



Flex Paid Time Off Policy

Purpose

Nexcess is committed to supporting the well-being of our employees and fostering a healthy work/life balance. As part of this commitment, we've streamlined our approach to time off by combining sick leave and paid time off into a single, flexible policy. Examples of what FPTO may be used for include, but are not limited to vacation, personal sickness, family sickness, family activities, and extra holiday time.

FPTO is designed to provide employees with the freedom to take time away from work for a variety of personal needs, including vacation, illness (personal or family), family activities, or additional holiday time. This flexible approach encourages responsible time off while maintaining productivity and team collaboration.

Eligibility

This policy applies to all full-time, regular exempt employees. To remain eligible, employees must be in good standing, consistently meeting performance expectations and adhering to company policies. Managers are responsible for ensuring the fair and consistent application of this policy across their teams.

Guidelines

While the Flex Time Off Policy offers greater autonomy, responsible use is essential. Employees are expected to take time off in a way that minimizes disruption to business operations and supports team collaboration.

Key expectations include:

- **Advance Notice:**
Planned time off should be requested with reasonable notice, at least two weeks in advance. In the event of illness or emergency, employees must notify their manager as soon as possible.
- **Scheduling & Approval:**
All time-off requests must be submitted through ADP Workforce Now and approved by the employee's direct manager. Approval is subject to business priorities, project deadlines, and team coverage needs.
- **Coordination & Coverage:** Employees are expected to work with their teams to ensure responsibilities are covered during their absence. This may include delegating tasks, notifying stakeholders, or completing key deliverables in advance.
- **Reasonable Use:**
FPTO is intended for occasional, reasonable absences that promote overall wellness. Repeated, extended, or poorly coordinated absences that negatively affect performance or team operations may be addressed through performance management. Requests for regular, or recurring time off (e.g., every Monday or every other Friday), are inconsistent with the intent of this policy, and will not be approved under this policy.
- **Time Increments:**
Flex time off must be scheduled in full-hour increments and, whenever foreseeable, pre-approved by a supervisor.
- **No Accrual or Payout:**
FPTO does not accrue, nor can it be carried over to a new calendar year or paid out upon termination.



Verification

To maintain the integrity of the policy, the company reserves the right to verify leave usage under specific circumstances, such as:

- Medical leave: Employees taking leave for medical reasons may be required to provide documentation from a health care provider. Though the Company will not require medical documentation for sick leave absences unless the absence exceeds 24 consecutively scheduled work hours or three consecutive workdays. Any required documentation need only verify that the leave was for a purpose permitted by law; you will not be required to disclose the specific nature of your or your family member's medical condition or the details of any matter related to domestic violence.
- FPTO used for legally protected sick or family leave will be tracked and administered in accordance with applicable requirements.
- The Company will maintain records of time off taken to comply with federal, state, and local leave laws, even though FPTO time is not accrued.
- Personal emergencies: For emergency leave, employees may be asked to provide reasonable evidence.
- Professional development: Employees taking leave for professional development or training purposes must submit relevant documentation or proof of attendance.

All verification processes will be conducted with discretion and confidentiality.

Leave of Absence

Employees requiring extended time off for personal, medical, or family-related reasons may request a formal Leave of Absence in accordance with the policies outlined in the Employee Handbook. These types of leave are governed by separate policies outlined in the Employee Handbook and are subject to documentation and eligibility requirements, and FPTO does not replace or reduce legally protected leaves.

Policy Review and Modification

Nexcess reserves the right to modify, suspend, or terminate this policy at any time, with or without notice, at the Company's sole discretion. Changes will be communicated through official Company channels.

Questions and Support

For questions or clarification regarding this policy, employees are encouraged to contact their direct manager or the People Experience team at px@nexcess.com.



Flex Time Off Policy Regional Addendum for CA, CO, and NY Employees

Purpose

Nexcess is committed to fostering a supportive and flexible work environment. This Regional Addendum to our Flex Time Off Policy reflects our trust in employees to manage their time responsibly while upholding high performance standards and delivering quality work.

This policy allows eligible employees to take paid time off for vacation, personal matters, and discretionary time while aligning with applicable labor laws in California, Colorado, and New York.

Under this policy:

- FPTO is not accrued or earned based on hours worked.
- Compensation remains unaffected by the amount of FPTO taken.
- Time off for medical, family medical, or legally protected reasons is covered under separate policies, such as:
 - Paid Sick Leave (PSL)
 - Family and Medical Leave Act (FMLA)
 - California Family Rights Act (CFRA)
 - Pregnancy Disability Leave (PDL)
 - Workers' Compensation

Eligibility

This policy applies to all full-time, regular exempt employees residing in California, Colorado, or New York.

Guidelines

Eligible employees are encouraged to use FPTO to maintain a healthy work-life balance. However, responsible use and coordination are essential to ensure business continuity and team success.

Key expectations:

- **Manager Approval Required:** All time off must be approved by the employee's direct supervisor or manager in advance.
- **No Set Limits:** There is no minimum or maximum number of days under this policy. Employees should take the time they need while ensuring their work responsibilities are fulfilled.
- **Advance Notice:**
 - We ask that employees provide ample notice to their manager when requesting to utilize FPTO.
 - For extended FPTO (more than two consecutive weeks): Employees must discuss the request directly with their manager. Approval may depend on business needs and team coverage.
- **Work Coverage:** Employees are expected to coordinate coverage or ensure that essential duties are addressed before taking time off.
- **Documentation:** The Company reserves the right to request reasonable documentation for extended time off (i.e., exceeding two consecutive weeks).



Coordination with Other Leave Policies

FPTO may not be used in place of or in conjunction with legally protected leaves, such as:

- State-mandated Paid Sick Leave (PSL)
- FMLA, CFRA, **or** PDL
- Any other statutory leave entitlements

These types of leave are governed by separate policies outlined in the Employee Handbook and are subject to documentation and eligibility requirements.

State-Specific Compliance

This policy is designed to comply with all relevant labor laws in:

- **California**, including the California Labor Code and Wage Orders, and oversight by the Division of Labor Standards Enforcement (DLSE)
- **Colorado**, including compliance with the Healthy Families and Workplaces Act (HFWA)
- **New York**, including state Paid Sick Leave requirements and any applicable local ordinances (e.g., NYC Earned Safe and Sick Time Act)

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