits programs are reasonable and necessary to attract
13 and retain qualified employees. In this section of my testimony, I discuss the
14 costs specifically associated with the HR Class.
15

16 Q77. WHAT SERVICES DOES THE HR DEPARTMENT PROVIDE?

17 A. The HR Department provides numerous services for Entergy, including:

- 18 1. HR Business Partners and Labor Relations;
19 2. HR Programs (Total Rewards, Talent Management, Diversity and
20 Workforce Strategies, and HR Program Management); and
21 3. HR Operations (HR Shared Services including HR Benefits Operations,
22 Core HR and Leave Management, HR Reporting and

1 Analytics/Application Business Services, Employee Support Center,
2 Compliance and Programs, and Talent Acquisition).

3 These services are detailed later in my testimony.
4

5 Q78. BESIDES THE COSTS ASSOCIATED WITH THE HR SERVICES LISTED
6 ABOVE, ARE THERE ANY OTHER COSTS THAT ARE INCLUDED IN THE
7 HR CLASS?

8 A. Yes. The HR Class also includes the costs (or credits) of pensions, OPEBs, and
9 benefits loaders and true-ups.
10

11 **B. Reasonableness and Necessity of HR Class**

12 Q79. ARE THE HR SERVICES PROVIDED BY THE HR DEPARTMENT
13 NECESSARY?

14 A. Yes. HR services are among the most critical functions in business because
15 utilities need highly skilled and motivated employees to succeed. Without an HR
16 Department, ETI would be unable to provide service to customers.

17 HR management is the business function that focuses on the effective
18 management, direction, and use of employees. The HR Department, along with
19 line management, is responsible for activities such as recruiting, selecting,
20 assigning, motivating, compensating, training, developing, and promoting Entergy
21 employees.

22 The HR Department oversees a large number of employment and
23 personnel issues such as:

- 1 • workforce planning;
- 2 • improving productivity;
- 3 • implementing effective compensation and benefits;
- 4 • controlling health care costs;
- 5 • developing and retaining employee loyalty to customers and to Entergy;
- 6 • maintaining and managing a diverse workforce; and
- 7 • managing complex legal and regulatory issues related to employment and
- 8 labor law compliance and litigation.

9 In addition, during the COVID-19 pandemic, the HR Department staff has
10 been very active in developing and implementing policies and guidelines designed
11 to help keep employees and their families healthy and the workplace safe.

12

13 Q80. WHAT ARE SOME OF THE SPECIFIC SERVICES THAT THE HR CLASS
14 PROVIDES TO ETI?

15 A. The HR Class provides various services to ETI. On a daily basis, HR employees
16 are involved in consulting with ETI's and ESL's employees and management on
17 such matters as professional development, resolving grievances, employee issue
18 resolution, discipline, performance planning and review, policy administration,
19 recruiting, hiring, drug testing, new employee orientation, benefits and
20 compensation administration, labor negotiations, organization design, managing
21 change, employee relocations, and non-technical training. HR employees interact
22 with vendors, and ETI and ESL employees and retirees, on issues such as

1 retirement, educational reimbursement, internal job posting process, policy
2 interpretation, and employee assistance programs.

3 Specific services provided by the HR organization to Entergy include:
4

5 **1. HR Business Partners**

6 HR Business Partners are assigned to support the HR needs of the
7 individual business units and functions throughout Entergy. These groups assist
8 management and employees with implementing and administering HR policies
9 and programs. This support includes activities such as leadership planning and
10 coaching, acting as liaisons between HR and the business, identification of key
11 workforce metrics, executive recruitment, industry partnering, and providing
12 consulting on various HR issues.
13

14 **2. Labor Relations**

15 The Labor Relations group oversees the negotiation and administration of
16 labor agreements by providing labor-related consulting, preparing for and
17 negotiating labor contracts, and managing labor related grievances. The Labor
18 Relations Group also ensures that Entergy's employment policies and practices
19 comply with applicable labor laws and supports the subsidiaries in ensuring that
20 their employees act within these laws, which include activities such as training
21 employees and supervisors regarding applicable federal and state regulations.

3. HR Programs

a. Total Rewards

The Total Rewards group provides or oversees:

- Compensation, which includes:

- Compensation plan strategy: compensation design development; pay plans development; incentive plan development;
- Compensation plan analysis: compensation trends research; compensation and incentive plan comparisons (to other peer companies); compensation issues; internal compensation equity analysis; and
- Compensation plan administration: administration and management of long-term incentive, annual incentive, and merit programs; market reference data development; interpretation of rules governing compensation plans governance and oversight of third-party administrators/vendors.

- Benefits, which includes:

- Benefit plan strategies: benefit design development; pricing for benefit programs; evaluation of vendor bids; monitoring of compliance of benefits plans with laws and regulations;
- Benefit plan analysis: evaluation of current plan design against the plans of other employers; benefit trends research; consultation on benefit issues; benefit costs analysis; and
- Benefit plan administration: administration and compliance activities for all benefit programs; interpretation of rules governing benefit programs; governance and oversight of third-party administrators/vendors.

- **Leave & Other Programs:**

- Leave program strategies: leave program development; monitoring of compliance of leave programs with laws and regulations;
 - Leave program analysis: evaluation of current plan design against the plans of other employers; leave program trends research; consultation on leave issues; leave costs analysis; and
 - Leave program administration: administration and compliance activities for all leave programs; interpretation of rules governing leave programs; governance and oversight of third-party administrators/vendors.

- Provides project management support for Total Rewards programs, policies, and procedures.

b. Talent Management

The Talent Management Group is responsible for employee development, leadership development and performance management and succession planning, which are described below.

- For employee development, the Talent Management Group manages the Tuition Reimbursement Program and develops and implements programs to assist with the overall development of workforce.¹⁹
- For executive development, the Talent Management Group creates leadership and executive development strategies, processes, and programs enterprise wide.
- For the performance management and succession planning functions, the Talent Management Group develops and implements programs to improve, monitor, and assess employee performance, including through the performance rating process and the pay-for-performance strategy. The Talent Management Group also: (1) help business leaders identify successors to leadership positions; (2) assess talent to identify development needs; and (3) develop programs to improve talent capabilities and readiness for advancement.

C. Diversity and Workforce Strategies

The Diversity and Workforce Strategies organization serves as a center of excellence around workforce development, talent attraction/pipeline development, and organizational health and diversity. The organization supports the company's efforts to increase its partnerships with colleges and vocational – technical

¹⁹ Exhibit JAR-8 includes the lists of formal training programs and computer-based training courses available to all employees for 2021. Exhibit JAR-9 provides the Educational Reimbursement Program policies in place during the Test Year. This exhibit outlines the eligibility requirements and the process to participate in the Program.

1 schools for a stronger, more viable pipeline of future talent, while expanding
2 efforts to increase employee engagement and organizational health within the
3 workforce to retain our talent. The Workforce Development team has ownership
4 of state-based workforce development and talent attraction activities including
5 high school, college, community, and industry related programming. The Talent
6 Pipeline team has ownership of Entergy's company-wide employer value
7 propositions, targeted recruiting strategies and strategic pipeline programs. The
8 Organizational Health & Diversity team has ownership in assisting leaders in
9 driving improvements in organizational health and inclusive climate, as well as
10 our overall custom and data-driven DIB strategy that includes interventions,
11 building DIB capability and HR policies, programs, and processes.

12 13 **D. HR Program Management**

14 The HR Program Management group manages human resources-related
15 programs and projects including preparation of human capital disclosures,
16 maintenance of Affirmative Action Plans, records management, supporting audits
17 by the U.S. Equal Employment Opportunity Commission, the company's drug
18 and alcohol policy, workforce planning process and tools, HR business continuity,
19 and internally developed HR-related database applications.

20 21 **1. HR Operations**

22 The HR Operations group is part of Entergy's Shared Services
23 organization ("ESS"), and includes Benefits Administration Operations, HR Core

1 and Leave Management, HR Reporting and Analytics (“HRRA”)/Application
2 Business Services (“ABS”), Employee Support Center (“ESC”), Compliance and
3 Programs, and Talent Acquisition. Each is discussed below.

- 4 • Benefits Administration Operations assists employees with benefits
5 enrollment, family status changes, and life events.
- 6 • HR Core and Leave Management administers the PeopleSoft HR tool and
7 maintains employee personal and employment data. HR Core and Leave
8 Management processes leaves of absence and provides employee support
9 for Americans with Disability Act (“ADA”), absence management, and
10 unemployment functions. In addition, HR Core and Leave Management
11 oversees all foreign national employee immigration compliance protocols.
- 12 • HRRA/ABS supports the creation, delivery, and maintenance of standard
13 reports; maintains and owns the HR data warehouse; engages in industry
14 partnering and benchmarking; maintains metric definitions; fulfills adhoc
15 data requests and performs data analytics. In addition, HRRA/ABS
16 supports HR technologies such as PeopleSoft and SuccessFactors.
- 17 • The ESC serves as the phone center and tier one support for employees for
18 HR questions, including all types of employee leave (vacation, sick time,
19 short-term and long-term disability, etc.); performance management;
20 benefits for new hires, existing employees and retirees; organizational
21 changes; and manager and employee self-service transactions.
- 22 • Talent Acquisition handles the tactical and operational execution of
23 recruiting activities including talent sourcing, pre-employment testing,
24 recruiting and staffing, relocation (managed through a third-party vendor),
25 and onboarding support.
- 26 • Compliance and Programs executes strategic department initiatives, and
27 governs the HRO Compliance Program including policy review, records
28 management, compliance training, and departmental controls.

29
30 Q81. ARE ANY OF THE HR SERVICES PROVIDED BY THE HR DEPARTMENT
31 DUPLICATED ANYWHERE ELSE IN ENTERGY?

32 A. No. The HR Department provides centralized services to ETI and the other
33 EOCs, so the policies and management are not duplicated anywhere else.

1 Q82. DO ETI'S CUSTOMERS BENEFIT FROM HR SERVICES?

2 A. Yes. Similar to Entergy's Compensation and Benefits Programs, Entergy's HR
3 Class is critical to ensuring that Entergy is able to attract and retain qualified
4 employees, who in turn, provide quality service to the EOCs' customers.

5 ETI's customers also benefit from centralized HR services, because the
6 costs associated with the HR Department are shared between ETI and the other
7 EOCs. If ETI had a stand-alone HR Department, the costs to its customers would
8 be higher due to a loss of economies of scale.

9

10 E. **Overview of HR Class Costs and Billing Methods**

11 Q83. WHAT IS THE TOTAL ETI ADJUSTED AMOUNT FOR THE HR CLASS?

12 A. As shown in Table 8, the total ETI adjusted amount for this class of services is
13 \$21,409,231.

14 **Table 8: HR Class – Total ETI Adjusted Amount²⁰**

		Total ETI Adjusted		
Class	Total Billings	Amount	% Direct Billed	% Allocated
HR	\$621,169,957	\$21,407,567	20%	80%

²⁰ **Total Billings** is ESL's total billings to all Entergy companies for the Test Year, plus all other affiliate charges that originated from any Entergy company. This is the amount from Column C of Exhibits JAR-A, JAR-B, and JAR-C. **Total ETI Adjusted Amount** is ETI's cost of service amount after pro forma adjustments and exclusions. **% Direct Billed** is the percentage of the Total ETI Adjusted Amount that was billed directly to ETI for the Test Year. **% Allocated** is the percentage of the Total ETI Adjusted Amount that was allocated to ETI for the Test Year.

1 Q84. PLEASE DESCRIBE THE EXHIBITS THAT SUPPORT TABLE 8.

2 A. Exhibits JAR-A, JAR-B, and JAR-C support the information contained in Table
3 8. Exhibit JAR-A shows the HR Class broken down by the departments;
4 Exhibit JAR-B shows the same information broken down by project code and the
5 billing method assigned to each project code; and Exhibit JAR-C shows the
6 information by class, department, project code, and billing method.

7 For a description of Columns A through H of Exhibits JAR-A, JAR-B, and
8 JAR-C and what they represent, please refer to Mr. Dumas's direct testimony.
9 Mr. Dumas also describes the calculations that take the dollars of support services
10 in Column A to the Total ETI Adjusted figures shown on Column H.

11

12 Q85. ARE THERE ANY EXCLUSIONS TO THE HR CLASS?

13 A. Yes. The exclusions column in Exhibits JAR-A, JAR-B, and JAR-C show items
14 such as capital expenditures, below the line amounts, and amounts charged to
15 other balance sheet accounts. Mr. Dumas discusses exclusions in his direct
16 testimony.

17

18 Q86. ARE THERE ANY PRO FORMA ADJUSTMENTS TO THE HR CLASS?

19 A. Yes. The witnesses identified in Exhibit JAR-D sponsor the listed known and
20 measurable adjustments to the HR Class.

21

22 Q87. PLEASE DESCRIBE THE HR CLASS' MAJOR COST COMPONENTS.

23 A. The HR Class is comprised of the following major cost components:

Table 9: HR Class – Major Cost Components

Cost Component	\$	% of Total
Payroll and Employee Costs	\$19,342,779	90%
Other	\$1,413,655	7%
Outside Services	\$418,630	2%
Service Company Recipient	\$173,418	1%
Office and Employee Expenses	\$59,085	0%
Total	\$21,407,567	100%

As the table shows, 90% of the costs for the HR Class are labor-related costs, including for compensation and benefits. These costs are reasonable and necessary as demonstrated in my testimony above. The “Other” cost component in Table 9 relates to miscellaneous HR-related expenses not covered by the other specific cost components. Mr. Dumas provides support for this cost category and, thus, indirectly helps to support the charges for the HR class.

In addition to the labor-related costs, 1% of the costs are service company recipient costs, which are for services that ESL provides to itself, which in turn are billed to the affiliates that receive ESL services. Mr. Dumas explains the service company recipient costs and the billing process for this category of costs in his testimony. The two other cost components are outside services and office and employee expenses, at 2% and 0% respectively.

1 Q88. HOW ARE THE COSTS OF THIS CLASS OF SERVICES BILLED TO ETI?

2 A. Exhibits JAR-B and JAR-C show all of the costs included in this class broken
3 down by project code and show the billing method associated with each project
4 code. As shown earlier on Table 8, some of those charges have been directly
5 billed to ETI and a majority of these charges are the results of allocations that bill
6 a portion of the costs to ETI.

7 Direct billing occurs when the services are performed exclusively for ETI.
8 Only when costs are incurred that are caused by ETI and one or more of the other
9 EOCs are such costs billed using an allocation method.

10

11 Q89. HOW ARE THE COSTS OF PENSIONS, OPEB, AND BENEFITS LOADERS
12 AND TRUE-UPS IN THE HR CLASS BILLED TO ETI?

13 A. The costs of pensions, OPEB, and benefits loaders and true-ups are loaded and
14 allocated as described by Mr. Dumas. As noted above, Mr. Dumas also discusses
15 the Payroll Loader and Allocation processes in his testimony.

16

17 Q90. PLEASE DESCRIBE THE PENSIONS, OPEB, AND BENEFIT LOADERS
18 AND TRUE-UP COSTS INCLUDED IN THE TOTAL ETI ADJUSTED
19 AMOUNT.

20 A. Entergy's Pensions, OPEB, and Benefit Programs are described in
21 Section III.B.1 of my testimony above. With regard to the benefits loaders, the
22 costs include the budgeted levels of the medical, dental, vision, group disability,
23 life insurance, and saving plans. The costs associated with pension and OPEB

1 include interest, expected return on plan assets, amortization of transition assets,
2 amortization of prior service cost, and amortization of gains and losses. The
3 benefits true-ups included in this class capture actual costs incurred over or under
4 the budgeted level for the foregoing costs. For the reasons described in
5 Section III.B.2, the costs of these programs are reasonable and necessary.

6
7 Q91. WHAT WERE THE PREDOMINANT BILLING METHODS USED FOR THE
8 HR SERVICES BILLED TO ETI?

9 A. The predominant billing methods for the HR Class include LBRBILAL, DIRECT,
10 DIRECTTX, PKLOADAL, EMPLOYAL, ASSTSALL, CUSTEGOP,
11 CUSEOPCO, TRSBLNOP, CAPAOPCO, ITSPENDA, SCFSPALL,
12 CUSTCALL, LBRUTOPN, SCPSPXNC, PKLDEXAM and LVLSVCAL. For
13 the Test Year, these 17 billing methods along with the amounts directly billed to
14 ETI were used for 90% of the costs related to the HR services.

15 These billing methods are appropriate because they are based on cost
16 causation principles. For a detailed explanation of these predominant billing
17 methods and why they are appropriate for the project codes to which they are
18 assigned, please refer to Exhibit JAR-10.

19
20 Q92. YOU HAVE ADDRESSED THE BILLING METHODS USED TO BILL 90%
21 OF THE COSTS, PLEASE ADDRESS THE REMAINING 10%.

22 A. The remaining costs are billed through the use of other billing methods. Given
23 the number of billing methods, project codes, and relative dollar amounts, I have

1 not gone into detail in this discussion in an effort to keep the discussion at a
2 manageable level. The project codes and billing methods used to bill the
3 remaining 10% of the costs, however, are provided in Exhibits JAR-B and
4 JAR-C, discussed earlier. These exhibits, coupled with the specific project code
5 summary contained in Mr. Dumas's testimony, provide the particular billing
6 method used and the cost drivers for the activities captured for each particular
7 project code.

8
9 Q93. HAVE YOU DETERMINED THAT THE COSTS REFLECTED IN THE
10 REMAINING 10% OF COSTS HAVE BEEN BILLED APPROPRIATELY?

11 A. Yes. I have reviewed each of the project codes and the associated billing methods
12 used to bill the remaining 10% of the costs. The cost drivers reflected in the
13 billing method used to bill the costs of each project code is consistent with and
14 reflects the cost drivers of the services captured in each respective project code.
15 Therefore, the costs billed to ETI reasonably reflect the actual costs of the
16 services received by ETI and are no higher than per unit costs charged to other
17 affiliates for the same or similar types of services.

18
19 Q94. HAVE YOU REACHED A CONCLUSION ABOUT THE MANNER ESL
20 BILLS ETI FOR THE HR CLASS OF SERVICES?

21 A. Yes. I conclude that through the application of these billing methods, the unit
22 cost to ETI is no higher than the unit costs to other affiliates for the same or
23 similar services and represents the actual costs of services.

1 **F. The Costs for the HR Class are Reasonable and Necessary**

2 Q95. ARE THE COSTS ATTRIBUTED TO THE HR CLASS REASONABLE?

3 A. Yes. As discussed, the HR Department establishes and administers Entergy's key
4 HR policies and programs, and the HR business partners provide tailored service
5 to the business units. By having a central HR Department, Entergy is able to
6 operate more efficiently through economies of scale and greater standardization
7 than would otherwise be the case. Entergy is able to minimize the charges
8 incurred for development and administration of the various HR programs through
9 having one corporate department, rather than each legal entity having a separate
10 department with its own programs. Through centralization, Entergy is able to
11 ensure that the HR services are provided without duplication of systems and
12 expertise. If ETI were required to maintain its own internal staff to provide HR
13 services, it would cost ETI and ultimately its customers much more than it does
14 currently under a centralized system. In addition, the HR Department serves to
15 establish and administer key HR policy and programs while also having HR
16 business partners that provide these services to the business units. As part of a
17 larger group, ETI benefits when major items are purchased, such as its benefit
18 programs.

19
20 Q96. PLEASE DISCUSS RECENT TRENDS IN ACTUAL ETI COSTS INCURRED
21 WITHIN THE HR CLASS.

