

## SFA FLEXIBLE PTO POLICY

(U.S. Corporate)

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### **PROGRAM OVERVIEW**

Paid Time Off (PTO) provides the flexibility to responsibly take time off from work with pay for any reason – typically to attend to personal and family needs, such as vacation(s), illness, medical appointments, self-care, and attendance at school functions. PTO is in addition to SFA's regularly scheduled paid holidays. The SFA Flexible PTO Policy applies to all Corporate Associates. Any exceptions to the use of PTO or the provisions of the Company's Flexible PTO Policy must be approved in writing by the SVP, People Team.

SFA reserves the right to amend or remove this policy at its discretion, and/or to comply with any changes in federal, state, and/or local laws.

### **PROGRAM DETAILS**

#### **ELIGIBILITY**

All SFA Corporate Associates are eligible to participate in flexible PTO. Flexible PTO time covers the following:

- Vacation
- Personal
- Volunteer Time

#### **HOW FLEXIBLE PTO WORKS**

**Subject to Approval:** SFA expects Associates to use flexible PTO responsibly. All time off requests are subject to approval by your manager. Managers approve vacation time on a first-come, first-served basis. Not all time off will be able to be approved. Some situations where it might be denied are extended or long-term requests of two (2) or more weeks, or recurring time off, like every Friday. In other instances, it may not be possible to have several teammates out during the same week, or your presence may be required for a critical event.

**Give Advance Notice, Where Practicable:** Give as much notice as possible. For planned absences, it is best to put in the request 2-4 weeks in advance. For unplanned absences, please let your manager know as soon as possible.

**Time off is still tracked.** PTO will be entered into Workday. Your manager will track time off to make sure that there is appropriate coverage for the team as well as to ensure that flexible time is not being taken advantage of and/or comprises performance.

**Sick Days.** Included within this Flexible PTO Policy are paid sick days. Requests to use sick days should follow the same procedure outlined above. Since sick days are included within this policy, they do not roll over or accrue unless required by state, city, or federal law. If you reside in a MPSL state, please note that the Flexible PTO Policy provides Associates with paid time off that is equal to or greater than requirements for sick time that you would be eligible for based on state rules.

**Unused vacation days do not get paid out.** Your ability to take paid time off is not a form of additional wages for services performed, but is part of our culture to provide a flexible work schedule—including your ability to responsibly decide when, and how much time, to take off.

**This policy does not cover all forms of leave.** This Flexible PTO Policy for Corporate Associates may not be used as a means to extend other types of leave, such as FMLA, Parental Leave, Short or Long Term Disability, leaves required by state or local law, and other extended leave situations. These types of leaves are all handled separately. Please contact Matrix if you need to initiate a leave of absence greater than 1 week.

**This policy is built on trust.** If the Company determines that an Associate's performance has declined due to abuse of this policy, SFA reserves the right to review the Associates use of Flexible PTO to determine if discipline is appropriate, up to and including termination. Similarly, chronic tardiness, patterns of unapproved absences, or failure to meet performance expectations will be managed as performance issues.

## REQUESTING TIME OFF

To request time off, submit your request as far in advance to your manager as possible via Workday.

Beyond that, Associates are encouraged to:

- Communicate and collaborate with their team to ensure everyone takes leave without disrupting business operations.
- Plan to delegate, postpone, or otherwise manage projects that will be affected by your time off.
- Prep any files, information, and contact names/numbers that your coworkers might need.

## FLEXIBLE PTO AND LEAVES

SFA does not allow Associates to use Flexible PTO to supplement their pay while on a leave of absence.

## **LEGAL HOLIDAYS**

All Corporate Associates are eligible to receive holiday pay without the use of PTO. The following days are recognized by SFA, Company-wide:

- New Year's Day
- Martin Luther King Day
- Memorial Day
- Juneteenth Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

## **QUESTIONS**

For additional questions about the Flexible PTO Policy, contact your People Business Partner, open a Jira Ticket, or contact SFA Benefits at [SFA\\_Benefits@hbc.com](mailto:SFA_Benefits@hbc.com).

