



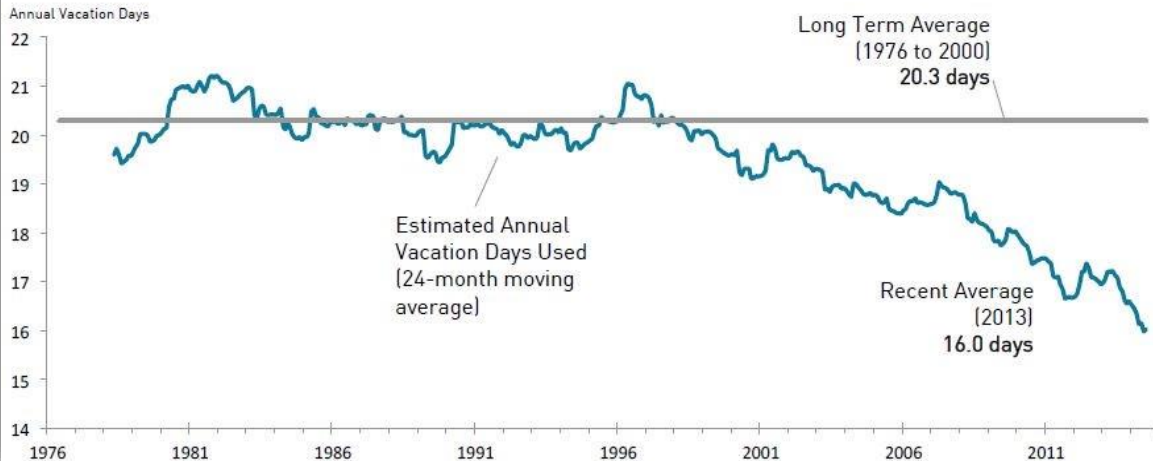
HourExchange

How will you spend your time?

PTO: A Growing Liability for Employers

The Hidden Costs of Unused Paid Leave:

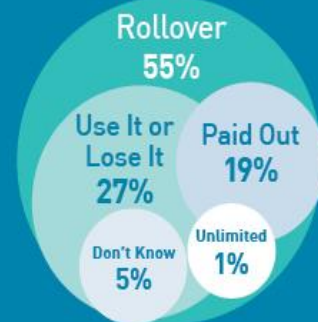
Average Vacation Days Used, Among Employed Adults



1 Source: *Hidden Costs of Unused Leave*, Oxford Economics, 2015 3 Source: HourExchange Legal Review, Ogletree Deakins
2 Source: *Vacation's Impact on the Workplace*, Society for Human Resource Management, 2013

- There is **\$224B** in aggregate liability on US corporate balance sheets due to unused vacation time.¹
- This figure grew by \$65B last year¹ as US workers are neglecting on average 4 days of vacation per year.
- Among large public company employers, the median liability is \$3,023 per employee.¹

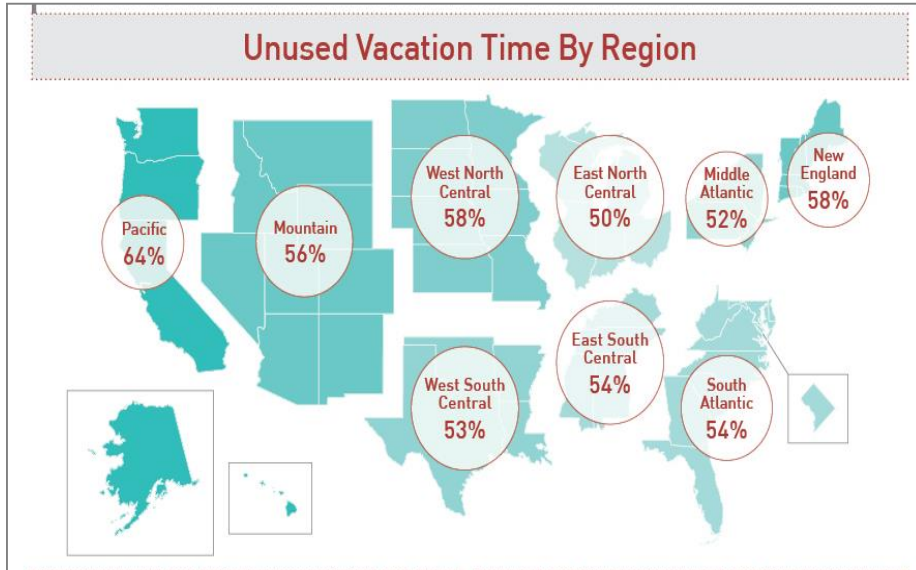
Vacation Policies



“Use It or Lose It” PTO policies are illegal in CA, MT, CO, RI, NE due to state law.

PTO: Employee Perspective

Where and why does PTO forfeiture occur?



A lack of economic resources continues to be a meaningful root cause among those not fully utilizing the PTO benefit.