22 A. Table 10 shows the total affiliate O&M charges to ETI for each of the past three
23 calendar years and the Test Year for the HR Class. These cost trends have been

1 adjusted to remove Corporate Aviation costs, Nuclear and Gas department costs,
2 and other non-ratemaking items.

3 **Table 10: Total Affiliate O&M Charges for the HR Class**
4 **(Excludes pro forma adjustments except as described above)**

Class	2018	2019	2020	Test Year
HR	\$14,780,803	\$16,272,416	\$18,511,596	\$21,407,567

5 Q97. WHAT EXPLAINS THE VARIATIONS IN THE COSTS FROM YEAR TO
6 YEAR FOR THE HR CLASS?

7 A. Costs increased from 2018 to 2021 mainly because of increased Pension and
8 OPEB expenses for the Company. From 2018 to 2021, there was an overall
9 increase in Pension and OPEB costs primarily due to a decrease in the discount
10 rate used to measure the projected liability by approximately 100 basis points and
11 decrease in the expected return on assets ("EROA"). In addition, effective
12 beginning in 2018, certain qualified defined benefit pension plans were amended
13 to allow participants to elect to receive lump-sum distributions of their pension
14 benefit in lieu of receipt of a stream of payments after retirement. By allowing
15 participants to receive lump-sum distributions, ETI is able to reduce the size and
16 rate of growth of the pension liability, which in turn reduces ETI's and customers'
17 exposure to changing market conditions, such as interest rates, asset returns and
18 life expectancies. It also reduces the payment of premiums to the Pension Benefit
19 Guaranty Corporation and administrative expenses from pension trust assets.
20 However, in the near term, the addition of the lump-sum feature has resulted in

1 increased volatility in the accounting recognition for pension costs through
2 settlement accounting. Entergy expects that this increased volatility in pension
3 costs relating to lump sum distributions from the plans will continue in the near
4 term, as indicated in David C. Batten's testimony.

5 In this rate case, the HR Class includes not only the benefits true-ups, but
6 the benefits loaders themselves, which often range from five to six million dollars
7 annually. Additionally, because the benefits loaders flow through many, if not
8 most all project codes, a higher percentage of the Total ETI Adjusted amount is
9 directly billed to ETI.

10

11 Q98. IS THERE ANY OBJECTIVE EVIDENCE THAT SUPPORTS YOUR
12 OPINION THAT THE COSTS OF THE HR CLASS IS REASONABLE?

13 A. Yes. The HR Department regularly assesses its performance as part of its
14 management and planning processes. The most recent benchmark was produced
15 by the Saratoga Institute and published in 2022 for calendar year 2021. A
16 summary of the results is provided in Exhibit JAR-11. The Saratoga Institute
17 specializes in providing managers with data to assess how personnel and
18 compensation practices contribute to a business's operations.

19

20 Q99. WHAT IS YOUR CONCLUSION FROM THE SARATOGA INSTITUTE
21 BENCHMARKING STUDY?

22 A. Based on the results from the Saratoga Institute Benchmarking Study, I conclude
23 that Entergy's HR Department's costs are reasonable. Exhibit JAR-11 shows that

1 Entergy's HR cost per employee is reasonable. For 2021, Entergy's cost per
2 employee was \$2,786, which was 10% lower than the \$3,086 cost per employee
3 for utility companies. This shows us being more cost efficient with Entergy's
4 lower HR costs than our utility peers.

5 This exhibit also contains the HR Headcount Ratio, which is the total
6 employee headcount divided by the total HR Department employee headcount.
7 As demonstrated, Entergy's HR Headcount Ratio of 65 is lower than the median
8 for utility companies of 73 and for all companies surveyed of 83. This lower head
9 count ratio is attributable to a lower total employee headcount which currently
10 allows for more customer support throughout the organization. Both the HR cost
11 per employee comparisons and the HR Headcount Ratio demonstrate that
12 Entergy's HR Department's costs are reasonable for a utility company.

13
14 Q100. IS THERE MORE GENERAL BENCHMARKING SUPPORT IN ETI'S
15 FILING?

16 A. Yes. Although it does not apply explicitly to my class, Bobby Sperandeo and
17 Mr. Dumas address benchmarking studies that apply to ETI's costs, which include
18 the cost of HR services. Mr. Sperandeo addresses benchmarking applicable to
19 ETI total company non-production O&M costs, and Mr. Dumas addresses
20 benchmarking that applies at the service company (ESL) level.

1 Q101. DOES THE HR DEPARTMENT HAVE A BUDGETING PROCESS TO
2 CONTROL COSTS?

3 A. Yes. Cost reports are available electronically to department leadership through
4 various cost reporting systems. The cost reports compare the actual charges to the
5 budget on a monthly and year-to-date basis and may be reviewed by project,
6 activity, and resource codes. Each department leader is held accountable for his
7 or her department's budget and must explain variances between actual charges
8 and budgeted amounts. Executive management is also involved in ongoing
9 review of cost reporting.

10

11 Q102. DURING A FISCAL YEAR, DOES THE HR DEPARTMENT MONITOR ITS
12 ACTUAL EXPENDITURES VERSUS ITS BUDGET?

13 A. Yes. Cost reporting allows management at all levels, including the HR
14 Department, to monitor their actual costs against their budget. The controls
15 resulting from detailed budget preparation and cost reporting, combined with
16 ongoing management reviews, ensure that expenses and capital costs are
17 controlled thereby providing assurance that ETI's affiliate and non-affiliate costs
18 are reasonable.

19

20 Q103. ARE HR DEPARTMENT EMPLOYEES HELD ACCOUNTABLE FOR
21 DEVIATIONS FROM THE BUDGET?

22 A. Yes. As with all departments, the HR Department leaders are responsible for
23 monitoring their budgets and explaining any variances. In addition, the

1 employees within the HR Department are incentivized to stay within budget and
2 control expenditures through the use of performance objectives.

3

4 Q104. ASIDE FROM BUDGET PLANNING, DOES THE HR DEPARTMENT TAKE
5 ANY STEPS TO CONTROL ITS COSTS OR TO IMPROVE ITS SERVICES?

6 A. Yes, the HR Department is continuously working to reduce costs without
7 sacrificing services. As discussed above, the HR Department continuously
8 evaluates how to mitigate increasing benefits cost trends through promoting
9 consumer-driven healthcare, reviewing benefit levels, negotiating with vendors,
10 and implementing the Entergy wellness program, ENSHAPE.


11 In addition, to continue to maximize efficiency, customer service, and
12 mitigate costs, the HR Department outsources many of the administrative
13 functions supporting Entergy's HR programs, including its 401(k) and pension
14 services, long-term incentives administration, medical claims processing, and
15 relocation services. The HR Department periodically re-bids various contracts for
16 outsourced services to ensure that Entergy is receiving competitive prices from its
17 suppliers.

18 Finally, the HR Department has taken advantage of company initiatives to
19 continuously improve efficiencies through business transformation initiatives
20 such as automating the creation of compensation workbooks for management to
21 use to make incentive and merit decisions.

1 G. Summary of HR Class

THE STATE OF LOUISIANA
ORLEANS PARISH

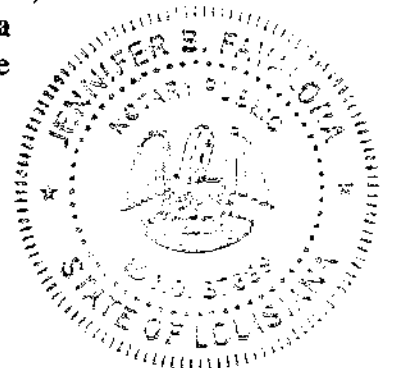
My name is Jennifer A. Raeder. I am of legal age and a resident of the State of Louisiana. The foregoing testimony and exhibits offered by me are true and correct, and the opinions stated therein are, to the best of my knowledge and belief, accurate, true and correct.


Jennifer A. Raeder

Jennifer Daralora
Notary Public, State of Louisiana

Upon my death

JENNIFER B. FAVALORA
NOTARY PUBLIC (ID # 57639)
 Parish of Orleans, Louisiana
 Commission Issued For Life



This exhibit contains information that is Highly Sensitive and will be provided under the terms of the Protective Order (Confidentiality Disclosure Agreement) entered in this case.

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2019 ENTERGY CORPORATION OMNIBUS INCENTIVE PLAN

Section 1. Purpose of Plan.

The purposes of this Entergy Corporation 2019 Omnibus Incentive Plan are to (a) provide an additional incentive to selected key personnel of the Company or its Affiliates whose contributions are essential to the growth and success of the Company, (b) strengthen the commitment of such individuals to the Company and its Affiliates, (c) motivate those individuals to faithfully and diligently perform their responsibilities, and (d) attract and retain competent and dedicated individuals whose efforts will result in the long-term growth and profitability of the Company for the benefit of its stakeholders. To accomplish these purposes, the Plan provides that the Company may grant Options, Share Appreciation Rights, Restricted Shares, Restricted Stock Units, Other Share-Based Awards, Cash Awards, or any combination of the foregoing.

Section 2. Definitions.

For purposes of the Plan, the following terms shall be defined as set forth below:

(a) "Administrator" means the Board, or, if and to the extent the Board does not administer the Plan, the Committee in accordance with Section 3.

(b) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified as of any date of determination.

(c) "Applicable Laws" means the applicable requirements under U.S. federal and state corporate laws, U.S. federal and state securities laws, including the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws of any other country or jurisdiction where Awards are granted under the Plan, as are in effect from time to time.

(d) "Award" means any Option, Share Appreciation Right, Restricted Share, Restricted Stock Unit, Other Share-Based Award, or Cash Award granted under the Plan.

(e) "Award Agreement" means any written notice, agreement, contract or other instrument or document evidencing an Award, including through electronic medium, which shall contain such terms and conditions with respect to an Award as the Administrator shall determine, consistent with the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Business Combination" has the meaning set forth in the definition of Change in Control.

(h) "Bylaws" mean the bylaws of the Company, as may be amended and/or restated from time to time.

(i) "Cash Award" means cash awarded under Section 11, including cash awarded as a bonus or upon the attainment of performance goals or otherwise as permitted under the Plan.

(j) "Cause" means, except as may otherwise be provided in an Award Agreement, (i) in respect of the period before a Change in Control and the period beginning more than twenty-four (24) months after a Change in Control, the occurrence of any of the following acts, omissions, events or circumstances, as determined by the Participant's employer in its sole discretion, (A) the continuing failure by the Participant to substantially perform the Participant's duties in a satisfactory manner; (B) the engaging by the Participant in conduct which is injurious to the Company or any Affiliate, monetarily, with respect to reputation or otherwise, (C) neglect or intentional disregard of the Participant's duties; embezzlement, theft, larceny, fraud, or other acts of dishonesty by the Participant, (D) a violation by the Participant of any

Company or Affiliate policy or procedure, the Code of Integrity, or any applicable law or regulation, or of any agreement between the Participant and the Company or any Affiliate, (E) gross insubordination or repeated insubordination by the Participant, (F) indictment for, conviction of, or entrance of a plea of guilty or *nolo contendere* to, a felony, or to any other crime which is having or may have an adverse effect on the Participant's ability to carry out the Participant's duties or which is injurious to the Company or any Affiliate, monetarily, with respect to reputation or otherwise, (G) the unauthorized disclosure by the Participant of any confidential or proprietary information or confidences of the Company or any Affiliate, or (H) the failure of the Participant to obtain or retain, as applicable, any license, qualification, exemption or other status necessary for the Participant to fully perform the Participant's employment duties and (ii) in respect of the period beginning upon and ending twenty-four (24) months after a Change in Control, (A) the willful and continuing failure by the Participant to substantially perform the Participant's duties (other than such failure resulting from the Participant's incapacity due to physical or mental illness or any such actual or anticipated failure after the issuance of a notice of termination for Good Reason by the Participant), provided that any such failure has not been cured by the Participant within thirty (30) days after a written demand for substantial performance is delivered to the Participant by the Company or the Participant's employer, which demand specifically identifies the manner in which the Company or employer or, in the case of an ML 1-4 Participant, the Board, believes that the Participant has not substantially performed, (B) the willful engaging by the Participant in conduct which is demonstrably and materially injurious to the Company or any Affiliate, monetarily or otherwise; (C) the Participant's indictment for, conviction of, or entrance of a plea of guilty or *nolo contendere* to a felony or other crime which has or may have a material adverse effect on the Participant's ability to carry out the Participant's duties or upon the reputation of the Company or any Affiliate; or (D) a material violation by the Participant of any agreement the Participant has with the Company or an Affiliate provided that, for purposes of clauses (ii)(A) and (ii)(B) of this definition, no act, or failure to act, on the Participant's part shall be deemed "willful" unless done, or omitted to be done, by the Participant not in good faith and without reasonable belief that the Participant's act, or failure to act, was in the best interest of the Participant's employer.

(k) "Change in Capitalization" means any (i) merger, consolidation, reclassification, recapitalization, spin-off, spin-out, repurchase or other reorganization or corporate transaction or event, (ii) special or extraordinary dividend or other extraordinary distribution (whether in the form of cash, Common Stock or other property), stock split, reverse stock split, share subdivision or consolidation, (iii) combination or exchange of shares, or (iv) other change in corporate structure, which, in any such case, the Administrator determines, in its sole discretion, affects the Shares such that an adjustment pursuant to Section 5 is appropriate.

(l) "Change in Control" means

(1) a purchase or other acquisition by any Person following which such Person is the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Act) of thirty percent (30%) or more of either (x) the shares of Common Stock outstanding immediately following such purchase or acquisition or (y) the combined voting power of the Company's voting securities entitled to vote generally and outstanding immediately following such purchase or acquisition, other than any purchase or other acquisition (i) directly from the Company, (ii) by the Company or a System Company, (iii) by any employee benefit plan (or related trust) sponsored by the Company or a System Company (a "System Plan"), or (iv) in connection with a Non-CIC Merger (defined in paragraph 2 below);

(2) the consummation of a merger, consolidation, reorganization, statutory share exchange or similar corporate transaction or series of related transactions involving the Company or any System Company or other direct or indirect subsidiary of the Company that alone or in the aggregate constitutes at least fifty percent (50%) of the book value of the Company on a consolidated basis (a "Business Combination"), other than a "Non-CIC Merger," which shall mean a Business Combination immediately following which (i) all or substantially all of the beneficial owners of the shares of Common Stock immediately prior to such Business Combination and of the combined voting power of the Company's voting securities entitled to vote generally and outstanding immediately prior to such Business Combination ("Incumbent Company Shareholders") beneficially own, directly or indirectly, more than sixty

percent (60%) of the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and more than sixty percent (60%) of the combined voting power of the voting securities, respectively, of the corporation or entity resulting from such Business Combination (including without limitation a corporation or entity which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions with respect to one another as their ownership immediately prior to such Business Combination, (ii) no Person (excluding any corporation or entity resulting from such Business Combination and any System Plan) beneficially owns, directly or indirectly, thirty percent (30%) or more of the shares of common stock or the combined voting power of the voting securities of the corporation or entity resulting from such Business Combination, except to the extent that such ownership existed prior to the Business Combination, and (iii) the individuals who comprise the Board immediately prior to such Business Combination constitute at least a majority of the Board, or, if the Company is not the surviving entity, either the board of directors of the entity surviving such Business Combination or the board of directors of any parent thereof immediately following such Business Combination (unless the failure of such individuals to comprise at least such a majority is unrelated to such Business Combination);

(3) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company or there is consummated a sale or disposition by the Company of all or substantially all of the Company's assets, whether in a single transaction or a series of related transactions, other than any such sale or disposition of assets to an entity at least sixty percent (60%) of the voting securities of which are held directly or indirectly by a System Company or the Incumbent Company Shareholders; or

(4) any change in the composition of the Board such that individuals who on the Effective Date constitute the Board and any new director (other than a director whose initial assumption of office is in connection with an actual or threatened election contest, including without limitation a consent solicitation, relating to the election of directors of the Company) whose appointment or election by the Board or nomination for election by the Company's shareholders was approved or recommended by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors on such Effective Date or whose appointment, election or nomination for election was previously so approved or recommended, cease for any reason to constitute at least a majority thereof.

Notwithstanding the foregoing, (i) a Change in Control shall not be deemed to have occurred by virtue of the consummation of any transaction or series of integrated transactions immediately following which the holders of Common Stock immediately prior to such transaction or series of transactions continue to have substantially the same proportionate ownership in an entity which owns all or substantially all of the assets of the Company immediately following such transaction or series of transactions, and (ii) if all or a portion of an Award constitutes deferred compensation under Section 409A of the Code and such Award (or portion thereof) is to be settled, distributed or paid on an accelerated basis due to a Change in Control event that is not a "change in control event" described in Treasury Regulation Section 1.409A-3(i)(5) or successor guidance, if such settlement, distribution or payment would result in additional tax under Section 409A of the Code, such Award (or the portion thereof) shall vest at the time of the Change in Control (provided such accelerated vesting will not result in additional tax under Section 409A of the Code), but settlement, distribution or payment, as the case may be, shall not be accelerated.

(m) "Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

(n) "Committee" means any committee or subcommittee the Board may appoint to administer the Plan. Subject to the discretion of the Board, the Committee shall be composed entirely of individuals who meet the qualifications of a "non-employee director" within the meaning of Rule 16b-3 under the Exchange Act and any other qualifications required by the applicable stock exchange on which the Common Stock is traded.

(o) "Common Stock" means the common stock of the Company, having a par value of \$0.01 per share.

(p) "Company" means Entergy Corporation, a Delaware corporation (or any successor company, except as the term "Company" is used in the definition of "Change in Control" above).

(q) "Disability" means in respect of a Participant, except as may be otherwise provided in an Award Agreement, "Disability" or similar term within the meaning of the long-term disability plan of the Company or its Affiliates under which the Participant is covered from time to time or, if there is no such plan, that the Participant, as determined by the Administrator in its sole discretion, (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering employees of the Company or an Affiliate thereof.

(r) "Effective Date" has the meaning set forth in Section 18.

(s) "Eligible Recipient" means an employee, director, independent contractor or consultant of the Company or any Affiliate of the Company who is a natural person and who has been selected as an eligible participant by the Administrator; provided, however, to the extent required to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, an Eligible Recipient of an Option or a Stock Appreciation Right means an employee, non-employee director, independent contractor or consultant of the Company or any Affiliate of the Company with respect to whom the Company is an "eligible issuer of service recipient stock" within the meaning of Section 409A of the Code.

(t) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(u) "Exempt Award" means the following:

(1) An Award granted in assumption of, or in substitution for, outstanding awards previously granted by a corporation or other entity acquired by the Company or any of its Affiliates or with which the Company or any of its Affiliates combines by merger or otherwise. The terms and conditions of any such Awards may vary from the terms and conditions set forth in the Plan to the extent the Administrator at the time of grant may deem appropriate, subject to Applicable Laws.

(2) An "employment inducement" award as described in the applicable stock exchange listing manual. The terms and conditions of any "employment inducement" award may vary from the terms and conditions set forth in the Plan to such extent as the Administrator at the time of grant may deem appropriate, subject to Applicable Laws.

(3) An award that an Eligible Recipient purchases at Fair Market Value (including awards that an Eligible Recipient elects to receive in lieu of fully vested compensation that is otherwise due) whether or not the Shares are delivered immediately or on a deferred basis.

(v) "Exercise Price" means, (i) with respect to any Option, the per share price at which a holder of such Option may purchase Shares issuable upon exercise of such Award and (ii) with respect to a Share Appreciation Right, the base price per share of such Share Appreciation Right.

