
Policy No.: 200.20 (Effective 01/01/2026)

Title: Paid Time Off (PTO)

Objective: Nixon Medical believes Associates should have opportunities to enjoy time away from work to help them balance their lives. Nixon Medical also recognizes that each Associate has diverse needs for time away from work and established this policy to meet those needs. It is the policy of the company to provide Associates with paid time off (PTO) based upon length of service with the company.

Eligibility: All full-time regular Associates.

Paid Time Off (PTO) Structure:

PTO provides Associates with a **certain number of paid hours** to be used for days away from work due to vacation, sickness, or other personal needs, such as medical appointments or caring for a sick family member.

All Associates are granted PTO hours based on their length of service. New hires are eligible to use the time after 90 days of continuous employment.

Hourly Associates and Route Service Representatives (RSRs):

Length of Service	Hours Granted
Date of hire	80
1 year	80
3 years	128
10+ years	168

Salaried Associates:

Length of Service	Hours Granted
Date of hire	80
1 year	88
2 years	128
7 years	168
10 years	192
15+ years	208

Requests for PTO:

1. Available PTO hours will appear on the Associate's weekly paycheck and via the Associate portal in Paylocity.
2. Each department manager is responsible for approving all PTO requests ensuring that department needs are met to maintain Nixon Medical's commitments to its customers.
3. Each department manager will attempt to meet each Associate's preference for PTO. However, the manager shall consider requests for time off as follows:
 - a. All vacation requests for the calendar year made before January 31 – priority will be given by seniority
 - b. All vacation requests for the calendar year made after January 31 – priority will be given by first come, first served basis
4. Associates are required to request PTO, for vacation in excess of one day, a minimum of two (2) weeks in advance. (Preferably four (4) weeks, when possible.)
5. When using PTO for sickness or personal days (including PTO for medical appointments, to care for a sick family member, etcetera), Associates are required to call their manager a minimum of 30 minutes prior to the start of their shift. A doctor's note shall be required to support any PTO usage for sickness (Associate or family member) of three days or longer.
6. PTO hours may not be advanced prior to an Associate's employment anniversary date (length of service) or prior to a new hire's completion of 90 days of continuous service, unless approved in advance by the VP, Associate Engagement & Development.
7. An Associate may request time off without pay. This request should be made in advance to the Associate's immediate manager. Management reserves the right to refuse any request for unpaid time off, if the time off will adversely affect operations of the business.

Payment of Unused PTO Upon Termination:

Length of Service	Voluntary Separation	Involuntary Separation for Cause *
≤ 90 Days	PTO is forfeited	PTO is forfeited
> 90 Days	PTO/Banked Time will be paid if the Associate provides two-weeks advance notice of resignation	PTO/Banked Time is forfeited

**Cause is defined as conduct that is serious enough to warrant immediate termination of employment as outlined in Nixon Medical's Associate Handbook. Examples include gross or willful misconduct, insubordination, theft or deliberate damage to company property, excessive absenteeism, acts of violence, falsifying company records, reporting to work in an unfit condition*

due to drug or alcohol use, workplace harassment, violation of company policies or procedures, possession of a weapon on company premises, and other offenses that threaten the wellbeing of the company or its Associates.

PTO Utilization:

Hourly Associates and RSRs:

- Hourly Associates and RSRs are required to take at least 40 hours of PTO as paid days off from work annually. These hours need not be concurrent.
- Any remaining time in excess of 40 hours may be either converted to cash or carried over into a PTO bank. Banked time may not exceed 80 hours at any time. Requests to carry over remaining PTO time must be submitted to Payroll at least one week in advance of the Associate's annual anniversary date.
- Hourly Associates and RSRs with banked time can remove up to 80 hours per year from their banked time and convert it to PTO.
- Associates may not cash out any time throughout the year.
- **Unused PTO, not cashed out or banked due to the limits, shall lapse as unused, be forfeited and no longer be available.**

Salaried Associates:

- Salaried Associates are required to take at least 40 hours of PTO as paid days off from work annually. These hours need not be concurrent.
- Any remaining time more than 40 hours will automatically be converted into "banked time" at the beginning of the next anniversary year for all Salaried Associates. The bank may not exceed 80 hours. *
- **Unused PTO, not banked due to the 80-hour limit, shall lapse as unused, be forfeited and no longer be available.**
- Salaried Associates with banked time can remove up to 80 hours per year from their banked time and convert it to PTO.

**No Associate shall lose or forgo any hours in excess of 80 banked hours that were in existence on January 1, 2026.*

Milestone Anniversary Rewards:

In recognition of Associates' loyalty and commitment to the Company, additional PTO, above and beyond the PTO granted in this policy, is awarded to Associates at the following milestone anniversaries:

- **5 Year** – Three (3) days of additional paid time off (PTO) to be used in the following 12 months. *
- **10 Year (and every 5-year increment beyond 10 years)** – Five (5) days of additional PTO to be used in the following 12 months. *

* PTO is not granted to part-time associates as of the anniversary date. Milestone Anniversary PTO is in addition to annual PTO that is awarded to associates on their anniversary date. Milestone Anniversary PTO may not be cashed out, carried over beyond the next anniversary date, or added to any PTO bank. Unused Milestone Anniversary PTO will be forfeited on the next anniversary date.

Other Sources of PTO:

Please see the Jury Duty and Bereavement Policies for additional sources of PTO that may be offered by the Company.

Other Important Information:

It is intended that this Policy comply with any federal, state, or local law requiring paid or unpaid leave for sickness or other personal reasons (including medical appointments, to care for an ill family member, or as a result of a domestic violence, sexual assault, or stalking issue). To the extent this Policy conflicts with any such law, the provisions of the law shall control. This policy may be modified or withdrawn at any time.