REASONS TIME IS LEFT ON THE TABLE

	2014 Overwhelmed American	State of America Vacation 2016
Return to a mountain of work	40%	37%
No one else can do the job	35%	30%
I cannot financially afford a vacation	33%	30%
Taking time off harder as you grow in the company	33%	28%
Want to show complete dedication	28%	22%
Don't want to be seen as replaceable	22%	19%

Americans *overwhelmingly* cite structural limitations when choosing to forgo the benefit suggesting the need for a structural change in administration of the benefit.

The Solution: HourExchange

An Innovative and Compelling New Employee Benefit



Employers provide employees with access to a company sponsored vacation club

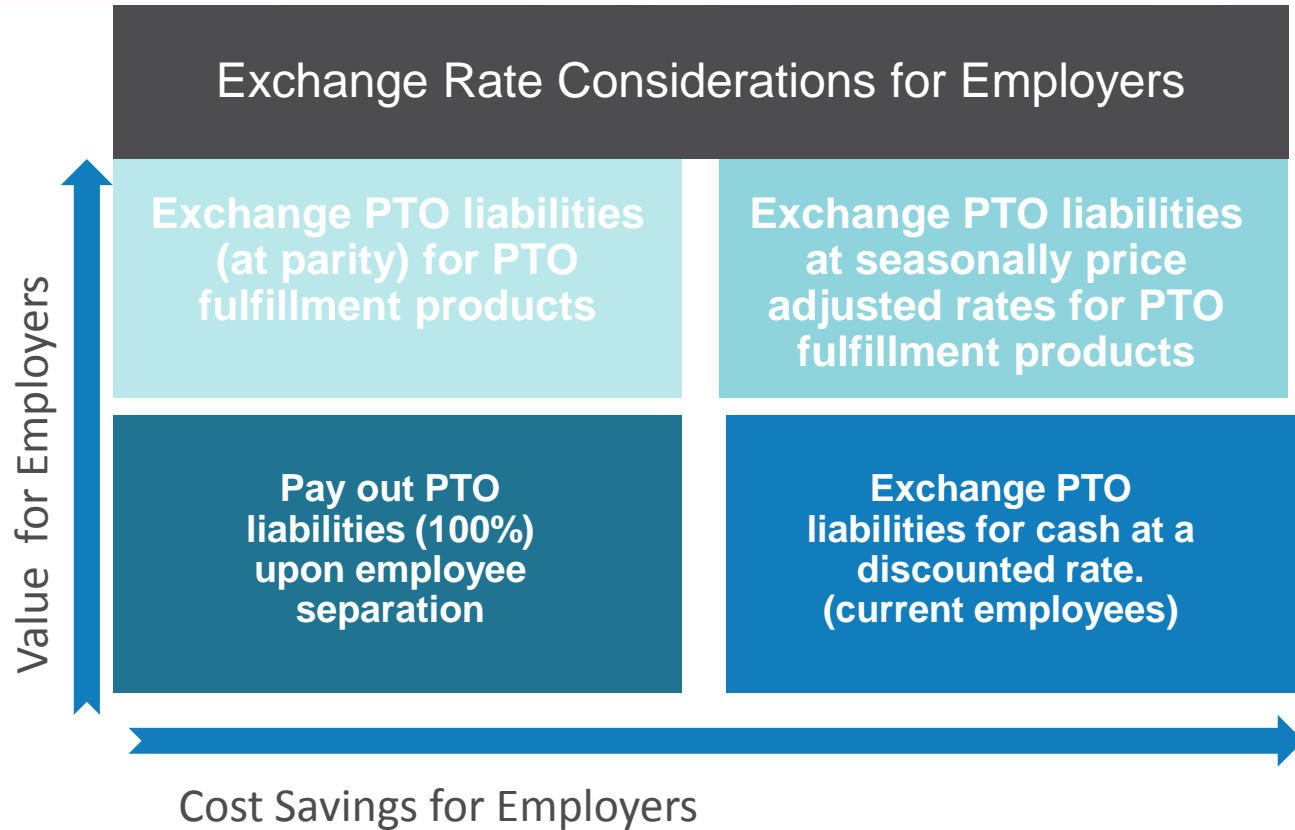


Through an employee portal, employees can track the value of unused vacation time and access it as payment towards an actual vacation



Employers use the HourExchange platform to manage the benefit program, with flexible options to convert vacation hours based on applied exchange rates

HourExchange: Value to the Employer



HourExchange: Value to the Employer (& Employee!)

Compelling Talent Acquisition Tool, Especially For Millennials:

The Rise of the Millennial Traveler :

Adults 18-35 are more likely than their older counterparts to say they:

- **Intend to take one or two large vacations** (35 percent vs. 23 percent of those ages 45-54).
- **Intend to be more deal conscious when booking travel** (24 percent vs. 16 percent of those ages 65+).
- **Intend to be more spontaneous** (19 percent vs. 11 percent of those ages 45-54 and 10 percent of those ages 65+).

Source: A 2014 American Travel Behavior Survey, conducted online, October 2014 by Harris Poll.