(w) "Fair Market Value" of a share of Common Stock or another security as of a particular date means the fair market value as determined by the Administrator in its sole discretion; provided, that, (i) if the Common Stock or other security is admitted to trading on a national securities exchange, the fair market value on any date shall be the closing sale price reported on such date, or if no shares were traded on such date, on the last preceding date for which there was a sale of a share of Common Stock on such exchange, or (ii) if the Common Stock or other security is then traded in an over-the-counter market, the fair market value on any date shall be the average of the closing bid and asked prices for

such share in such over-the-counter market for the last preceding date on which there was a sale of such share in such market.

(x) "Free Standing Rights" has the meaning set forth in Section 8.

(y) "Good Reason" means, except as may otherwise be provided in an Award Agreement, (i) a material reduction by the Company in the Participant's annual base salary as in effect from time to time or (ii) the relocation of the Participant's principal place of employment to a location more than fifty (50) miles from the Participant's principal place of employment in effect from time to time, or the Company or an Affiliate requiring the Participant to be based anywhere other than such principal place of employment (or permitted relocation thereof) except for required travel on the business to an extent substantially consistent with reasonable business travel obligations; provided that the Participant provides the Company with a written notice of termination for Good Reason within ninety (90) days following the occurrence of the event constituting Good Reason and the Company shall not have cured the circumstance giving rise to Good Reason within thirty (30) days following such notice.

(z) "Incentive Compensation" means annual cash bonus and any Award.

(aa) "Incumbent Company Shareholders" has the meaning set forth in the definition of Change in Control.

(bb) "ISO" means an Option intended to be and designated as an "incentive stock option" within the meaning of Section 422 of the Code.

(cc) "ML 1-4 Participant" means a Participant who, as of immediately prior to the occurrence of a Change in Control or at any time during the two-year period immediately following the Change in Control, is reflected on the Human Resource records of their System Company employer as being in System Management level 1, 2, 3 or 4.

(dd) "Non-CIC Merger" has the meaning set forth in the definition of Change in Control.

(ee) "Non-Employee Director Award" means any Award granted to a non-employee director of the Company.

(ff) "Nonqualified Stock Option" means an Option that is not designated or that otherwise does not qualify as an ISO.

(gg) "Option" means an option to purchase shares of Common Stock granted pursuant to Section 7. The term "Option" as used in the Plan includes the terms "Nonqualified Stock Option" and "ISO."

(hh) "Other Share-Based Award" means a right or other interest granted pursuant to Section 10 that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Stock, including without limitation unrestricted Shares, dividend equivalents or performance units, each of which may be subject to the attainment of performance goals or a period of continued provision of service or employment or other terms or conditions as permitted under the Plan.

(ii) "Participant" means any Eligible Recipient selected by the Administrator, pursuant to the Administrator's authority provided for in Section 3, to receive grants of Awards, and, upon his or her death, his or her successors, heirs, executors and administrators, as the case may be.

(jj) "Person" shall have the meaning given in Section 3(a)(9) of the Exchange Act, as modified and used in Sections 13(d) and 14(d) thereof.

(kk) "Plan" means this 2019 Omnibus Incentive Plan.

(ll) "Related Rights" has the meaning set forth in Section 8.

(mm) "Restricted Period" has the meaning set forth in Section 9.

(nn) "Restricted Share" means a Share granted pursuant to Section 9 subject to certain restrictions that lapse at the end of a specified period (or periods) of time and/or upon attainment of specified performance objectives.

(oo) "Restricted Stock Unit" means the right granted pursuant to Section 9 to receive a Share at the end of a specified restricted period (or periods) of time and/or upon attainment of specified performance objectives.

(pp) "Section 16 Officer" means any officer of the Company whom the Board has determined is subject to the reporting requirements of Section 16 of the Exchange Act, whether or not such individual is a Section 16 Officer at the time the determination to recoup compensation is made.

(qq) "Securities Act" means the Securities Act of 1933, as amended from time to time.

(rr) "Share Appreciation Right" means a right granted pursuant to Section 8 to receive an amount equal to the excess, if any, of (i) the aggregate Fair Market Value, as of the date such Award or portion thereof is surrendered, of the Shares covered by such Award or such portion thereof, over (ii) the aggregate Exercise Price of such Award or such portion thereof.

(ss) "Shares" means Common Stock reserved for issuance under the Plan, as adjusted pursuant to the Plan, and any successor (pursuant to a merger, consolidation or other reorganization) security.

(tt) "Subsidiary" means, with respect to any Person, as of any date of determination, any other Person as to which such first Person owns or otherwise controls, directly or indirectly, more than 50% of the voting shares or other similar interests or a sole general partner interest or managing member or similar interest of such other Person.

(uu) "System Company" means the Company, any corporation or other entity eighty percent (80%) or more of whose stock (or, for a non-corporate entity, equivalent securities) (based on voting power or value) is owned, directly or indirectly, by the Company, and any partnership or trade or business which is eighty percent (80%) or more controlled, directly or indirectly, by the Company, and, except in determining whether a Change in Control has occurred, shall include any successor thereto.

(vv) "System Plan" has the meaning set forth in the definition of Change in Control.

(ww) "Transfer" has the meaning set forth in Section 16.

Section 3. Administration.

(a) The Plan shall be administered by the Administrator and shall be administered, to the extent applicable, in accordance with Rule 16b-3 under the Exchange Act.

(b) Pursuant to the terms of the Plan, the Administrator, subject, in the case of any Committee, to any restrictions on the authority delegated to it by the Board, shall have the power and authority, without limitation:

(1) to select those Eligible Recipients who shall be Participants;

(2) to determine whether and to what extent Options, Share Appreciation Rights, Restricted Shares, Restricted Stock Units, Cash Awards, Other Share-Based Awards or a combination of any of the foregoing, are to be granted hereunder to Participants;

(3) to determine the number of Shares to be covered by each Award granted hereunder;

(4) to determine the terms and conditions, not inconsistent with the terms of the Plan, of each Award granted hereunder (including without limitation (i) the restrictions applicable to Restricted Shares or Restricted Stock Units and the conditions under which restrictions applicable to such Restricted Shares or Restricted Stock Units shall lapse, (ii) the performance goals and periods, if any, applicable to Awards, (iii) the Exercise Price of each Option and each Share Appreciation Right or the purchase price of any other Award, (iv) the vesting schedule and terms applicable to each Award, (v) the number of Shares or amount of cash or other property subject to each Award and (vi) subject to the requirements of Section 409A of the Code (to the extent applicable), amendments to the terms and conditions of outstanding Awards, including without limitation extending the exercise period of such Awards and accelerating the vesting and/or payment schedules of such Awards; provided, however, that such acceleration may only occur in the event of the Participant's death or Disability).

(5) to determine the terms and conditions, not inconsistent with the terms of the Plan, which shall govern all written instruments evidencing Awards;

(6) to determine Fair Market Value in accordance with the terms of the Plan;

(7) to determine the duration and purpose of leaves of absence which may be granted to a Participant without constituting termination of the Participant's service or employment for purposes of Awards granted under the Plan;

(8) to adopt, alter and repeal such administrative rules, regulations, guidelines and practices governing the Plan as it shall from time to time deem advisable;

(9) to construe and interpret the terms and provisions of, and supply or correct omissions in, the Plan and any Award issued under the Plan (and any Award Agreement relating thereto), and to otherwise supervise the administration of the Plan and to exercise all powers and authorities either specifically granted under the Plan or necessary and advisable in the administration of the Plan; and

(10) to prescribe, amend and rescind rules and regulations relating to sub-plans established for the purpose of satisfying applicable non-United States laws or for qualifying for favorable tax treatment under applicable non-United States laws, which rules and regulations may be set forth in an appendix or appendices to the Plan.

(c) Subject to Section 5, neither the Board nor the Committee shall have the authority to reprice or cancel and regrant any Award at a lower exercise, base or purchase price or cancel any Award with an exercise, base or purchase price of less than Fair Market Value in exchange for cash, property or other Awards without first obtaining the approval of the Company's shareholders. Without limiting any other provision of the Plan, dividends declared with respect to an Award during the period before the Award has vested shall only become payable if (and to the extent) the Shares underlying the Award vest.

(d) All decisions made by the Administrator pursuant to the provisions of the Plan shall be final, conclusive and binding on all Persons, including the Company and the Participants.

(e) The expenses of administering the Plan shall be borne by the Company and its Affiliates.

(f) If at any time or to any extent the Board shall not administer the Plan, then the functions of the Administrator specified in the Plan shall be exercised by the Committee. Except as otherwise provided in the Company's Certificate of Incorporation or Bylaws, any action of the Committee with respect to the administration of the Plan shall be taken by a majority vote at a meeting at which a quorum is duly constituted or by unanimous written consent of the Committee's members.

(g) To the extent permitted by applicable law, the Administrator may delegate some or all of its power and authority under the Plan to one or more of its members or to one or more officers of the Company, or to one or more agents or advisors, and the Administrator or any individuals to whom it has delegated duties or powers may employ one or more individuals to render advice with respect to any responsibility that the Administrator or such individuals may have under the Plan. The Committee may, by resolution, authorize the Chief Executive Officer or one or more officers of the Company to do one or both of the following on the same basis as can the Committee: (1) designate Eligible Recipients other than non-employee directors of the Company to be recipients of Awards; and (2) determine the size of any such Awards; provided, however, (i) the Committee may not delegate its power and authority with respect to Awards to officers subject to Section 16 of the Exchange Act or to the extent prohibited by applicable law, regulation or rule of a stock exchange on which the Common Stock is listed; (ii) the resolution providing such authorization sets forth the total number of Shares underlying Awards such officer(s) may grant; and (iii) such delegatee shall report periodically to the Committee regarding the nature and scope of the Awards granted pursuant to the authority delegated.

Section 4. Shares Reserved for Issuance Under the Plan.

(a) Subject to Section 5, the number of shares of Common Stock that are reserved and available for issuance pursuant to Awards granted under the Plan shall be equal to 7,300,000 shares; provided that shares of Common Stock issued under the Plan with respect to an Exempt Award shall not count against such share limit.

(b) Shares issued under the Plan may, in whole or in part, be authorized but unissued Shares or Shares that shall have been or may be reacquired by the Company in the open market, in private transactions or otherwise. If an Award entitles the Participant to receive or purchase Shares, the number of Shares covered by such Award or to which such Award relates shall be counted on the date of grant of such Award against the aggregate number of Shares available for granting Awards under the Plan. If any Shares subject to an Award (other than an Exempt Award) are forfeited, cancelled, exchanged or surrendered or if an Award (other than an Exempt Award) otherwise terminates or expires without a distribution of shares to the Participant, the Shares with respect to such Award shall, to the extent of any such forfeiture, cancellation, exchange, surrender, termination or expiration, again be available for granting Awards under the Plan. Notwithstanding the foregoing, Shares surrendered or withheld as payment of either the Exercise Price of an Award (including Shares underlying a Share Appreciation Right that are retained by the Company to account for the Exercise Price of such Share Appreciation Right) and/or withholding taxes in respect of an Award shall no longer be available for grant under the Plan. In addition, (i) to the extent an Award (other than an Exempt Award) is denominated in shares of Common Stock, but paid or settled in cash, the number of shares of Common Stock with respect to which such payment or settlement is made shall again be available for grants of Awards pursuant to the Plan and (ii) shares of Common Stock underlying Awards that can only be settled in cash shall not be counted against the aggregate number of shares of Common Stock available for Awards under the Plan. Upon the exercise of any Award granted in tandem with any other Awards, such related Awards shall be cancelled to the extent of the number of Shares as to which the Award is exercised.

(c) All Shares may be issued pursuant to the exercise of ISOs.

(d) Notwithstanding anything to the contrary in the Plan except for Section 3(b)(4)(vi) and Section 12 or in respect of Awards that are not denominated in Shares, each Award (other than Awards representing a maximum of five percent (5%) of the Shares reserved for issuance under the Plan pursuant to Section 4(a)) shall be granted subject to a minimum vesting period of at least twelve (12) months.

(e) Subject to Section 5 and exclusive of Exempt Awards, (i) the maximum number of Shares with respect to which Options or Share Appreciation Rights, or a combination thereof, may be granted during any calendar year to any Participant shall be 1,500,000, (ii) the maximum number of Shares with respect to which other Awards subject to performance vesting criteria that may be earned by any person during any calendar year shall be 500,000, (iii) the maximum amount that may be earned by any person during

any applicable calendar year with respect to other Awards denominated in cash shall be 0.5% of the Company's operating cash flow, and (iv) no Participant who is a non-employee director of the Company shall be granted during any calendar year Share-settled Awards with a grant date fair value for financial reporting purposes in excess of \$550,000.

Section 5. Equitable Adjustments.

In the event of any Change in Capitalization, an equitable substitution or proportionate adjustment shall be made in (i) the aggregate number and kind of securities reserved for issuance under the Plan pursuant to Section 4, (ii) the kind, number of securities subject to, and the Exercise Price subject to outstanding Options and Share Appreciation Rights granted under the Plan, (iii) the kind, number and purchase price of Shares or other securities or the amount of cash or amount or type of other property subject to outstanding Restricted Shares, Restricted Stock Units or Other Share-Based Awards granted under the Plan; and/or (iv) the terms and conditions of any outstanding Awards (including without limitation any applicable performance targets or criteria with respect thereto); provided, however, that any fractional shares resulting from the adjustment shall be eliminated. Without limiting the generality of the foregoing, in connection with a Change in Capitalization, the Administrator may provide, in its sole discretion, but subject in all events to the requirements of Section 409A of the Code, for the cancellation of any outstanding Award granted hereunder in exchange for payment in cash or other property having an aggregate Fair Market Value equal to the Fair Market Value of the Shares, cash or other property covered by such Award, reduced by the aggregate Exercise Price or purchase price thereof, if any; provided, however, that if the Exercise Price or purchase price of any outstanding Award is equal to or greater than the Fair Market Value of the shares of Common Stock, cash or other property covered by such Award, the Administrator may cancel such Award without the payment of any consideration to the Participant. Further, without limiting the generality of the foregoing, with respect to Awards subject to foreign laws, adjustments made hereunder shall be made in compliance with applicable requirements. Except to the extent determined by the Administrator, any adjustments to ISOs under this Section 5 shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h)(3) of the Code. The Administrator's determinations pursuant to this Section 5 shall be final, binding and conclusive. Such other equitable substitutions or adjustments shall be made as may be determined by the Administrator, in its sole discretion. The Administrator is further authorized to make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or infrequent events (including without limitation the events described in this Section 5) affecting the Company or the financial statements of the Company, or of changes in applicable laws, regulations, or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

Section 6. Eligibility.

The Participants in the Plan shall be selected from time to time by the Administrator, in its sole discretion, from those individuals that qualify as Eligible Recipients.

Section 7. Options.

(a) General. Options granted under the Plan shall be designated as Nonqualified Stock Options or ISOs. Each Participant who is granted an Option shall enter into an Award Agreement with the Company, containing such terms and conditions as the Administrator shall determine, in its sole discretion, including, among other things, the Exercise Price of the Option, the term of the Option and provisions regarding exercisability of the Option, and whether the Option is intended to be an ISO or a Nonqualified Stock Option (and in the event the Award Agreement has no such designation, the Option shall be a Nonqualified Stock Option). The provisions of each Option need not be the same with respect to each Participant. More than one Option may be granted to the same Participant and be outstanding concurrently hereunder. Options granted under the Plan shall be subject to the terms and conditions set forth in this Section 7 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable and set forth in the applicable Award Agreement.

(b) Exercise Price. The Exercise Price of Shares purchasable under an Option shall be determined by the Administrator in its sole discretion at the time of grant, but in no event shall the exercise price of an Option be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the date of grant.

(c) Option Term. The maximum term of each Option shall be fixed by the Administrator, but no Option shall be exercisable more than ten (10) years after the date such Option is granted. Each Option's term is subject to earlier expiration pursuant to the applicable provisions in the Plan and the Award Agreement.

(d) Exercisability. Each Option shall be exercisable at such time or times and subject to such terms and conditions, including the attainment of performance goals, as shall be determined by the Administrator in the applicable Award Agreement. The Administrator may also provide that any Option shall be exercisable only in installments.

(e) Method of Exercise. Options may be exercised in whole or in part by giving written notice of exercise to the Company specifying the number of whole Shares to be purchased, accompanied by payment in full of the aggregate Exercise Price of the Shares so purchased in cash or its equivalent, as determined by the Administrator. As determined by the Administrator, in its sole discretion, with respect to any Option or category of Options, payment in whole or in part may also be made (i) by means of consideration received under any cashless exercise procedure approved by the Administrator (including the withholding of Shares otherwise issuable upon exercise), (ii) in the form of unrestricted Shares already owned by the Participant which have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised, (iii) any other form of consideration approved by the Administrator and permitted by Applicable Laws or (iv) any combination of the foregoing.

(f) ISOs. The terms and conditions of ISOs granted hereunder shall be subject to the provisions of Section 422 of the Code and the terms, conditions, limitations and administrative procedures established by the Administrator from time to time in accordance with the Plan. ISOs may be granted only to an employee of the Company, its "parent corporation" (as such term is defined in Section 424(e) of the Code), if any, or a Subsidiary of the Company.

(1) *ISO Grants to 10% Stockholders*. Notwithstanding anything to the contrary in the Plan, if an ISO is granted to a Participant who owns shares representing more than ten percent (10%) of the voting power of all classes of shares of the Company, its "parent corporation" (as such term is defined in Section 424(e) of the Code), if any, or a Subsidiary of the Company, the term of the ISO shall not exceed five (5) years from the time of grant of such ISO and the Exercise Price shall be at least one hundred and ten percent (110%) of the Fair Market Value of the Shares on the date of grant.

(2) *\$100,000 Per Year Limitation For ISOs*. To the extent the aggregate Fair Market Value (determined on the date of grant) of the Shares for which ISOs are exercisable for the first time by any Participant during any calendar year (under all plans of the Company) exceeds \$100,000, such excess ISOs shall be treated as Nonqualified Stock Options.

(3) *Disqualifying Dispositions*. Each Participant awarded an ISO under the Plan shall notify the Company in writing immediately after the date the Participant makes a "disqualifying disposition" of any Share acquired pursuant to the exercise of such ISO. A "disqualifying disposition" is any disposition (including any sale) of such Shares before the later of (i) two years after the date of grant of the ISO and (ii) one year after the date the Participant acquired the Shares by exercising the ISO. The Company may, if determined by the Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the exercise of an ISO as agent for the applicable Participant until the end of the period described in the preceding sentence, subject to complying with any instructions from such Participant as to the sale of such Shares.

(g) Rights as Stockholder. A Participant shall have no rights to dividends, dividend equivalents or distributions or any other rights of a stockholder with respect to the Shares subject to an Option until the Participant has given written notice of the exercise thereof, and has paid in full for such Shares and has satisfied the requirements of Section 15.

(h) Termination of Employment or Service. Treatment of an Option upon termination of employment or service of a Participant shall be provided for by the Administrator in the Award Agreement.

(i) Other Change in Employment or Service Status. An Option shall be affected, both with regard to vesting schedule and termination, by leaves of absence, including unpaid and unprotected leaves of absence, changes from full-time to part-time employment, partial disability or other changes in the employment status or service status of a Participant, as and to the extent determined in the discretion of the Administrator.

Section 8. Share Appreciation Rights.

(a) General. Share Appreciation Rights may be granted either alone ("Free Standing Rights") or in conjunction with all or part of any Option granted under the Plan ("Related Rights"). Related Rights may be granted either at or after the time of the grant of such Option. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, grants of Share Appreciation Rights shall be made. Each Participant who is granted a Share Appreciation Right shall enter into an Award Agreement with the Company, containing such terms and conditions as the Administrator shall determine, in its sole discretion, including, among other things, the number of Shares to be awarded, the Exercise Price per Share, and all other conditions of Share Appreciation Rights. Notwithstanding the foregoing, no Related Right may be granted for more Shares than are subject to the Option to which it relates. The provisions of Share Appreciation Rights need not be the same with respect to each Participant. Share Appreciation Rights granted under the Plan shall be subject to the following terms and conditions set forth in this Section 8 and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Administrator shall deem desirable, as set forth in the applicable Award Agreement.