### **FREQUENTLY ASKED QUESTIONS**

**Q. Will I accrue time or have a bank of hours I can take?**

A. No, instead of accruing PTO or having a bank of time, you and your manager will manage your time off while balancing your team's workload.

**Q. How will my PTO days be tracked?**

A. Your time off will be requested, tracked and edited through Workday.

**Q. I work in a Mandatory Paid Sick Leave (MPSL) state, so am I entitled to additional paid sick leave?**

A. Under the Flex PTO program, you are entitled to PTO time that is more generous than the amount of time under MPSL, so SFA's obligation to provide MPSL is met.

**Q. What is considered inappropriate use of this program?**

A. The Flexible PTO Policy does not allow Associates to simply "not show up" without first contacting their manager. Chronic tardiness, patterns of unapproved absences, or failure to meet performance expectations will still be managed as performance issues.

**Q. How do I know whether I can request or take time off?**

A. Under the Flexible PTO Policy, you can take PTO, subject to manager approval, as long as it does not prevent you from accomplishing your work or prevent others from accomplishing their work. As part of a team, we need to be sensitive to the impact absences have on others.

**Q. I've been employed for 10 years. Why does someone who was hired last year get to take the same amount of time as me?**

A. A Flexible PTO Policy is not based on seniority, title, or length of service. Instead, it affords everyone a similar opportunity to take the time off they need.

**Q. Will I be paid for any unused time if my employment is terminated?**

A. No. You do not accrue time under this policy; therefore, you will not receive compensation for unused vacation time, unless otherwise required by law, should your employment with the Company end for any reason

**Q. Will I be paid my full PTO grant when I retire or leave as a 9-15 club member?**

A. No. You do not accrue time under this policy; therefore, you will not receive compensation for unused vacation time.

**Q. What happens if I get sick and need a day off?**

A. If you need to take time off due to an illness or injury, depending on the length of time needed, you may use PTO time. However, if your condition is expected to last more than three (5) days, you must call Matrix to report your absence. If it is determined that your condition qualifies as a disability, you may be eligible for short or long term disability benefits and/or Family Medical Leave time under the Family Medical Leave Act (FMLA). Associates should contact Matrix to confirm eligibility.

**Q. Can I extend my leave due to maternity and use Flexible PTO time for the remaining unpaid weeks under FMLA?**

A. If you are going out on leave due to the birth of a child, you may qualify for paid benefits under short-term disability, as long as you have been with the Company for just over two months (first day of the month following 60 days of employment).

Once your period of medically-approved leave ends, you are then eligible for additional paid time off to bond with your newborn under the Parental Leave Policy. The Parental Leave Policy offers two weeks (10 days) paid leave time to bond with your child following the period of approved STD, the birth of a child or the placement of a child for adoption or foster care. Any remaining time after STD and parental leave are exhausted would be considered unpaid and you would not be allowed to use your flexible PTO for that time.

**Q. Can I use PTO while on an otherwise unpaid FMLA leave?**

A. Generally, FMLA or other leaves are unpaid; however, with your manager's approval, you may use up to two weeks of PTO. If you are on an FMLA leave for the birth, adoption, or foster care placement of a child, you can take advantage of the Parental Leave policy following your period of medically approved short-term disability.

**Q. I have been approved for a short-term disability leave. Beginning week 11, I will receive 75% of my weekly earnings. Can I use PTO to make my pay total 100% of my weekly earnings?**

A. No. Flexible PTO is intended for routine time off, such as vacation, personal days, and intermittent sick time. It is not intended to supplement or cover periods of absence for which you are otherwise eligible for pay under another program (such as short term disability, worker's compensation, etc.) or for extended leaves of absence.

**Q. How does the Flexible PTO policy impact Summer Early-Out Fridays?**

A. The Flexible PTO Policy has no impact on Summer Early-Out Fridays (SEOF). Associates in eligible locations can still take advantage of SEOF under the below guidelines:

- To be eligible to take a SEOF, you are expected to make up the time during the week for hours not worked.
- If you choose to take a PTO/paid vacation day on an early-out day, it is considered a full PTO/paid vacation day off and must be approved in advance by your manager.