(b) Awards; Rights as Stockholder. A Participant shall have no rights to dividends or any other rights of a stockholder with respect to the shares of Common Stock, if any, subject to a Stock Appreciation Right until the Participant has given written notice of the exercise thereof and has satisfied the requirements of Section 15.

(c) Exercise Price. The Exercise Price of Shares purchasable under a Share Appreciation Right shall be determined by the Administrator in its sole discretion at the time of grant, but in no event shall the exercise price of a Share Appreciation Right be less than one hundred percent (100%) of the Fair Market Value of a share of Common Stock on the date of grant.

(d) Exercisability.

(1) Share Appreciation Rights that are Free Standing Rights shall be exercisable at such time or times and subject to such terms and conditions as shall be determined by the Administrator in the applicable Award Agreement.

(2) Share Appreciation Rights that are Related Rights shall be exercisable only at such time or times and to the extent that the Options to which they relate shall be exercisable in accordance with the provisions of Section 7 and this Section 8.

(e) Payment Upon Exercise.

(1) Upon the exercise of a Free Standing Right, the Participant shall be entitled to receive up to, but not more than, that number of Shares equal in value to the excess of the Fair Market Value as of

the date of exercise over the Exercise Price per share specified in the Free Standing Right multiplied by the number of Shares in respect of which the Free Standing Right is being exercised.

(2) A Related Right may be exercised by a Participant by surrendering the applicable portion of the related Option. Upon such exercise and surrender, the Participant shall be entitled to receive up to, but not more than, that number of Shares equal in value to the excess of the Fair Market Value as of the date of exercise over the Exercise Price specified in the related Option multiplied by the number of Shares in respect of which the Related Right is being exercised. Options which have been so surrendered, in whole or in part, shall no longer be exercisable to the extent the Related Rights have been so exercised.

(3) Notwithstanding the foregoing, the Administrator may determine to settle the exercise of a Share Appreciation Right in cash (or in any combination of Shares and cash).

(f) Termination of Employment or Service. Treatment of a Share Appreciation Right upon termination of employment or service of a Participant shall be provided for by the Administrator in the Award Agreement.

(g) Term.

(1) The term of each Free Standing Right shall be fixed by the Administrator, but no Free Standing Right shall be exercisable more than ten (10) years after the date such right is granted.

(2) The term of each Related Right shall be the term of the Option to which it relates, but no Related Right shall be exercisable more than ten (10) years after the date such right is granted.

(h) Other Change in Employment or Service Status. Share Appreciation Rights shall be affected, both with regard to vesting schedule and termination, by leaves of absence, including unpaid and un-protected leaves of absence, changes from full-time to part-time employment, partial disability or other changes in the employment or service status of a Participant, as and to the extent determined in the discretion of the Administrator.

Section 9. Restricted Shares and Restricted Stock Units.

(a) General. Restricted Shares or Restricted Stock Units may be issued under the Plan. The Administrator shall determine the Eligible Recipients to whom, and the time or times at which, Restricted Shares or Restricted Stock Units shall be made. Each Participant who is granted Restricted Shares or Restricted Stock Units shall enter into an Award Agreement with the Company, containing such terms and conditions as the Administrator shall determine, in its sole discretion, including, among other things, the number of Shares to be awarded; the price, if any, to be paid by the Participant for the acquisition of Restricted Shares or Restricted Stock Units; the period of time restrictions, performance goals or other conditions that apply to Transfer, delivery, or vesting of such Awards (the "Restricted Period"); and all other conditions applicable to the Restricted Shares and Restricted Stock Units. If the restrictions, performance goals or conditions established by the Administrator are not attained, a Participant shall forfeit his or her Restricted Shares or Restricted Stock Units, in accordance with the terms of the Award Agreement. The provisions of the Restricted Shares or Restricted Stock Units need not be the same with respect to each Participant.

(b) Awards and Certificates. Except as otherwise provided below in Section 9(c), (i) each Participant who is granted an Award of Restricted Shares may, in the Company's sole discretion, be issued a share certificate in respect of such Restricted Shares and (ii) any such certificate so issued shall be registered in the name of the Participant, and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to any such Award. For the avoidance of doubt, Restricted Shares may, in the Company's sole discretion, be issued in uncertificated form.

The Company may require that the share certificates, if any, evidencing Restricted Shares granted hereunder be held in the custody of the Company until the restrictions thereon shall have lapsed, and that, as a condition of any Award of Restricted Shares, the Participant shall have delivered a share transfer form, endorsed in blank, relating to the Shares covered by such Award. Except to the extent otherwise provided in the Plan, certificates for shares of unrestricted Common Stock may be delivered to the Participant only after the Restricted Period has expired without forfeiture in such Restricted Stock Award.

With respect to Restricted Stock Units to be settled in Shares, at the expiration of the Restricted Period, share certificates in respect of the shares of Common Stock underlying such Restricted Stock Units may be delivered to the Participant in a number equal to the number of shares of Common Stock underlying the Restricted Stock Units Award.

Further, notwithstanding anything in the Plan to the contrary, with respect to Restricted Stock Units, at the expiration of the Restricted Period, Shares, or cash, as applicable, shall promptly be issued (either in certificated or uncertificated form, in the Company's sole discretion) to the Participant, unless otherwise deferred in accordance with procedures established by the Company in accordance with Section 409A of the Code, and such issuance or payment shall in any event be made within such period as is required to avoid the imposition of a tax under Section 409A of the Code.

(c) Restrictions and Conditions. The Restricted Shares or Restricted Stock Units granted pursuant to this Section 9 shall be subject to the following restrictions and conditions and any additional restrictions or conditions as determined by the Administrator at the time of grant or, subject to Section 409A of the Code where applicable, thereafter:

(1) The Administrator may, in its sole discretion, provide for the lapse of restrictions in installments.

(2) Except as provided in the applicable Award Agreement, the Participant shall generally have the rights of a stockholder of the Company with respect to Restricted Shares during the Restricted Period; provided, however, that dividends declared during the Restricted Period with respect to an Award, shall only become payable if (and to the extent) the underlying Restricted Shares vest. Except as provided in the applicable Award Agreement, the Participant shall generally not have the rights of a stockholder with respect to Shares subject to Restricted Stock Units during the Restricted Period; provided, however, that, to the extent an Award Agreement provides (and only to that extent) and further subject to Section 409A of the Code, an amount equal to dividends declared during the Restricted Period with respect to the number of Shares covered by Restricted Stock Units shall be paid to the Participant at the time (and to the extent) Shares in respect of the related Restricted Stock Units are delivered to the Participant.

(3) The rights of a Participant granted Restricted Shares or Restricted Stock Units upon termination of employment or service of the Participant shall be provided for by the Administrator in the Award Agreement.

(d) Form of Settlement. The Administrator reserves the right in its sole discretion to provide (either at or after the grant thereof) that any Restricted Stock Unit represent the right to receive the amount of cash per unit that is determined by the Administrator in connection with the Award.

Section 10. Other Share-Based Awards.

Other Share-Based Awards may be issued under the Plan. Subject to the provisions of the Plan, the Administrator shall have sole and complete authority to determine the individuals to whom and the time or times at which such Other Share-Based Awards shall be granted. Each Participant who is granted an Other Share-Based Award shall enter into an Award Agreement with the Company, containing such terms and conditions as the Administrator shall determine, in its sole discretion, including, among

other things, the number of shares of Common Stock to be granted pursuant to such Other Share-Based Award, or the manner in which such Other Share-Based Award shall be settled (e.g., in shares of Common Stock, cash or other property), or the conditions to the vesting and/or payment or settlement of such Other Share-Based Award (which may include, but not be limited to, achievement of performance criteria) and all other terms and conditions of such Other Share-Based Award. In the event that the Administrator grants a bonus in the form of Shares, the Shares constituting such bonus shall, as determined by the Administrator, be evidenced in uncertificated form or by a book entry record or a certificate issued in the name of the Participant to whom such grant was made and delivered to such Participant as soon as practicable after the date on which such bonus is payable. Notwithstanding anything set forth in the Plan to the contrary, any dividend or dividend equivalent Award issued hereunder shall be subject to the same restrictions, conditions and risks of forfeiture as apply to the underlying Award.

Section 11. Cash Awards.

The Administrator may grant Awards that are denominated in, or payable to Participants solely in, cash, as deemed by the Administrator to be consistent with the purposes of the Plan, and, such Cash Awards shall be subject to the terms, conditions, restrictions and limitations determined by the Administrator, in its sole discretion, from time to time.

Section 12. Change in Control.

(a) Unless otherwise determined by the Administrator and evidenced in an Award Agreement, notwithstanding Section 4(d), in the event that (i) a Change in Control occurs and (ii) either (x) an outstanding Award is not assumed or substituted in connection therewith, or (y) an outstanding Award is assumed or substituted in connection therewith and the Participant's employment or service is terminated by the Company, its successor or an Affiliate thereof without Cause or by the Participant for Good Reason (if applicable) on or after the effective date of the Change in Control but prior to twenty-four (24) months following the Change in Control, then: (1) any unvested or unexercisable portion of such Award carrying a right to exercise shall become fully vested and exercisable, and (2) the restrictions, deferral limitations, payment conditions and forfeiture conditions applicable to such Award shall lapse and be treated as satisfied, in each case with any performance conditions imposed in respect of such Award deemed achieved at actual performance levels and payment in respect of such Award pro-rated based on the elapsed portion of the applicable performance period.

(b) For purposes of this Section 12, an Award shall be considered assumed or substituted for if, following the Change in Control, the Award remains subject to the same terms and conditions that were applicable to the Award immediately prior to the Change in Control except that, if the Award related to shares, the Award instead confers the right to receive common stock of the acquiring entity.

(c) The provisions of this Section 12 shall not apply to any Cash Award or Non-Employee Director Award unless and then only to the extent otherwise provided in the applicable Award Agreement or in any other agreement with or arrangement of the Company or its Affiliates governing the terms and conditions of the Cash Award or Non-Employee Director Award.

Section 13. Amendment and Termination.

The Board may amend, alter or terminate the Plan at any time, but no amendment, alteration or termination shall be made that would impair the rights of a Participant under any Award theretofore granted without such Participant's consent. The Board shall obtain approval of the Company's stockholders for any amendment that would require such approval in order to satisfy the requirements of any rules of the stock exchange on which the Common Stock is traded or other Applicable Law. The Administrator may amend the terms of any Award theretofore granted, prospectively or retroactively, but, subject to Section 5 and the immediately preceding sentence, no such amendment shall materially impair the rights of any Participant without his or her consent.

Section 14. Unfunded Status of Plan.

The Plan is intended to constitute an “unfunded” plan for incentive compensation. With respect to any payments not yet made to a Participant by the Company, nothing contained herein shall give any such Participant any rights that are greater than those of a general unsecured creditor of the Company.

Section 15. Withholding Taxes.

Each Participant shall, no later than the date as of which the value of an Award first becomes includible in the gross income of such Participant for purposes of applicable taxes, pay to the Company, or make arrangements satisfactory to the Administrator regarding payment of, an amount up to the maximum statutory tax rates in the Participant's applicable jurisdiction with respect to the Award, as determined by the Company. The obligations of the Company under the Plan shall be conditional on the making of such payments or arrangements, and the Company shall, to the extent permitted by Applicable Laws, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant. Whenever cash is to be paid pursuant to an Award, the Company shall have the right to deduct therefrom an amount sufficient to satisfy any applicable withholding tax requirements related thereto. Whenever Shares or property other than cash are to be delivered pursuant to an Award, the Company shall have the right to require the Participant to remit to the Company in cash an amount sufficient to satisfy any related taxes to be withheld and applied to the tax obligations; provided, that, with the approval of the Administrator, a Participant may satisfy the foregoing requirement by either (i) electing to have the Company withhold from delivery of Shares or other property, as applicable, or (ii) delivering already owned unrestricted shares of Common Stock, in each case, having a value not exceeding the applicable taxes to be withheld and applied to the tax obligations. Such already owned and unrestricted shares of Common Stock shall be valued at their Fair Market Value on the date on which the amount of tax to be withheld is determined and any fractional share amounts resulting therefrom shall be settled in cash. Such an election may be made with respect to all or any portion of the Shares to be delivered pursuant to an Award. The Company may also use any other method of obtaining the necessary payment or proceeds, as permitted by Applicable Laws, to satisfy its withholding obligation with respect to any Award.

Section 16. Transfer of Awards.

Until such time as the Awards are fully vested and/or exercisable in accordance with the Plan or an Award Agreement, no purported sale, assignment, mortgage, hypothecation, transfer, charge, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any Award or any agreement or commitment to do any of the foregoing (each, a “Transfer”) by any holder thereof will be valid, except with the prior written consent of the Administrator, which consent may be granted or withheld in the sole discretion of the Administrator. Any purported Transfer of an Award or any economic benefit or interest therein in violation of the Plan or an Award Agreement shall be null and void *ab initio* and shall not create any obligation or liability of the Company, and any Person purportedly acquiring any Award or any economic benefit or interest therein transferred in violation of the Plan or an Award Agreement shall not be entitled to be recognized as a holder of such Shares or other property underlying such Award. Unless otherwise determined by the Administrator, an Option or a Share Appreciation Right may be exercised, during the lifetime of the Participant, only by the Participant or, during any period during which the Participant is under a legal Disability, by the Participant's guardian or legal representative.

Section 17. Continued Employment or Service.

Neither the adoption of the Plan nor the grant of an Award shall confer upon any Eligible Recipient any right to continued employment or service with the Company or any Affiliate thereof, as the case may be, nor shall it interfere in any way with the right of the Company or any Affiliate thereof to terminate the employment or service of any of its Eligible Recipients at any time.

Section 18. Effective Date.

The Plan was approved by the Personnel Committee on January 31, 2019 and shall become effective on the date the Plan is approved by the Board (February 1, 2019, the "Effective Date"), subject to its approval by the shareholders of the Company not more than twelve (12) months following such date.

Section 19. Electronic Signature.

Participant's electronic signature of an Award Agreement shall have the same validity and effect as a signature affixed by hand.

Section 20. Term of Plan.

No Award shall be granted pursuant to the Plan on or after the tenth anniversary of the date of its adoption by the Board, but Awards theretofore granted may extend beyond that date.

Section 21. Securities Matters and Regulations.

(a) Notwithstanding anything herein to the contrary, the obligation of the Company to sell or deliver Shares with respect to any Award granted under the Plan shall be subject to all Applicable Laws, rules and regulations, including all applicable federal and state securities laws, and the obtaining of all such approvals by governmental agencies as may be deemed necessary or appropriate by the Administrator. The Administrator may require, as a condition of the issuance and delivery of certificates evidencing shares of Common Stock pursuant to the terms hereof, that the recipient of such shares make such agreements and representations, and that such certificates bear such legends, as the Administrator, in its sole discretion, deems necessary or advisable.

(b) Each Award is subject to the requirement that, if at any time the Administrator determines that the listing, registration or qualification of Shares is required by any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the grant of an Award or the issuance of Shares, no such Award shall be granted or payment made or Shares issued, in whole or in part, unless listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Administrator.

(c) In the event that the disposition of Shares acquired pursuant to the Plan is not covered by a then current registration statement under the Securities Act and is not otherwise exempt from such registration, such Shares shall be restricted against transfer to the extent required by the Securities Act or regulations thereunder, and the Administrator may require a Participant receiving Common Stock pursuant to the Plan, as a condition precedent to receipt of such Common Stock, to represent to the Company in writing that the Common Stock acquired by such Participant is acquired for investment only and not with a view to distribution.

Section 22. Section 409A of the Code.

The Plan as well as payments and benefits under the Plan are intended to be exempt from, or to the extent subject thereto, to comply with Section 409A of the Code, and, accordingly, to the maximum extent permitted, the Plan shall be interpreted in accordance therewith. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A of the Code, the Participant shall not be considered to have terminated employment or service with the Company for purposes of the Plan and no payment shall be due to the Participant under the Plan or any Award until the Participant would be considered to have incurred a "separation from service" from the Company and its Affiliates within the meaning of Section 409A of the Code. Any payments described in the Plan that are due within the "short term deferral period" as defined

in Section 409A of the Code shall not be treated as deferred compensation unless Applicable Law requires otherwise. Notwithstanding anything to the contrary in the Plan, to the extent that any Awards (or any other amounts payable under any plan, program or arrangement of the Company or any of its Affiliates) are payable upon a separation from service and such payment would result in the imposition of any individual tax and penalty interest charges imposed under Section 409A of the Code, the settlement and payment of such awards (or other amounts) shall instead be made on the first business day after the date that is six (6) months following such separation from service (or death, if earlier). Each amount to be paid or benefit to be provided under the Plan shall be construed as a separate identified payment for purposes of Section 409A of the Code. The Company makes no representation that any or all of the payments or benefits described in the Plan will be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to any such payment. The Participant shall be solely responsible for the payment of any taxes and penalties incurred under Section 409A of the Code.

Section 23. Notification of Election Under Section 83(b) of the Code.

If any Participant shall, in connection with the acquisition of shares of Common Stock under the Plan, make the election permitted under Section 83(b) of the Code, such Participant shall notify the Company of such election within ten (10) days after filing notice of the election with the Internal Revenue Service.

Section 24. No Fractional Shares.

No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan. The Administrator shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

Section 25. Beneficiary.

A Participant may file with the Administrator a written designation of a beneficiary on such form as may be prescribed by the Administrator and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the Participant's estate shall be deemed to be the Participant's beneficiary.

Section 26. Paperless Administration.

In the event that the Company establishes, for itself or using the services of a third party, an automated system for the documentation, granting or exercise of Awards, such as a system using an internet website or interactive voice response, then the paperless documentation, granting or exercise of Awards by a Participant may be permitted through the use of such an automated system.

Section 27. Severability.

If any provision of the Plan is held to be invalid or unenforceable, the other provisions of the Plan shall not be affected but shall be applied as if the invalid or unenforceable provision had not been included in the Plan.

Section 28. Clawback.

(a) The Awards granted under the Plan and any cash payment or Shares delivered pursuant to an Award are subject to forfeiture and recovery by the Company or any of its Affiliates pursuant to the applicable Award Agreement or any clawback or recoupment policy which the Company or its Affiliates may adopt from time to time, including without limitation any policy that the Company has adopted or may adopt under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and implementing

rules and regulations thereunder, or as otherwise required by applicable law, and in any event including the Company's Policy Regarding Recoupment of Certain Compensation or any successor thereto. Any such provisions shall survive the vesting and payment of the Award and the termination of the Plan to the fullest extent allowed by applicable law.

(b) Without limiting subsection (a), above, if the Company is required to prepare a financial restatement due to the material non-compliance of the Company with any financial reporting requirement, then the Committee may require any Section 16 Officer to repay or forfeit to the Company, and each Section 16 Officer agrees to so repay or forfeit, that part of the Incentive Compensation received by that Section 16 Officer during the three-year period preceding the publication of the restated financial statement that the Committee determines was in excess of the amount that such Section 16 Officer would have received had his or her Incentive Compensation been calculated based on the financial results reported in the restated financial statement. The Committee may take into account any factors it deems reasonable in determining whether to seek recoupment of previously paid Incentive Compensation and how much Incentive Compensation to recoup from each Section 16 Officer (which need not be the same amount or proportion for each Section 16 Officer), including any determination by the Committee that a Section 16 Officer engaged in fraud, willful misconduct or committed grossly negligent acts or omissions which materially contributed to the events that led to the financial restatement. The amount and form of the Incentive Compensation to be recouped shall be determined by the Committee in its sole and absolute discretion, and recoupment of Incentive Compensation may be made, in the Committee's sole and absolute discretion, through the cancellation of vested or unvested Awards, cash repayment or both.

(c) Notwithstanding any other provisions in the Plan, any Award which is subject to recovery under any Applicable Laws, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such Applicable Law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

Section 29. Share Retention Requirements.

Nothing in the Plan shall preclude the Administrator from imposing and enforcing hold requirements provisions with respect to any Award granted hereunder, including an unrestricted Other Share-Based Award. These restrictions may include, but shall not be limited to, a requirement that the Participant receive all or a portion of an Award in Shares or hold any or all of the Shares received in connection with an Award for a specified period of time.

Section 30. Governing Law.

The Plan shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to principles of conflicts of law of such state.

Section 31. Indemnification.

To the extent allowable pursuant to applicable law, each member of the Board and the Administrator and any officer or other employee to whom authority to administer any component of the Plan is delegated shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; provided, however, that he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such individuals may be entitled pursuant to the Company's Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

Section 32. Titles and Headings, References to Sections of the Code or Exchange Act.

The titles and headings of the sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control. References to sections of the Code, the Securities Act or the Exchange Act shall include any amendment or successor thereto.

Section 33. Successors.

The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.

Section 34. Relationship to other Benefits.

No payment pursuant to the Plan shall be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare, or other benefit plan of the Company or any Affiliate except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

List of Third Party Surveys

Survey Publisher	Survey Title
Aon	Aon Energy Marketing and Trading, 2021
Aon Radford	Radford Global Compensation Database - October (Entergy), 2021
Willis Towers Watson	WTW Artificial Intelligence/Digital Talent (MMPS & EXE) - US, 2021
Willis Towers Watson	WTW Energy Services Technical Support and Operations, 2021
Willis Towers Watson	WTW General Industry Executive, 2021
Willis Towers Watson	WTW Energy Services Executive, 2021
Willis Towers Watson	WTW General Industry Mid-Mgmt, Prof & Support, 2021
Willis Towers Watson	WTW Energy Services Mid-Mgmt, Prof & Support, 2021
Willis Towers Watson	WTW General Industry Mid-Mgmt, Prof & Support TAC Version, 2021
Aon	Aon TCM Broad-Based Mgmt Cash Comp by Geography, 2019
Aon	Aon TCM Broad-Based Mgmt Total Comp by Industry, 2019
Aon	Aon Energy Marketing and Trading, 2019
Aon	Aon TCM Executive & Senior Mgmt Total Comp by Industry Full Value LTI, 2019
EAP Data Information Solutions	Energy Technical Craft Clerical, 2018
EAP Data Information Solutions	EAPDIS Energy Technical Craft Clerical Survey, 2019
EAP Data Information Solutions	EAPDIS Energy Technical Craft Clerical Survey, 2020
Empsight International, LLC	Empsight Hot Jobs, 2019
Empsight International, LLC	Empsight Hot Jobs, 2020
Empsight International, LLC	Empsight The Works, 2018
Empsight International, LLC	Empsight The Works, 2020
Gallagher Surveys	Gallagher Aviation, 2019
Gallagher Surveys	Gallagher Aviation, 2020
Hay Group	Korn Ferry Hay Energy Industry, 2018
Mercer	Mercer Benchmark Engineering & Design, 2018
Mercer	Mercer Benchmark Engineering & Design, 2020
Mercer	Mercer Executive, 2018
Mercer	Mercer Benchmark Executive, 2020
Mercer	Mercer Finance, Accounting & Legal, 2018
Mercer	Mercer Benchmark Finance, Accounting & Legal, 2020
Mercer	Mercer Human Resources, 2018
Mercer	Mercer Benchmark Corporate Services and Human Resources, 2020
Mercer	Mercer Information Technology, 2018
Mercer	Mercer Benchmark Information Technology, 2020
Mercer	Mercer Logistics & Supply Chain, 2018
Mercer	Mercer Benchmark Logistics & Supply Chain, 2020
Mercer	Mercer Energy MTCS General Benchmark - U.S., 2020
Mercer	Mercer Sales, Mktg & Comm, 2018
Mercer	Mercer Benchmark Sales, Mktg & Comm, 2020

Survey Publisher	Survey Title
Willis Towers Watson	WTW American Gas Association, 2018
Willis Towers Watson	WTW American Gas Association, 2020
Willis Towers Watson	WTW Artificial Intelligence and Digital Talent Compensation, 2018
Willis Towers Watson	WTW General Industry Executive, 2018
Willis Towers Watson	WTW General Industry Executive, 2019
Willis Towers Watson	WTW General Industry Executive, 2020
Willis Towers Watson	WTW Energy Services Executive, 2018
Willis Towers Watson	WTW Energy Services Executive, 2019
Willis Towers Watson	WTW Energy Services Executive, 2020
Willis Towers Watson	WTW General Industry Mid-Mgmt, Prof & Support, 2018
Willis Towers Watson	WTW General Industry Mid-Mgmt, Prof & Support, 2019
Willis Towers Watson	WTW General Industry Mid-Mgmt, Prof & Support, 2020
Willis Towers Watson	WTW Energy Services Mid-Mgmt, Prof & Support, 2018
Willis Towers Watson	WTW Energy Services Mid-Mgmt, Prof & Support, 2019
Willis Towers Watson	WTW Energy Services Mid-Mgmt, Prof & Support, 2020
Willis Towers Watson	WTW General Industry Mid-Mgmt, Prof & Support TAC Version, 2020

This exhibit contains information that is Confidential and will be provided under the terms of the Protective Order (Confidentiality Disclosure Agreement) entered in this case.

Willis Towers Watson 

May 10, 2022

George Hoyt
Assistant General Counsel
Entergy Corporation
919 Congress
Austin Texas, 78701

Dear Mr. Hoyt:

RE: Release of Willis Towers Watson Report to the Public Utility Commission of Texas

Entergy Corporation ("Client") has asked for the consent of Willis Towers Watson US LLC ("Willis Towers Watson") to provide copies of the following Willis Towers Watson report to the Public Utility Commission of Texas ("Third Party") in connection with Client's rate case:

- 2021 Philadelphia Utility Index Benefit Study

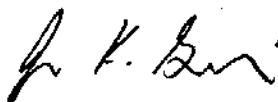
Because this report is proprietary and confidential, Willis Towers Watson consents to the disclosure to the Third Party provided that:

- Such report does not identify any participants by name other than Client.
- Client may reference or distribute the extract only to the extent that such extract is designated as Highly Sensitive Protected Materials in accordance with a Public Utility Commission of Texas protective order entered in the proceeding; and
- Client shall not provide any additional information related to such report without Willis Towers Watson's prior written consent; and
- Client includes a copy of this letter with the report disclosed to the Third Party.

Please do not hesitate to contact me should you or the Third Party have any questions or wish to discuss.

Thank you.

Very truly yours,



John Goudelias

Accepted and agreed:

Entergy Corporation

By: 

Print Name: George G. Hoyt

Title: Assistant General Counsel

Date: 5/17/22

This exhibit contains information that is Highly Sensitive and will be provided under the terms of the Protective Order (Confidentiality Disclosure Agreement) entered in this case.

ENTERGY SYSTEM POLICIES & PROCEDURES

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Title: ATTENDANCE AND ABSENTEEISM		Last Revision: 1/01/2021	Rev. 16
Subject Matter Expert: Teresa Gray	Responsible Officer: Kathryn Collins	Approved by: Senior VP, Human Resources & CHRO	
Point of Contact: Employee Support Center, 844-ETR-Work, ServiceNow			

I. POLICY SUMMARY

- This Policy sets forth expectations regarding attendance at work, as well as notice requirements and standards for certain types of time off from work.
- This Policy does not address the following types of time off from work: holiday, vacation, military leave, long-term disability, short-term disability and leave under the Family and Medical Leave Act of 1993 or other leave available under federal, state or local law. See Section 2.0 of this Policy for information regarding these types of time away from work.
- Under this Policy, the following Absences are addressed:
 - Absence for Compelling Reasons;
 - Bereavement Leave of Absence;
 - Weather-Related Leave of Absence;
 - Extenuating Circumstances Leave of Absence;
 - Jury Duty Leave of Absence;
 - Administrative Leave of Absence; Unpaid Absences; and
 - Unapproved Absences.
- All Employees shall immediately report known, suspected, or potential violations of this Policy by following the procedures described in the Reporting Violations Policy.
- **Please refer to the following detailed Policy for further information.**

ENTERGY SYSTEM POLICIES & PROCEDURES

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II. DETAILED POLICY

1.0 PURPOSE AND APPLICABILITY

The purpose of this Policy is to set forth the Company's basic expectations regarding attendance at work while recognizing that Employees occasionally face situations which require them to be absent from work. This Policy identifies situations when an Absence from work can be approved by the Company. It also identifies the notice, eligibility and substantive requirements for Paid Absences.

This Policy does not address the following types of time off from work: holiday, vacation, volunteer paid time off, military leave, long-term disability, short-term disability (including Absence pending long-term-disability claim processing), leave under the Family and Medical Leave Act of 1993 and other leave available under federal, state or local law. Other System Policies should be consulted for these types of time off (see Section 2.0).

Employees at certain worksites may have rights or other entitlements under federal, state or local law that are more generous than those provided pursuant to this Policy. If you believe these more generous laws are applicable, please contact the Employee Support Center to request more information. Nothing in this Policy limits employee rights under state or local law. If an absence qualifies under this Policy and federal, state or local law, the leave will run at the same time under both, but the employee will have the benefit of the most generous leave available, subject to eligibility and any other legal requirements.

THIS POLICY APPLIES TO ANY AND ALL EMPLOYEES OF ANY ENTERGY SYSTEM COMPANY, UNLESS OTHERWISE EXPRESSLY EXCLUDED.

THIS POLICY COVERS EMPLOYEES WHO ARE REPRESENTED BY A UNION, EXCEPT THAT ANY CONFLICTING TERMS OF EMPLOYMENT IN A COLLECTIVE BARGAINING AGREEMENT OR OTHER AGREEMENT REACHED WITH THE UNION(S) SHALL CONTROL. ALSO, AT CERTAIN ENTERGY FACILITIES THAT WERE ACQUIRED BY PURCHASE, AGREEMENTS HAVE BEEN REACHED TO MAINTAIN OR ESTABLISH TEMPORARY POLICIES THAT WILL BE APPLIED TO CERTAIN EMPLOYEES AT THE FACILITY IN LIEU OF THIS POLICY. IN SUCH CASES, THE EMPLOYEE SUPPORT CENTER SHOULD BE CONTACTED FOR GUIDANCE AND THE APPLICABLE POLICY.

ENTERGY SYSTEM POLICIES & PROCEDURES

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NOTHING CONTAINED IN THIS POLICY SHOULD BE CONSTRUED TO SUGGEST THAT EMPLOYEES OF A PARTICULAR SUBSIDIARY OR AFFILIATE OF ENTERGY CORPORATION ARE ALSO EMPLOYEES OF ENTERGY CORPORATION OR ANY OTHER AFFILIATE OR SUBSIDIARY OF ENTERGY CORPORATION. MOREOVER, THIS POLICY DOES NOT CREATE ANY EMPLOYMENT RELATIONSHIP BETWEEN ANY PERSON AND ANY ENTERGY SYSTEM COMPANY, NOR DOES THIS POLICY CONFER ANY CONTRACTUAL RIGHT TO ANY PERSON TO BECOME OR REMAIN AN EMPLOYEE OF AN ENTERGY SYSTEM COMPANY FOR ANY DEFINITE TERM OR TIME PERIOD.

2.0 REFERENCES & CROSS REFERENCES

2.1 Entergy System Policies & Procedures

- Break in Service
- Charitable Contributions and Volunteering
- Discipline
- Employment at Will
- Employment and Benefits Management
- Employment Categories and Requirements
- Holidays
- Leave of Absence - Family and Medical Leave
- Leave of Absence - Military
- Leave of Absence – Paid Parental Leave
- Leave of Absence - Short-Term Disability
- Reporting Violations
- Time Entry and Pay
- Vacation

2.2 Business Unit Policies & Procedures

- Michigan Paid Sick Leave Law Policy
- New York Paid Family Leave Law Policy
- New York Paid Sick Leave Law
- Washington, DC Family and Medical Leave Policy
- Washington, DC Paid Sick Leave Policy
- Washington, DC Universal Paid Leave Law Policy
- Westchester County, NY Earned Sick Leave Policy
- Westchester Count, NY Safe Time Leave Law Policy

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2.3 **Compensation for Storm and Emergency Related Work Guidelines**

2.4 **Long-Term Disability Plan** Long-Term Disability benefits are described in the applicable long-term disability contract and in the applicable Entergy System Companies' BenefitsPlus Long-Term Disability Summary Plan Description. Nothing contained in this Policy is intended to alter, modify, enlarge or expand the long-term disability benefits available under the Entergy System Companies' BenefitsPlus Long-Term Disability Summary Plan.

2.5 **HR Forms**

2.4.1 **Absence Medical Certification Form**

2.4.2 **HealthCare Provider Release to Return to Work Form**

2.4.3 **Request for Extenuating Circumstances Leave of Absence Form**

3.0 **DEFINITIONS**

3.1 **Absence** - Any time off from work, whether the time off is scheduled or unscheduled, approved or unapproved. An Employee is considered to have incurred an Absence when he or she does not report to work for all or part of his or her scheduled workday, regardless of reason.

3.2 **Absence for Compelling Reason** – An Absence granted per Section 5.4 of this Policy.

3.3 **Administrative Leave of Absence** – An Absence granted per Section 5.9 of this Policy.

3.4 **Approved Absence** – An employee Absence that has been approved by appropriate Entergy management pursuant to the provisions of this Policy. An Approved Absence can be a Paid Absence or an Unpaid Absence.

3.5 **Bereavement Leave of Absence** – An Absence granted per Section 5.5 of this Policy.

3.6 **Close Family Member** - The Employee's spouse as recognized under federal law, biological/adopted/foster/step child, parent /stepparent, sibling/stepsibling, grandparent, grandchild, father-in-law, or mother-in-law.

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- 3.7 Eligible Employee** - An individual who: (a) is an Employee of an Entergy System Company; (b) is regularly scheduled to work an average of at least forty (40) hours per week for an Entergy System Company; (c) is classified as a Regular (non-temporary) Full-time Employee; and (d) has actively worked as a Full-Time Employee of an Entergy System Company for at least six (6) months continuously from his or her latest hire date to the date before the Absence begins.
- 3.8 Employee** - An individual who is an active payroll employee of an Entergy System Company.
- 3.9 Entergy System Company, Entergy or Company** - Entergy Corporation and all of its regulated and non-regulated subsidiaries and affiliates in which Entergy Corporation has a direct or indirect majority ownership interest.
- 3.10 Extenuating Circumstances Leave of Absence** - An Absence granted per Section 5.7 of this Policy.
- 3.11 Full-Time Employee** – As defined in the Entergy Employment Categories and Requirements Policy.
- 3.12 Health Care Provider** –
- (A) A doctor of medicine or osteopathy who is authorized to practice medicine or surgery by the state in which the doctor practices;
 - (B) Certified Nurse Midwives (“CNMs”) or Certified Midwives (“CMs”) who are authorized to practice under state law and who are performing within the scope of their practice as defined under state law;
 - (C) A licensed dentist or oral surgeon authorized to practice and performing within the scope of his or her practice as defined under applicable state law; or
 - (D) A mental health care provider (*i.e.*, psychologist, psychotherapist, psychiatrist, or clinical social worker) licensed to provide mental health services by the state in which he or she practices.
- 3.13 Jury Duty Leave of Absence** - An Absence granted per Section 5.8 of this Policy.
- 3.14 Leave of Absence Pay** - The amount of pay an Eligible Employee is entitled to receive while absent from work on a Paid Absence under this Policy, calculated pursuant to Section 5.3.2.

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- 3.15 Paid Absence** - An Absence incurred by an Eligible Employee which the Company determines, in its sole discretion, satisfies the eligibility criteria for Leave of Absence Pay specified in Section 5.3 of this Policy.
- 3.16 Policy** - This Attendance and Absenteeism Policy.
- 3.17 Part-Time Employee** - As defined in the Entergy Employment Categories and Requirements Policy.
- 3.18 Regular Employee (Regular)** – As defined in the Entergy Employment Categories and Requirements Policy.
- 3.19 Student Employee (Student)** – As defined in the Entergy Employment Categories and Requirements Policy.
- 3.20 Temporary Employee (Temporary)** – As defined in the Entergy Employment Categories and Requirements Policy.
- 3.21 Unapproved Absence** - An Absence from work that is not approved by management pursuant to the provisions of this Policy or any other Entergy System policy. Absences may be unapproved for several reasons, including but not limited to:
- employee failure to follow proper notification procedures;
 - Absence not meeting Approved Absence requirements;
 - employee failure to produce required or requested documentation supporting the Absence; or
 - excessive absenteeism.
- 3.22 Unpaid Absence** - An Absence that does not qualify as a Paid Absence.
- 3.23 Weather-Related Leave of Absence** – An Absence granted per Section 5.6 of this Policy.

4.0 **RESPONSIBILITY**

- 4.1 The Manager, HR - Total Rewards** is responsible for administering, interpreting, and maintaining this Policy.
- 4.2 The Senior Vice President Human Resources** is responsible for approving any deviations from this Policy.

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4.3 Employees are responsible for:

- 4.3.1 Reporting to work on their scheduled workdays;
- 4.3.2 Reporting to work timely each scheduled workday;
- 4.3.3 Completing their entire scheduled shift each workday;
- 4.3.4 Requesting supervisor approval of a scheduled or foreseeable Absence reasonably in advance as specified in this Policy;
- 4.3.5 Timely notifying their supervisor about an Absence;
- 4.3.6 Providing a valid contact phone number and remaining in contact with their supervisor during an Absence;
- 4.3.7 When applicable, timely submitting appropriate documentation to support an Absence or return to work;
- 4.3.8 Entering attendance and Absences accurately on their timesheet or in the Company's time entry reporting system; and
- 4.3.9 Complying with this Policy.

4.4 HR Employee Services Leave Specialist is responsible for:

- 4.4.1 Reviewing Paid Absence and Unpaid Absence requests and ensuring the request is compliant with the provisions of this Policy.

4.5 Supervisors are responsible for:

- 4.5.1 Monitoring accuracy of entries, and approving entries in the Company's time entry systems, including time entries, premium rates, overtime and other aspects of employee pay;
- 4.5.2 Where applicable, making appropriate entries and approvals in the Company's human resources management systems;
- 4.5.3 Approving or denying requests for Paid Absences or Unpaid Absences pursuant to the provisions of this Policy; and
- 4.5.4 Consulting the Human Resources Employee Services Leave Specialist as needed in administering this Policy with respect to the supervisor's direct reports.

4.6 Company Officers (ML 1-4) and Directors are responsible for approving certain Paid Absences and Unpaid Absences as specified in this Policy.

5.0 DETAILS

5.1 General Requirements - Attendance and Punctuality. Reliable and consistent attendance is a condition of employment with the Company.

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Employees are required to report for work at their scheduled times and places, and work throughout their entire work schedule or scheduled shift, unless they are on an Approved Absence from work or are otherwise being accommodated for some legitimate reason.

- 5.1.1** Proper Attendance and Absence Recordkeeping. Employees shall accurately record all Absences on their time and pay records. Supervisors shall monitor these records to ensure Employees appropriately records Absences.
- 5.1.2** Approved Absence Not an Entitlement. Approved Absences are **not** an entitlement, and Employees are expected to request and take Absences only for the purposes described in this Policy. Each Employee should monitor his/her own attendance to ensure that he/she satisfies all Company and departmental attendance requirements.
- 5.1.3** Unapproved Absences. An Unapproved Absence is a violation of the attendance requirements of this Policy.
- 5.1.4** Job Abandonment. An Employee who does not report for scheduled workdays and fails to contact management regarding his or her Absences for three consecutively scheduled workdays (although there may be calendar days between consecutively scheduled workdays) will be considered to have abandoned his or her employment with the Company.

- 5.2** Approved Absences. Despite the attendance and punctuality requirements specified at 5.1, the Company understands that Employees occasionally face situations that require them to be absent from work. This Policy provides for management approval, at its sole discretion, of certain types of Absences for Employees.

- 5.2.1** Notice of Absence. Each Employee must timely notify management of an Absence, his/her anticipated date of return to work, and contact phone number in accordance with Section 6.1 of this Policy. If an Employee fails to provide proper and timely notice to his/her supervisor of an Absence in accordance with Section 6.1 of this Policy, the Company may, among other things: (a) delay the commencement of the Absence until the required notice is given; (b) deny the Absence altogether and require attendance (if appropriate); (c) approve the portion of the Absence for which proper and timely notice was given, but classify the rest of the Absence as an Unapproved Absence; or (d) classify the Absence as an Unapproved Absence.
- 5.2.2** Supervisory Approval and Continued Contact with Supervisor. An Employee must obtain approval for Absences from his/her direct

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supervisor or the supervisor's designee (someone the supervisor has officially instructed employees to contact regarding Absences) unless a higher management level approval is required by this Policy.

Employee must communicate with the Employee's supervisor during the Absence in accordance with Section 6.1.3.

5.2.3 Supporting Documentation for Absence. The Company at its sole discretion may require documentation from the Employee to support the Absence request. Documentation to support the approval of an Absence may include, but is not limited to, as appropriate for the type of Absence, a court subpoena, court summons, or an Absence Medical Certification Form (referenced at Section 2.4.1) in accordance with Section 6.2 of this Policy certifying the Employee's need for the Absence. It is a violation of this Policy for an Employee to make a material misstatement or misrepresentation or to engage in fraudulent conduct in any way connected with an Absence.

5.3 **Paid Absence**. For an Employee's Absence to be eligible for Leave of Absence Pay: (a) the Absence must meet the requirements for an Approved Absence pursuant to Section 5.2 above, (b) the Employee must be an Eligible Employee, and (c) the Absence must be one of the types of Absences specified in 5.3.1 and satisfy any criteria specified in this Policy for any such types of Absences. When Part-Time Employees are absent, the Absences are deemed an Unpaid Absence, except as provided for absences with Section 5.8 (Jury Duty Leave of Absence).

5.3.1 Absences Eligible for Leave of Absence with Pay. An Eligible Employee may receive Leave of Absence Pay only for Absences due to the following reasons:

- Absence for Compelling Reasons (see Sections 5.4);
- Bereavement Leave of Absence (see Section 5.5);
- Weather-Related Leave of Absence (see Section 5.6);
- Extenuating Circumstances Leave of Absence (see Section 5.7);
- Jury Duty Leave of Absence (see Section 5.8); and
- Administrative Leave of Absence (see Section 5.9);

5.3.2 Leave of Absence Pay Calculation. Pay will be calculated on a pro-rata basis for the time absent using the Eligible Employee's annual pre-tax rate of base pay in effect at the time the Approved Absence begins, excluding commissions, bonuses, incentives, overtime pay, and any other fringe benefit, special payments or extra compensation. The hours for which Leave of Absence pay is received are not considered "hours worked" for purposes of determining whether an

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Employee is entitled to overtime compensation in a particular workweek.

5.3.3 Carryover Restrictions.

5.3.3.1 Eligible Employees are permitted to carry over up to a maximum of 40 hours of unused Absence for Compelling Reasons leave into the next calendar year. Eligible Employees are allowed a maximum of 96 hours of leave per calendar year for absences that qualify as an Absence for Compelling Reasons.

5.3.3.2 Eligible Employees are not permitted to carry over available, but unused Absences into the next calendar year for any type of Absence other than leave available for Absence for Compelling Reasons.

5.3.4 Unused Paid Absences. Employees who separate from employment, either voluntarily or involuntarily, will not be compensated for unused Paid Absences addressed in this Policy.

5.4 Absence for Compelling Reasons. Eligible Employees are granted up to 56 hours of Paid Absence and up to 40 hours of carryover (see Section 5.3.3.1) for a maximum of 96 hours of Paid Absence per calendar year for any combination of the compelling reasons described in Section 5.4.1, subject to restrictions specified in Section 5.4.2.

5.4.1 Types of Absence for Compelling Reasons.

5.4.1.1 An Eligible Employee's own occasional illness or injury which prevents the Employee from performing the essential functions of his/her job or attending work.

5.4.1.2 Caring for a Close Family Member due to the Close Family Member's illness or injury.

5.4.1.3 Bonding time with a child following the birth, adoption or foster placement of that child.

5.4.1.4 To further or finalize the adoption or foster placement of a child.

5.4.1.5 Attending a funeral or visitation related to the death of a person other than the Employee's Close Family Member (see Section 5.5 for Bereavement Leave of Absence for Absences related to the death of a Close Family Member) as described below.

- Eligible Employees are limited to one regularly scheduled workday of leave to attend the funeral of a son-in-law, daughter-in-law, brother-in-law, or sister-in-law. Such

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leave shall be recorded as Absence for Compelling Reason.

- For other relatives or friends, Eligible Employees will be limited to up to four work hours of leave to attend the funeral. When an Eligible Employee has a role in the funeral and the funeral is out of town, the Eligible Employee is limited to up to one workday of leave to attend the funeral. All leave under this section shall be recorded as Absence for Compelling Reason.

5.4.1.6 Rare situations, impacting an Eligible Employee or Close Family Member, that are beyond the control of the Eligible Employee, such as an automobile accident, subpoena to appear in a legal proceeding (not including jury duty), or a doctor's appointment that cannot reasonably be scheduled during time off.

5.4.2 Restrictions on Absences

65.4.2.2 Employees Working Alternate Hours. Eligible Employees who work any work schedule other than an eight-hour, Monday-through-Friday schedule are expected and encouraged to schedule doctor appointments and other personal business during their time off. If an Employee attempts to use leave available under this Policy to attend these appointments during working hours when other arrangements could have been made, the supervisor can decline to approve the Absence and require the Employee to make up the lost time within the same workweek only.

5.5 **Bereavement Leave of Absence.** Eligible Employees may be granted up to three workdays of Paid Absence to attend the funeral and/or to handle the affairs in connection with the death of a Close Family Member. Eligible Employees are allowed to take bereavement leave for each eligible event and the time allowed is determined by the relationship to the deceased. This Absence does not count toward the 56 hours of leave available for Absences for Compelling Reasons. (See Section 5.4.1.5 for guidance related to funeral absences where the deceased is other than a Close Family Member.)

5.6 **Weather-Related Leave of Absence.** Eligible Employees may be granted a Paid Absence when the Employees have been scheduled to report to work, but due to a serious, hazardous weather condition such as a hurricane, flood,

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snow storm or ice storm, **are specifically instructed by the Company:** (a) to leave work and return home, (b) to stay at home and not report to work, or (c) to evacuate the geographical area.

5.6.1 Weather-Related Leave of Absence shall be granted to those Eligible Employees who: (a) were already at work and were instructed to leave work and return home because of the weather condition and (b) who were scheduled to work, but were instructed to not report to work because of the weather condition.

5.6.2 Employees who are already on some other Absence under this Policy or time off from work under some other Entergy System Policy or plan will not be entitled to a declared Weather-Related Leave of Absence.

5.6.3 When serious weather conditions occur that may require the Company to authorize a Weather-Related Leave of Absence, Employees who are assigned to storm duty are still required to report to work as scheduled and the Weather-Related Leave of Absence does not apply.

5.6.4 When the Incident Command Center has been activated, please refer to the Compensation for Storm and Emergency Related Work guidelines.

5.7 **Extenuating Circumstances Leave of Absence.** When an Eligible Employee has exhausted all available leave time allowed for Absences for Compelling Reasons (see Section 5.4), floating holiday, and vacation, the Employee may be granted up to a maximum of an additional 40 work hours of Paid Absence in a calendar year for highly unusual and extenuating circumstances. Unused Extenuating Circumstance Leave will not be carried over into the following year. The Eligible Employee shall advise his/her supervisor about the plan to request an Extenuating Circumstances Leave of Absence. The Employee must complete a Request for Extenuating Circumstances Leave of Absence Form (referenced at Section 2.4.3 of this Policy) and submit it to a company officer (officer code 1-4) of the business unit in which the Employee works, who may approve or deny in his or her sole discretion.

5.8 **Jury Duty Leave of Absence.** Eligible Employees selected to serve on a jury in municipal, county, parish, state or federal court under subpoena or court order, may be excused from work, and may be granted Paid Absence for the period of time of jury service covered by the initial subpoena or court order that occurs during the employee's scheduled working hours. Part-Time, Student, and Temporary Employees required to serve jury duty in municipal, county, parish, state or federal court will be excused from work and granted appropriate payment for the period of required jury duty during the

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employee's scheduled working hours in accordance with applicable law. Employees who have been called to jury duty, and are released for the day from jury duty two hours or more prior to the end of their regularly scheduled shift must either report to work or contact their supervisor or his/her designee for instructions regarding the necessity to report to work.

5.9 Administrative Leave of Absence. For exceptional administrative reasons, there are times when the Company may determine that it is appropriate to place an Employee on administrative Paid Absence.

5.9.1 Administrative Leaves of Absence of 80 hours or less must be approved in writing by the Eligible Employee's management, at a management level of Director or higher.

5.9.2 Administrative Leaves of Absence of more than 80 hours must be approved in writing by a company officer (ML 1-4) of the business unit in which the Eligible Employee works.

5.10 Approved Unpaid Absence – Regular Full-Time Employees. Regular Full-Time Employees may be granted an Unpaid Absence in accordance with the following.

5.10.1 Request for Unpaid Absence. Requests for Unpaid Absence of 80 hours or less must be approved by the Employee's management, at a management level of Director or higher. Requests for Unpaid Absences of more than 80 hours must be approved in writing by the Company officer (ML 1-4) of the business unit in which the Employee works. In no event can a Regular Full-time Employee be granted an Unpaid Absence for more than six months.

5.10.2 Benefits. For approved Unpaid Absences of 80 hours or less, there will be no impact on benefits for the Employee under the Entergy Corporation Companies' BenefitsPlus plans, provided the Employee timely pays his/her share of the premiums and contributions on an after-tax basis by personal check or some other acceptable method. For Employees taking approved Unpaid Absences of more than 80 hours, benefits will be governed by the applicable Entergy System Companies' BenefitsPlus plan document or summary plan description and, in the event the individual's employment is restored, by the Entergy System Break in Service policy. For approved Unpaid Absences of any duration, the Employee's pre-tax contributions to the Entergy Corporation Companies' BenefitsPlus Reimbursement Plan will cease, and his/her coverage under the plan will terminate, unless the Employee continues to make his/her contributions to the plan on an after-tax basis by personal check or some other acceptable

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method. To continue coverage under the Reimbursement Plan in a calendar year after the year in which the Employee commences the Unpaid Absence, the Employee must re-enroll in the Reimbursement Plan during annual open enrollment. For further information, contact the Employee Support Center at 844-ETR-WORK.

- 5.10.3 Employment Restoration following an Unpaid Absence.** Regular Full-Time Employees who request and are granted an Unpaid Absence in excess of 80 consecutive hours are not guaranteed the right to return to their same or equivalent position, or any other position, upon their return from Absence, unless otherwise protected by law or policy. The Company will make a reasonable effort to place them in a position that is open and which they are qualified to perform.
- 5.10.4 Holiday Pay.** Full-Time Employees who request and are granted an approved Unpaid Absence will not receive holiday pay during the unpaid absence. A paid holiday that occurs during the Unpaid Absence will be treated as an Unpaid Absence and should be coded as an Unpaid Absence in the time entry system.
- 5.10.5 Paid Vacation, Floating Holidays or Other Paid Leave.** When an Eligible Employee requests and is granted an approved Unpaid Absence and the Eligible Employee has available paid vacation, floating holidays (personal days) or other paid leave, the Eligible Employee may elect to use any available paid vacation, floating holidays (personal days), or other paid leave at the same time as his or her Unpaid Absence (if the requirements for the vacation, floating holiday, or paid leave have been satisfied).

- 5.11 Approved Unpaid Absence – Part-Time Employees.** Part-Time Employees may be granted approval for an Unpaid Absence in accordance with the following for circumstances that are comparable to the following categories of Paid Absences: Absence for Compelling Reasons, Bereavement Leave of Absence, Weather-Related Leave of Absence, Extenuating Circumstances Leave of Absence, and Administrative Leave of Absence.

- 5.11.1** During the first calendar year after which the Part-Time Employee is employed by and works for an Entergy System Company for six consecutive months, up to 35 work hours of Unpaid Absence may be approved. Each calendar year thereafter, up to 70 work hours of Unpaid Absence may be approved.
- 5.11.2** Part-Time Employees are ineligible to receive Leave of Absence Pay for any Absences, unless otherwise required by law.

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- 5.12 Approved Unpaid Absence – Student Employees.** To assist with their transition, Student Employees who have been offered a regular Full-Time position may be granted an Unpaid Absence if they accepted the position and requested the Unpaid Absence prior to the completion of their internship or co-op in accordance with the following.
- 5.12.1** Request for Unpaid Absence. Requests for Unpaid Absence of 80 hours or less must be approved by the Employee's management, at a management level of Director or higher. Requests for Unpaid Absences of more than 80 hours must be approved by a Company officer (ML 1-4) of the business unit in which the Employee works. In no event may Student Employees be granted an Unpaid Absence for more than two months.
- 5.12.2** Student Employees are ineligible to receive Leave of Absence Pay for any Absences, unless otherwise required by law.
- 5.13 Return from Approved Absence.**
- 5.13.1 Failure to Return.** An Employee who fails to return to work (with the appropriate HealthCare Provider Release to Return to Work Form, if required) upon the scheduled conclusion of a Paid or Unpaid Absence will be in violation of the attendance requirements of this Policy unless such continued Absence has been approved under this Policy or other Entergy System policies.
- 5.13.2 Return to Work Certification Following Illness.** An Employee who is returning to work following an Absence due to a health condition may be required to submit a HealthCare Provider Release to Return to Work Form (referenced at Section 2.4.2 of this Policy) certifying his/her ability to return to work in accordance with Section 6.3 of this Policy. If the form is required, Employees will not be allowed to return to work until a completed HealthCare Provider Release to Return to Work Form is provided, and the absence from work in the meantime will be considered an Unapproved Absence until the form is submitted.
- 5.14 Discipline.** Employees who fail to comply with the requirements of this Policy or who violate this Policy will be subject to discipline (as provided for in the Discipline policy referenced at Section 2.1 of this Policy), up to and including termination of employment.
- 5.15 Concurrent Use of Leave.** To the maximum extent permitted by law, leave available under this Policy shall run concurrently with all other legally mandated leave.

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6.0 **PROCEDURES**

6.1 **Notification Requirements.**

- 6.1.1** Initial Notification. In all events where the Absence is initiated by the Employee, it is generally expected that the Employee will give notice of the Absence no later than the start of the Absence, unless exceptional circumstances exist. When the need for the Absence is foreseeable, the Employee must provide notice to his or her direct supervisor at least thirty (30) days in advance of the anticipated Absence. When it is impracticable to give 30 days' advance notice of a foreseeable Absence, the Employee is required to give notice as soon as practicable, but no later than one business day after the need for Absence becomes known to the Employee. When the approximate timing of the Absence is not foreseeable, or where 30 days written notice is not practicable, the Employee must provide notice to his or her direct supervisor of the need for the Absence as soon as practicable under the facts and circumstances of the particular case.
- 6.1.1.1** If the Employee's immediate supervisor is not available or cannot be reached, the Employee must notify the supervisor's official designee or the next highest level of management until a member of management is contacted.
- 6.1.1.2** Leaving a message or providing notification to a non-member of management who is not the supervisor's official designee does not constitute proper notification.
- 6.1.2** Content of Initial Notification. The initial notification must clearly explain the reasons for the requested Absence (e.g., employee's illness, family illness, other compelling reason), the expected date of return and a phone number where the employee can be reached.
- 6.1.3** Daily Notification of Absence. In the case of an Absence for Compelling Reasons, Extenuating Circumstances Leave of Absence, Jury Duty Leave of Absence or Unpaid Absence, an Employee is required to notify his/her immediate supervisor or his/her designee each day the Employee is absent from work unless other notification arrangements have been approved by the Employee's supervisor or his/her designee. Failure to notify his/her immediate supervisor or his/her designee each day the Employee is absent from work may result in the denial of approval of the Absence under this Policy.
- 6.1.3.1** If the Employee's immediate supervisor is not available or cannot be reached, the Employee must notify the supervisor's official designee or the next highest level of management until a member of management is contacted.

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6.1.3.2 Leaving a message or providing notification to a non-member of management who is not the supervisor's official designee does not constitute proper notification.

6.2 Medical Certification.

6.2.1 When the employee is asked to provide an Absence Medical Certification Form (referenced at Section 2.4.1 of this Policy) a Health Care Provider must complete and sign the Absence Medical Certification Form stating the medical facts supporting the Employee's Absence and the expected date of return.

6.2.2 If the Employee has not submitted a requested completed Absence Medical Certification Form by the time the Employee is able to return to work or within a reasonable time, the resulting Absence will not qualify as an Approved Absence.

6.3 Return-to-Work Certification. When asked to provide a HealthCare Provider Release to Return to Work Form, the Employee's Health Care Provider must complete and sign the HealthCare Provider Release to Return to Work Form (referenced at Section 2.4.2 of this Policy) and certify that the Employee is able to return to work only as it relates to the condition that prompted the Absence. The HealthCare Provider Release to Return to Work Form shall also state any work restrictions and/or any needed accommodation(s) only as they relate to the condition that prompted the Absence, although the Employee may voluntarily have his or her Health Care Provider include any additional required work restrictions or accommodations if the Employee believes they are needed.

7.0 ATTACHMENTS

None.

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Title: HOLIDAYS		Last Revision: 1/01/2021	Rev. 13
Subject Matter Expert: Teresa Gray	Responsible Officer: Kathryn Collins	Approved By: Senior VP, Human Resources & CHRO	
Point of Contact: Employee Support Center, 844-ETR-Work, <u>ServiceNow</u>			

I. POLICY SUMMARY

- Entergy Eligible Employees are entitled to 10 paid holidays (8 hours per holiday) each calendar year.
- The observed holidays are:
 1. New Year's Day
 2. Mardi Gras (For the New Orleans Area)
Floating Holiday Tied To March 1 (All Other Locations)
 3. Memorial Day
 4. Independence Day
 5. Labor Day
 6. Thanksgiving Day
 7. Christmas Eve
 8. Christmas Day
 9. Floating Holiday Tied To Employee's Birthday
 10. Floating Holiday Tied To Employee's Employment Anniversary
- All employees of Entergy shall immediately report known, suspected, or potential violations of this Policy by following the procedures described in the Reporting Violations Policy.
- **Please refer to the following detailed Policy for further information.**

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II. DETAILED POLICY

1.0 PURPOSE AND APPLICABILITY

This Policy identifies the holidays designated by Entergy, defines employee eligibility, determines when holidays will be observed and can be used, and provides time entry instructions. Refer to the Time Entry and Pay Policy for instructions on how Eligible Employees are paid when they work on holidays or when a holiday falls on a scheduled day off.

THIS POLICY APPLIES TO ANY AND ALL EMPLOYEES OF ANY ENTERGY SYSTEM COMPANY, UNLESS OTHERWISE EXPRESSLY EXCLUDED.

THIS POLICY COVERS EMPLOYEES WHO ARE REPRESENTED BY A UNION, EXCEPT THAT ANY CONFLICTING TERMS OF EMPLOYMENT IN A COLLECTIVE BARGAINING AGREEMENT OR OTHER AGREEMENT REACHED WITH THE UNION(S) SHALL CONTROL. ALSO, AT CERTAIN ENTERGY FACILITIES THAT WERE ACQUIRED BY PURCHASE, AGREEMENTS HAVE BEEN REACHED TO MAINTAIN OR ESTABLISH TEMPORARY POLICIES THAT WILL BE APPLIED TO CERTAIN EMPLOYEES AT THE FACILITY IN LIEU OF THIS POLICY. IN SUCH CASES, THE LOCAL HUMAN RESOURCES REPRESENTATIVE SHOULD BE CONTACTED FOR GUIDANCE AND THE APPLICABLE POLICY.

NOTHING CONTAINED IN THIS POLICY SHOULD BE CONSTRUED TO SUGGEST THAT EMPLOYEES OF A PARTICULAR SUBSIDIARY OR AFFILIATE OF ENTERGY CORPORATION ARE ALSO EMPLOYEES OF ENTERGY CORPORATION OR ANY OTHER AFFILIATE OR SUBSIDIARY OF ENTERGY CORPORATION. MOREOVER, THIS POLICY DOES NOT CREATE ANY EMPLOYMENT RELATIONSHIP BETWEEN ANY PERSON AND ANY ENTERGY SYSTEM COMPANY, NOR DOES THIS POLICY CONFER ANY CONTRACTUAL RIGHT TO ANY PERSON TO BECOME OR REMAIN AN EMPLOYEE OF ANY ENTERGY SYSTEM COMPANY FOR ANY DEFINITE TERM OR TIME PERIOD.

2.0 REFERENCES & CROSS REFERENCES

2.1 Entergy System Policies and Procedures

- Attendance and Absenteeism Policy
- Employment and Benefits Management Policy
- Leave of Absence – Family and Medical Leave
- Leave of Absence – Short Term Disability
- Leave of Absence – Paid Parental Leave
- Reporting Violations Policy
- Time Entry and Pay Policy
- Vacation Policy

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2.2 **Business Unit Policies**

- New York Paid Family Leave Law
- Washington, DC Family and Medical Leave Policy
- Washington, DC Paid Sick Leave Policy
- Westchester County, NY Earned Sick Leave Policy
- Michigan Paid Sick Leave Law Policy
- New York Sick Leave Law Policy

2.3 **Company-published Annual Holiday Schedule**

- 2.4 **Collective Bargaining Agreements** – For Eligible Employees covered by a collective bargaining agreement, holidays may or will be governed by any applicable union contractual provision and/or by law.

3.0 **DEFINITIONS**

- 3.1 **Eligible Employee** - An employee who: (a) is an active payroll employee of an Entergy System Company; (b) is regularly scheduled to work an average of at least forty (40) hours per week for an Entergy System Company; and (c) is classified by the Company as a regular (non-temporary) full-time employee.

- 3.2 **Entergy, Entergy System Company, or Company** – Entergy Corporation and all of its subsidiaries and affiliates in which Entergy Corporation has a direct or indirect majority ownership interest.

- 3.3 **Floating Holiday** - A paid holiday for an Eligible Employee that is tied to one of the following dates:

3.3.1 March 1 - for all locations except the New Orleans area;

3.3.2 The Eligible Employee's birthday; and

3.3.3 The Eligible Employee's employment anniversary date.

- 3.4 **Policy** – This Holidays Policy.

4.0 **RESPONSIBILITY**

- 4.1 **The Manager - HR Total Rewards** is responsible for interpreting, administering, and maintenance of this Policy.

- 4.2 **The Senior Vice President Human Resources & CHRO** is responsible for approving any deviations from this Policy.

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- 4.3 **Eligible Employees** are responsible for requesting and receiving approval to use Floating Holidays or defer holidays should they be scheduled to work on a Company-observed holiday. They are also responsible for entering in the appropriate time entry system 8 hours of holiday for any observed holiday.
- 4.4 **Supervisors** are responsible, for their supervised employees, for approving and monitoring the use of Floating Holidays, deferred holidays (in the event of a holiday worked), as well as approving the appropriate time recording in the time entry system.
- 4.5 **All employees** of Entergy are responsible for reporting known, suspected, or potential violations of this Policy by following the procedures described in the Reporting Violations Policy.

5.0 **DETAILS**

- 5.1 **Company Observed Holidays** consist of the following, with the exception of Floating Holidays, the calendar day of observance of each holiday during a particular calendar year shall be specified by Entergy in the Company-published Annual Holiday Schedule for that year (see Section 2.3). Company Observed Holidays must be taken in the calendar year in which they occur.

- 5.1.1 New Year's Day
- 5.1.2 Mardi Gras (for the New Orleans Area)
Floating Holiday tied to March 1 (all other locations)
- 5.1.3 Memorial Day
- 5.1.4 Independence Day
- 5.1.5 Labor Day
- 5.1.6 Thanksgiving Day
- 5.1.7 Christmas Eve
- 5.1.8 Christmas Day
- 5.1.9 Floating Holiday tied to Eligible Employee's birthday
- 5.1.10 Floating Holiday tied to Eligible Employee's employment anniversary

5.2 **Eligibility for Floating Holiday**

- 5.2.1 **First year of employment** – Eligible Employees are eligible for Floating Holidays, provided they are actively employed on the day tied to the Floating Holiday, and they may schedule and take a Floating Holiday anytime during the calendar year, with supervisor approval.
- 5.2.2 **Subsequent years of employment** - Eligible Employees are eligible for all Floating Holidays as of January 1 of the calendar year and may schedule and take a Floating Holiday anytime during the calendar year, with supervisor approval.

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- 5.3 Loss of Floating Holiday** - Floating Holidays for a particular calendar year must be taken during that same calendar year; they cannot be carried over, and they will not be paid for if not used.
- 5.4 Working on a Scheduled Holiday** - Refer to the Time Entry and Pay Policy for appropriate treatment when a Company scheduled holiday falls on an Eligible Employee's scheduled workday and the employee is required to work.
- 5.5 Holiday Time and Pay** - Each holiday shall be recorded and will be paid for a period of eight hours, regardless of the number of hours an Eligible Employee is otherwise scheduled to work on that day. Refer to the Time Entry and Pay Policy for appropriate treatment of additional hours in excess of eight hours, if any, normally scheduled to be worked on that day.
- 5.6 Holiday During Vacation** – Any holiday occurring during an Eligible Employee's scheduled vacation will be paid as holiday pay. The employee shall only take eight hours of holiday pay for that holiday. Refer to the Time Entry and Pay Policy for appropriate treatment of additional hours in excess of eight hours, if any, normally scheduled to be worked on that day.
- 5.7 Holiday During Leave** – Refer to applicable leave policy, Time Entry and Pay Policy, and Attendance and Absenteeism Policy for appropriate time entry treatment when a holiday falls during leave.
- 5.8 Holiday During Scheduled Day Off** - Refer to Time Entry and Pay Policy for appropriate time entry treatment when a holiday falls on a normally scheduled day off for an Eligible Employee.
- 5.9 Holidays Occurring After Termination** - Employees will not be paid for any prior, unused holidays or any holidays occurring after their termination date.
- 5.10 Last Day of Employment** - Employees who are discharged or laid off or who resign (or otherwise separate from employment) cannot use holiday time for their last day of employment.

6.0 PROCEDURES

None.

7.0 ATTACHMENTS

None.

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Subject Matter Expert: Teresa Gray	Responsible Officer: Kathryn Collins	Approved By: Senior VP, Human Resources & CHRO	
Point of Contact: Employee Support Center, 844-ETR-Work, ServiceNow			

I. POLICY SUMMARY

- This Policy sets forth:
 - the eligibility and procedural requirements that must be met in order to obtain a Military Leave of Absence;
 - the pay status of an Eligible Employee during a Military Leave of Absence;
 - the status of Company-sponsored Benefits during a Military Leave of Absence; and
 - reemployment rights of an Eligible Employee following a Military Leave of Absence.
- This Policy also prohibits discrimination in employment or retaliation against any individual on the basis of:
 - Service in the Uniformed Services of the United States;
 - affiliation with an individual who has performed Service in the Uniformed Services of the United States; or
 - participation in an action to enforce any person's rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA"), or under any applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law.
- All employees of Entergy shall immediately report known, suspected, or potential violations of this Policy by following the procedures described in the Entergy System Reporting Violations Policy.
- **Note:** Refer to the Leave of Absence - Family and Medical Leave Policy for information on leave benefits available to family members of covered military members called to active duty on behalf of the United States.
- **Please refer to the following detailed Policy for further information.**

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II. DETAILED POLICY

1.0 PURPOSE AND APPLICABILITY

The purpose of this Policy is to set forth the terms and conditions of Military Leaves of Absence and to prohibit discrimination in employment or retaliation against any individual on the basis of Service in the Uniformed Services of the United States, affiliation with an individual who has performed Service in the Uniformed Services of the United States, or participation in an action to enforce any person's rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 or under any applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law.

If anything in this Policy conflicts with federal law, or applicable state law, to the employee's detriment, then the law controls and applies.

THIS POLICY APPLIES TO ANY AND ALL EMPLOYEES OF ANY ENTERGY SYSTEM COMPANY, UNLESS OTHERWISE EXPRESSLY EXCLUDED.

THIS POLICY COVERS EMPLOYEES WHO ARE REPRESENTED BY A UNION, EXCEPT THAT ANY CONFLICTING TERMS OF EMPLOYMENT IN A COLLECTIVE BARGAINING AGREEMENT OR OTHER AGREEMENT REACHED WITH THE UNION(S) SHALL CONTROL. ALSO, AT CERTAIN ENTERGY FACILITIES THAT WERE ACQUIRED BY PURCHASE, AGREEMENTS HAVE BEEN REACHED TO MAINTAIN OR ESTABLISH TEMPORARY POLICIES THAT WILL BE APPLIED TO CERTAIN EMPLOYEES AT THE FACILITY IN LIEU OF THIS POLICY. IN SUCH CASES, HUMAN RESOURCES EMPLOYEE SERVICES SHOULD BE CONTACTED FOR GUIDANCE AND THE APPLICABLE POLICY.

NOTHING CONTAINED IN THIS POLICY SHOULD BE CONSTRUED TO SUGGEST THAT EMPLOYEES OF A PARTICULAR SUBSIDIARY OR AFFILIATE OF ENTERGY CORPORATION ARE ALSO EMPLOYEES OF ENTERGY CORPORATION OR ANY OTHER AFFILIATE OR SUBSIDIARY OF ENTERGY CORPORATION. MOREOVER, THIS POLICY DOES NOT CREATE ANY EMPLOYMENT RELATIONSHIP BETWEEN ANY PERSON AND ANY ENTERGY SYSTEM COMPANY, NOR DOES THIS POLICY CONFER ANY CONTRACTUAL RIGHT TO ANY PERSON TO BECOME OR REMAIN AN EMPLOYEE OF ANY ENTERGY SYSTEM COMPANY FOR ANY DEFINITE TERM OR TIME PERIOD.

2.0 REFERENCES AND CROSS REFERENCES

2.1 Collective Bargaining Agreements - For Eligible Employees covered by a collective bargaining agreement, Military Leaves of Absence will be governed by any applicable terms in the contract and by law.

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2.2 The Employee Retirement Income Security Act of 1974 (ERISA)

2.3 Entergy System Policies & Procedures

- Break in Service
- Employment and Benefits Management
- Leave of Absence - Family and Medical Leave (for information on leave benefits available to family members of covered military members called to active duty on behalf of the United States)
- Reporting Violations
- Vacation

2.4 The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), as amended, 38 U.S.C. §§4301-34.

2.5 USERRA Regulations – The final regulations promulgated by the Veterans' Employment and Training Service of the Department of Labor, published at 20 C.F.R. Part 1002 (§§1002.1 through 1002.314).

2.6 10 U.S.C. §1161 – Commissioned officers – limitations on dismissal.

2.7 10 U.S.C. §12503 – Ready reserve – funeral honors duty.

2.8 32 U.S.C. §115 - Funeral honors duty performed as a Federal function.

2.9 HR Forms

2.9.1 Certification of Qualifying Exigency for Military Family Leave (Note: qualifying exigencies for military family leave are addressed in the Leave of Absence – Family and Medical Leave Policy)

2.9.2 Notice of Military Leave of Absence (Online Form)

- [Notice of Military Leave of Absence](#) (Printable Form)

2.9.3 Application for Reemployment following Military Leave of Absence (Online Form)

- [Application for Reemployment following Military Leave of Absence](#) (Printable Form)

3.0 DEFINITIONS

3.1 Benefit - Any advantage, profit, privilege, gain, status, account, or interest (other than wages or salary for work performed) that accrues by reason of an employment contract or agreement or an employer policy, plan, or practice and includes rights and benefits under a Pension Plan, a Health Plan, an employee stock ownership plan, insurance coverage and awards, bonuses, severance pay, supplemental

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unemployment benefits, vacations, and the opportunity to select work hours or location of employment.

- 3.2 Brief or Nonrecurrent Position** - A position of employment that cannot reasonably be expected to continue indefinitely or for a significant period of time.
- 3.3 Eligible Employee** - An employee of an Entergy System Company who is employed in other than a Brief or Nonrecurrent Position and who: (a) is absent from his/her position at an Entergy System Company on account of Service in the Uniformed Services; (b) is seeking Reemployment with an Entergy System Company following a Military Leave of Absence; or (c) has returned to work at an Entergy System Company following a Military Leave of Absence.
- 3.4 Employee Life Insurance** - The amount of employee life insurance coverage in place through a Company-sponsored group life insurance plan immediately prior to the commencement of an Eligible Employee's Military Leave of Absence.
- 3.5 Entergy, Entergy System Company, or Company** - Entergy Corporation and all of its subsidiaries and affiliates in which Entergy Corporation has a direct or indirect majority ownership interest.
- 3.6 Flexible Spending Account** - Any Flexible Spending Account provided through a Company-sponsored cafeteria plan (e.g., the Traditional Health Care Flexible Spending Account, the Limited Scope Health Care Flexible Spending Account, and the Dependent Day Care Flexible Spending Account offered under the Entergy Corporation Companies' Benefits Plus Reimbursement Plan).
- 3.7 Full-Time Eligible Employee** - An Eligible Employee who is regularly scheduled to work an average of at least forty (40) hours per week for an Entergy System Company (or at least 37.5 or 40 hours per week as determined by the business unit or department to be full-time status, if assigned to the Indian Point Energy Center, Indian Point 3, or White Plains Office) and who receives regular pay from an Entergy System Company payroll.
- 3.8 Health Plan** - Any Company-sponsored insurance policy or contract, medical or hospital service agreement, membership or subscription contract, or other arrangement under which health care services are provided or the expenses of such services are paid. Examples of Health Plans include the Entergy Corporation Companies' Benefits Plus Medical, Dental and Vision Plans. The Traditional Health Care Flexible Spending Account and the Limited Scope Health Care Flexible Spending Account offered under the Entergy Corporation Companies' Benefits Plus Reimbursement Plan also are considered Health Plans for purposes of USERRA and this Policy.

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- 3.9 Military Leave of Absence** - The time period in which an Eligible Employee is absent from work at an Entergy System Company as a result of Service in the Uniformed Services. The maximum cumulative duration of Military Leaves of Absence for which any Eligible Employee will be allowed the rights and Benefits under Sections 5.4 and 5.5 of this Policy is set forth in Section 5.6 of this Policy.
- 3.10 Military Pay** - The Regular Rate of Pay received by an Eligible Employee as compensation for Service in the Uniformed Services **plus** any supplemental pay or additional allowances (e.g., basic allowance for subsistence, incentive pay, hardship pay) provided to the Eligible Employee by the Uniformed Services while the Eligible Employee is performing Service in the Uniformed Services.
- 3.11 Part-Time Eligible Employee** - An Eligible Employee who is not classified as a Full-Time Eligible Employee but who is regularly scheduled to work an average of at least twenty (20) hours per week for an Entergy System Company and who receives regular pay from an Entergy System Company payroll. For an employee assigned to the Indian Point Energy Center, Indian Point 3, or White Plains Office, the employee must have worked full-time for a minimum of one year without a break in service before the employee's change to part-time status in order to be considered a Part-Time Eligible Employee.
- 3.12 Pay Differential** - The difference between an Eligible Employee's annual Regular Rate of Pay from his/her System Company Employer at the time s/he begins a Military Leave of Absence and the Military Pay paid to the Eligible Employee by a branch of the Uniformed Services for duties performed by him/her while on a Military Leave of Absence.
- 3.13 Pay Differential Payment** - Payments made by a System Company Employer to an Eligible Employee whose leave qualifies for Pay Differential Payments under Section 5.3 of this Policy.
- 3.14 Pension Plan** - Any plan, as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974 (ERISA), that provides retirement income to employees or defers employee income for a period extending to or beyond the termination of employment. Pension Plans include defined benefit plans, defined contribution plans, and profit sharing plans.
- 3.15 Policy** - This Leave of Absence - Military Policy.
- 3.16 Reemployment or Reemployed** - The return to employment with an Entergy System Company by an Eligible Employee upon the expiration of an Eligible Employee's Military Leave of Absence. The right to Reemployment is subject to the terms and conditions set forth in Section 5.5 of this Policy.

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- 3.17 Regular Rate of Pay** - An Eligible Employee's base monthly earnings, excluding all discretionary and non-discretionary bonuses, overtime compensation, incentive compensation, commissions and other types of supplemental pay.
- 3.18 Service or Service in the Uniformed Services** - The performance of duty on a voluntary or involuntary basis in a Uniformed Service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, National Guard duty under federal authority, a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform such duty, a period of time for which a person is absent from employment for the purpose of performing funeral honors duty as authorized by 10 U.S.C. § 12503 or 32 U.S.C. § 115, service in the Commissioned Corps of the United States Public Health Service (PHS), service as an intermittent disaster-response appointee upon activation by the National Disaster Medical System (NDMS), and service as a participant in an authorized training program of the NDMS. With regard to an applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law, "Service" or "Service in the Uniformed Services" also shall mean active state duty, active state duty training, inactive state duty training, and active state duty by a member of the National Guard activated by competent state authority.
- 3.19 System Company Employer or Employer** - The Entergy System Company that is the payroll employer of an Eligible Employee.
- 3.20 Uniformed Services** - (a) the United States Army, the United States Navy, the United States Marine Corps, the United States Air Force, or the United States Coast Guard; (b) the United States Army Reserve, the United States Naval Reserve, the United States Marine Corps Reserve, the United States Air Force Reserve, or the United States Coast Guard Reserve; (c) the United States Army National Guard or the United States Air National Guard, while serving under federal authority; (d) the Commissioned Corps of the United States Public Health Service; (e) for purposes of USERRA only, service as an intermittent disaster-response appointee of the National Disaster Medical System (NDMS) only when federally activated to provide assistance in response to a public health emergency or to be present for a short period of time when there is a risk of a public health emergency, or when participating in authorized training in support of the NDMS's mission; or (f) any other category designated by the President of the United States in time of war or national emergency. With regard to an applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law, "Uniformed Services" shall mean an applicable state National Guard, state militia or other state military force.

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4.0 **RESPONSIBILITIES**

- 4.1** The Manager, HR Total Rewards is responsible for administering, interpreting, and maintaining this Policy.
- 4.2** The Senior Vice President, Human Resources is responsible for approving any deviations from this Policy.
- 4.3** The Payroll Department is responsible for processing Pay Differential Payments under this Policy.
- 4.4** Supervisors are responsible for forwarding Notice of Military Leaves of Absence Forms (referenced at Policy Section 2.9.2) and accompanying documentation to the Human Resources Service Center. In the event an Eligible Employee gives sufficient oral notice of a Military Leave of Absence, the supervisor is responsible for communicating that information to Human Resources Employee Services.
- 4.5** Eligible Employees are responsible for:
- (a) providing their immediate supervisor with sufficient advance written or oral notice of the need to take a Military Leave of Absence in accordance with Section 6.1 of this Policy, unless giving sufficient advance notice is impossible, unreasonable, or precluded by military necessity;
 - (b) in the event giving advance notice is precluded by one of the three exceptions mentioned above, providing notice of a Military Leave of Absence as soon as practicable;
 - (c) providing timely notice of an intention to return to work in the manner specified in Section 6.9 of this Policy; and
 - (d) complying with the provisions of this Policy.
- 4.6** All Employees of Entergy are responsible for immediately reporting known, suspected, or potential violations of this Policy by following the procedures described in the Entergy System Reporting Violations Policy.

5.0 **DETAILS**

- 5.1** Prohibition on Discrimination and Retaliation. All Entergy System Companies prohibit:
- 5.1.1** any form of discrimination or retaliation against any individual on account of his/her membership in, application for membership in, performance of,

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application for performance of, or obligation to perform Service in the Uniformed Services, or on account of affiliation with an individual who has performed Service in the Uniformed Services, and

5.1.2 retaliation against any individual on account of his/her taking part in an action to enforce a protection afforded any person under USERRA or an applicable state military leave of absence law, testifying in connection with a proceeding under USERRA or an applicable state military leave of absence law, assisting or participating in an investigation involving USERRA or an applicable state military leave of absence law, or exercising any other right protected by USERRA or an applicable state military leave of absence law.

5.2 **Providing Notice of Military Leaves of Absence.** Eligible Employees shall provide advance notice of a Military Leave of Absence in accordance with Section 6.1 of this Policy, unless the provision of such advance notice is impossible, unreasonable, or precluded by military necessity.

5.3 **Pay Differential Payments.** Pay Differential Payments are designed to supplement Eligible Employees' Military Pay so that, for the period provided below, certain Eligible Employees do not suffer losses in the Regular Rate of Pay received from their System Company Employers while engaged in Service in the Uniformed Services. Full-Time Eligible Employees are entitled to receive Pay Differential Payments in accordance with the remaining provisions of this Section 5.3 in the event they are either voluntarily or involuntarily called into Service in connection with any activity subject to USERRA. Pay Differential Payments may also be made to Full-Time Eligible Employees providing other types of Service, such as active-duty state service, at the discretion of, and under the terms and conditions established by, the Senior Vice President Human Resources.

5.3.1 **Requesting Pay Differential Payments.** Employees seeking Pay Differential Payments shall comply with the procedures set forth in Section 6.2 of this Policy.

5.3.2 **Amount of Pay Differential Payments.** Pay Differential Payments will be based on an employee's regular work schedule and will be computed by subtracting the Eligible Employee's Military Pay from the Regular Rate of Pay received from his/her System Company Employer as of the day immediately preceding the commencement of the Military Leave of Absence.

5.3.3 **Duration/Frequency of Pay Differential Payments.** Pay Differential Payments will be made only with regard to the period of time beginning with the commencement of the Military Leave of Absence and ending on the last day of the Military Leave of Absence, provided however, unless modified at the discretion of the Senior Vice President Human Resources the period of time

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a particular employee receives Pay Differential Payments shall not exceed twenty-four (24) months out of any sixty (60) consecutive-month period.

5.3.4 Responsibility for Tax Liability. Any tax liability resulting from Pay Differential Payments is the sole responsibility of the Eligible Employee receiving those payments.

5.4 Status of Certain Benefits during Military Leaves of Absence. Eligible Employees on Military Leave of Absence are entitled to the following rights and benefits. However, if an employee knowingly provides written notice of his/her intent not to return to his/her position of employment following the Military Leave of Absence, s/he shall waive the following rights and benefits. (An Eligible Employee cannot waive in advance his/her right to Reemployment. If, despite written notice of his/her intention not to return to his/her employment, the Eligible Employee subsequently becomes Reemployed, s/he shall be entitled to all the rights and Benefits that pertain to Reemployment.)

5.4.1 Health Care Benefits.

5.4.1.1 Full-Time Eligible Employees on Military Leave of Absence. Full-Time Eligible Employees who are participants in one or more Company-sponsored Health Plans prior to the commencement of a Military Leave of Absence may, at their option, continue to participate in those plans at their then-current levels. Full-Time Eligible Employees seeking continuation coverage under this provision shall comply with the procedures set forth in Section 6.3 of this Policy. If a Full-Time Eligible Employee so elects to continue coverage in a Company-sponsored Health Plan during a Military Leave of Absence, then:

- the Company will continue to subsidize the cost of coverage as if the employee were still an active employee,
- coverage shall be at the levels in effect at the commencement of the Military Leave of Absence and shall be identical to the coverage provided to similarly situated active employees with the same coverage options and category,
- if the coverage for similarly situated active employees with the same coverage options and category is modified or changes, the coverage for the Eligible Employee on Military Leave of Absence who elects continuation coverage also shall be changed,
- the Eligible Employee shall be responsible for any employee contributions necessary for such coverage, and
- the maximum period for continuation coverage under this provision shall be: (i) the lesser of (a) the 24-month period beginning with the commencement of the Military Leave of

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Absence or (b) the period of time beginning with the commencement of the Military Leave of Absence and ending the day after the date on which the Eligible Employee fails to return from Service or fails to apply for a position of employment, as specified in Section 6.9 of this Policy, or (ii) such longer period as is required by an applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law.

5.4.1.2 Part-Time Eligible Employees on Military Leave of Absence. Part-Time Eligible Employees who are participants in one or more Company-sponsored Health Plans prior to the commencement of a Military Leave of Absence may, at their option, continue to participate in those plans by paying no more than 102% of the full premium associated with such coverage, except that for the first thirty (30) days of the Military Leave of Absence the employee is required to pay only the amount that a similarly situated active part-time employee pays for the same coverage. Part-Time Eligible Employees seeking continuation coverage under this provision shall comply with the procedures set forth in Section 6.3 of this Policy. The maximum period for coverage under this provision shall be: (i) the lesser of (a) the 24-month period beginning with the commencement of the Military Leave of Absence or (b) the period of time beginning with the commencement of the Military Leave of Absence and ending the day after the date on which the Eligible Employee fails to return from Service or fails to apply for a position of employment, as specified in Section 6.9 of this Policy, or (ii) such longer period as is required by an applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law. Coverage shall be at the levels in effect at the commencement of the Eligible Employee's Military Leave of Absence and shall be identical to the coverage provided to similarly situated active employees with the same coverage options and category. If the coverage for similarly situated active employees with the same coverage options and category is modified or changes, the coverage for the Eligible Employee on Military Leave of Absence who elects continuation coverage also shall be changed.

5.4.1.3 Health Care Benefits Upon Reemployment. An Eligible Employee's participation in one or more Health Plans upon Reemployment following a Military Leave of Absence shall be governed by the provisions of USERRA and the USERRA Regulations, and by the provisions of any applicable state military leave of absence law to

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the extent it does not conflict with or is not preempted by USERRA or other federal law.

5.4.2 Pension Plan Benefits.

5.4.2.1 Reemployed Employees - Years of Service. To the extent participation in or benefits available under any Pension Plan are tied to seniority or years of service, Eligible Employees who are Reemployed following a Military Leave of Absence will be treated as having no break in service for purposes of participation, vesting and accrual of benefits. Service credit will be given for time on a Military Leave of Absence for Pension Plan purposes. However, Eligible Employees who have been on a Military Leave of Absence in excess of 90 days must submit documentation that their separation from Service met the requirements set forth in Section 5.5 of this Policy before they will be treated as having no break in service for Pension Plan purposes. In the event an Eligible Employee does not seek Reemployment, his/her Pension Plan benefits shall be determined as of the last day of active employment with an Entergy System Company prior to commencement of the Military Leave of Absence.

5.4.2.2 Employee Contributions to Pension Plans. An Eligible Employee who has been Reemployed following a Military Leave of Absence and who participates in a contributory Pension Plan, such as one of the Savings Plans of Entergy Corporation and its Subsidiaries, is allowed, but not obligated, to make up all or part of the contributions or elective deferrals that s/he missed during the Military Leave of Absence. If such employee does **not** make up the missed contributions or elective deferrals, the employee will not be entitled to receive the employer matching contribution or any accrued benefit attributable to the missed employee contribution or elective deferral. If such employee **does** make up any employee contributions and elective deferrals missed during the Military Leave of Absence, the employee is entitled to accrued benefits from employee contributions to Pension Plans (including, if applicable, employer matching contribution). Further, if such employee does elect to make up any employee contributions and elective deferrals missed during the Military Leave of Absence, then:

- The employee shall comply with the procedures set forth in Section 6.10 of this Policy.
- The employee may make up any employee contributions and elective deferrals missed during the Military Leave of Absence over a period of time not longer than the shorter of (a) five

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years or (b) three times the period of the Military Leave of Absence.

- Such repayments may only be made while the Eligible Employee remains employed by an Entergy System Company.
- Notwithstanding the above, the employee is not allowed to make a contribution to the Pension Plan for the amount of income that would have been earned with respect to the missed employee contributions and elective deferrals, had they been made while the employee was on Military Leave of Absence as though the employee had remained continuously employed.
- Notwithstanding the above, the employee is not entitled to a credit for the earnings or forfeiture, and is not charged with losses, that would have accrued to the employee's contributions and elective deferrals, had they been made while the employee was on Military Leave of Absence as though the employee had remained continuously employed.

5.4.3 Vacation Leave. Eligible Employees may, at their option, use vacation leave accrued prior to the commencement of the Military Leave of Absence during that Military Leave of Absence. The amount of vacation to which an Eligible Employee is entitled is governed by the Entergy System Vacation Policy. An Eligible Employee who wishes to use his/her accrued vacation leave during a Military Leave of Absence shall comply with the procedures set forth in Section 6.7 of this Policy.

5.4.4 Life Insurance and Accidental Death & Dismemberment Insurance. While on Military Leave of Absence, an Eligible Employee having Employee Life Insurance coverage will continue to be covered for up to ninety (90) days following the commencement of the Military Leave of Absence, provided the employee pays the employee share of any premiums associated with this coverage. This coverage is subject to any and all exclusions contained in the underlying insurance contracts. Additionally, the Eligible Employee may elect to continue Employee Life Insurance coverage beyond this ninety (90) day period, and also may continue survivor income insurance coverage, dependent life insurance coverage, and/or accidental death & dismemberment insurance coverage.

5.4.4.1 These coverages may be continued until: (i) the earlier of (a) twelve (12) weeks after the commencement of the Military Leave of Absence, or (b) the termination of the Military Leave of Absence, or (ii) such later period as is required by an applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law.

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- 5.4.4.2** This continuation coverage is contingent upon the employee's timely payment of all insurance premiums associated with the applicable coverage.
- 5.4.4.3** Eligible Employees may exercise any conversion rights provided by and in accordance with the underlying insurance contract(s) after the expiration of this continuation-of-coverage period.
- 5.4.4.4** Eligible Employees may have the right to convert Employee Life Insurance coverage to an individual policy customarily issued by the insurer (excluding term insurance policies) without a medical examination or other evidence of insurability.
- 5.4.4.5** Eligible Employees wishing to exercise these continuation-of-coverage rights or conversion rights shall comply with the procedures set forth in Sections 6.5 and 6.6 of this Policy, respectively.
- 5.4.5** Long-term Disability Insurance. An Eligible Employee who is covered under a Company-sponsored long-term disability plan prior to the commencement of a Military Leave of Absence will continue to be covered for ten (10) days after the commencement of a Military Leave of Absence, provided the Eligible Employee pays the premiums associated with this coverage. Additionally, the Eligible Employee may elect to continue long-term disability coverage until: (i) the earlier of (a) twelve (12) weeks after the commencement of the Military Leave of Absence, or (b) the termination of the Military Leave of Absence, or (ii) such later period as is required by an applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law. This continuation coverage is contingent upon the employee's timely payment of all insurance premiums associated with this coverage. Coverage under any Company-sponsored long-term disability plan is subject to any and all exclusions contained in the underlying insurance contracts. Eligible Employees wishing to continue long-term disability coverage while on Military Leave of Absence shall comply with the procedures set forth in Section 6.4 of this Policy.
- 5.4.6** Flexible Spending Accounts.
- 5.4.6.1** An Eligible Employee's before-tax contributions to any Flexible Spending Account will be suspended for the duration of the Eligible Employee's Military Leave of Absence; provided, however, an Eligible Employee may continue to participate in a Flexible Spending Account for the remainder of the current plan year (i.e. the plan year during which the Military Leave of Absence commenced) by making

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monthly contributions on an after-tax basis during the Military Leave of Absence.

- 5.4.6.2** If an Eligible Employee chooses not to continue participation in a Flexible Spending Account while on a Military Leave of Absence, expenses incurred during the Military Leave of Absence will not be reimbursable from the Flexible Spending Account.
- 5.4.6.3** Upon Reemployment during the same (current) plan year during which the Military Leave of Absence commenced, an Eligible Employee who has discontinued participation may re-enroll in the Flexible Spending Account(s) for the remainder of the plan year at his/her previous contribution level.
- 5.4.6.4** Upon Reemployment during a different plan year (a year that commences after the plan year in which the Military Leave of Absence commenced), an Eligible Employee may re-enroll in the Entergy Corporation Companies Benefits Plus Reimbursement Plan and elect to contribute to a Health Care Flexible Spending Account and/or Dependent Day Care Flexible Spending Account and will be treated as if s/he were a new employee.
- 5.4.6.5** An Eligible Employee may continue participation on an after- tax basis in the Traditional Health Care Flexible Spending Account or the Limited Scope Health Care Flexible Spending Account during plan years after the plan year in which the Military Leave of Absence commences, if the employee so elects during the annual open enrollment. The maximum period of coverage under this provision shall be: (i) the lesser of (a) the 24-month period beginning with the commencement of the Military Leave of Absence or (b) the period of time beginning with the commencement of the Military Leave of Absence and ending the day after the date on which the Eligible Employee fails to return from Service or fails to apply for a position of employment, as specified in Section 6.9 of this Policy, or (ii) such longer period as is required by an applicable state military leave of absence law to the extent it does not conflict with or is not preempted by USERRA or other federal law.
- 5.4.6.6** Eligible Employees wishing to continue coverage in any Flexible Spending Account shall comply with the procedures set forth in Section 6.8 of this Policy.
- 5.4.7** Status of Other Benefits upon Reemployment: Upon an Eligible Employee's Reemployment with an Entergy System Company, the employee is entitled to the seniority and seniority-based rights and Benefits s/he had on the date

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the Military Leave of Absence began, plus any such rights and Benefits s/he would have accrued if s/he had remained continuously employed during the Military Leave of Absence.

5.5 Exclusion from Short Term Disability. If injured while on active military duty, the employee should work with their Uniformed Services agent as this is a not a qualifying event for Short Term Disability.

5.6 Reemployment upon the Expiration of Military Leaves of Absence. An Eligible Employee seeking Reemployment with an Entergy System Company following a Military Leave of Absence must submit timely notice of his/her intent to return to work in accordance with the procedures set forth in Section 6.9 of this Policy and must meet the following conditions:

- S/he must have given advance notice of the Military Leave of Absence in accordance with Section 6.1 of this Policy, unless such advance notice was impossible, unreasonable, or precluded by military necessity;
- The cumulative total of his/her Military Leaves of Absence while an Eligible Employee must not have exceeded five (5) years, subject to the exemptions specified in Section 5.6 of this Policy; and
- S/he must present proof, unless such proof is unavailable or does not exist, that his/her separation from the Uniformed Services (a) was not with a dishonorable or bad conduct discharge; (b) was not under less than honorable conditions; (c) was not a dismissal permitted under 10 U.S.C. § 1161(a); and (d) did not result from being dropped from the rolls pursuant to 10 U.S.C. § 1161(b).

The Reemployment of an Eligible Employee shall be implemented in accordance with the provisions of USERRA and the USERRA Regulations, and applicable state law to the extent it is more favorable to the Eligible Employee than USERRA and is not preempted by USERRA or other federal law.

5.7 Duration of Military Leaves of Absence. The rights and Benefits under Sections 5.4 and 5.5 of this Policy will cease to be available to an employee when the cumulative length of the employee's Military Leaves of Absence exceeds five years, except that the following types of Service in the Uniformed Services are excluded in calculating the employees' cumulative length of Military Leaves of Absence:

- Service required beyond five years to complete an initial period of obligated Service;
- Service from which a person, through no fault of the person, is unable to obtain a release within the five year limit (e.g., members of the Navy or Marine Corps whose obligated Service dates expire while they are at sea or Service members who are involuntarily retained on active duty beyond the expiration of their obligated Service date);
- Required training for reservists and National Guard members (e.g., two week annual training sessions and monthly weekend drills mandated by statute);

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- Service under an involuntary order to, or to be retained on, active duty during domestic emergency or national security related situations;
- Service under an order to commence, or to remain on, active duty (other than for training) during a war or national emergency declared by the President of the United States or the United States Congress;
- Active duty (other than for training) by volunteers supporting operational missions for which selected reservists have been ordered to active duty without their consent;
- Service by volunteers who are ordered to active duty in support of a critical mission or requirement, as declared by one or more of the Secretaries of the various Uniformed Services, in times other than war or national emergency and when no involuntary call up is in effect; and
- Federal Service by members of the National Guard called into action by the President of the United States to suppress an insurrection, repel an invasion, or to execute the laws of the United States.

5.8 Operation of Law and Policy Interpretation

- 5.8.1** To the extent any of the provisions of this Policy conflict with existing law, including USSERRA and the USERRA Regulations, those provisions of this Policy shall be null and void and of no effect; however, the remaining provisions of this Policy shall remain unaffected.
- 5.8.2** This Policy is intended to conform to USERRA and the USERRA Regulations, and any ambiguity in this Policy shall be interpreted, where possible, in a manner that is consistent with USERRA and the USERRA Regulations.
- 5.8.3** This Policy also is intended to conform with any applicable state military leave of absence law to the extent such state law is more favorable to the Eligible Employee than USERRA and does not conflict with or is not preempted by USERRA or other federal law.
- 5.8.4** Other issues regarding an Eligible Employee's Reemployment (including other rights and Benefits) that are not specifically addressed in this Policy shall be governed by the provisions of USERRA, the USERRA Regulations, any other applicable federal law, and any applicable state military leave of absence law to the extent it is more favorable to the Eligible Employee than USERRA and is not preempted by USERRA or other federal law.

6.0 PROCEDURES

- 6.1 Providing Notice of Military Leave of Absence.** An Eligible Employee must provide advance written or oral notice of a Military Leave of Absence at least thirty (30) days prior to the commencement of the Military Leave of Absence, unless