

Schupan			
Paid Time Off (PTO) Policy	Effective Date	02/21/2025	
	Supersedes	Schupan and Sons PTO Policy 03/2022	

Purpose:

Consistent with our core value of integrity, Schupan is committed to complying with all applicable laws and regulations. We want to uphold our pillar of You Make Us the Best. Schupan also supports work-life balance to promote the health and wellbeing of our employees.

The amount and type of time off with pay received each year is determined by the employee's classification, employment category, and years of service.

Available time off with pay must be exhausted before an employee can be approved to take unpaid time off work.

Paid Time Off (PTO):

Paid Time Off (PTO) is available for eligible employees to take time to rest, rejuvenate, pursue personal interests, if they need sick time (for hourly employees, please see sick leave policy), etc.

Eligible employees are defined as employees in a regular full-time position, regularly scheduled to work an average of 30 hours (minimum) per week. These employees will receive accrued PTO based on years of service in accordance with the chart below.

Years of Service	Annual PTO Hours	Hours accrued on a weekly basis
1 to 4	80	1.54
5 to 9	120	2.31
10 to 14	160	3.08
15 +	200	3.85

During the first year of employment, eligible new hires will receive eighty (80) hours of PTO for immediate use, frontloaded upon hire to use in their first year. Employees begin accruing PTO per the chart above starting date of hire, to use once they have completed 1 year of service.

Employees' weekly accrual will automatically increase to the next level on the Monday following their anniversary date. For example, an employee's accrual during their 4th year of service will be 1.54 hours per week; on the Monday following their 5th anniversary, their weekly accrual will change to 2.31.

Employees may carry over unused PTO from year to year, but employees may only use up to two times their annual PTO allotment in any anniversary year, unless approved by the COO.

PTO hours taken will be paid at the employee's straight-time rate of pay and will not be included in the calculation used for the purpose of determining overtime or the eligibility for this benefit.

Any full-time employee who accrues at least 120 hours of PTO per year may "sell back" and receive payment for up to 40 hours of PTO annually.

Employees are encouraged to provide notice of at least 7 days of a foreseeable need for PTO. If it is impossible to give 7 days' notice, an employee must notify their direct supervisor as soon as possible, and must comply with their department's normal call in rules unless extenuating circumstances exist that are deemed acceptable by the Company. Generally, no more than two consecutive weeks of PTO will be granted at one time unless the time off is required by law.

Hourly employees may use PTO in one-hour increments. Salaried employees based in Michigan may use up to 72 hours of PTO for ESTA-covered reasons per year in one-hour increments. Otherwise, all salaried employees are required to use PTO in half and full day increments. Unless otherwise required by state law, accrued but unused PTO will be paid out upon an eligible employee's separation from employment if the employee has reached their one-year anniversary, voluntarily resigns, and gives Schupan two weeks' notice of the resignation before the employees' last day. The payout will not exceed two (2) times their annual PTO allotment.

If an eligible employee separates from employment and is later rehired by Schupan, no accrued but unused PTO will carry over from the previous employment period unless required by state law or local law.

Failure to enter time taken into reporting system or falsifying the reason for requesting or using paid time off of any type, will result in disciplinary action up to and including termination of employment.

Michigan Employees Only:

Only 72 hours of paid leave (paid time off/paid sick time) per year will be considered protected by the Michigan Earned Sick Time Act. To ensure that this time off is protected, eligible employees based in Michigan must designate "PTO Sick Time" when requesting or providing notice of the need for the time off so that it does not count as an unexcused absence under Schupan's Attendance Policy. Once an employee has exhausted 72 hours of paid time off (whether just through use of PTO or combined with paid sick time, if eligible) for ESTA-covered reasons, they may still take any remaining PTO for reasons covered by ESTA, but it will not be protected by that Act.

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Paid Sick Time – Hourly Employees:

40 hours of paid sick leave will be provided each January to full-time hourly employees to use each calendar year. During the first full calendar year of employment, the 40 hours of paid sick leave will be prorated based on date of hire and available immediately.

Paid sick leave will be granted for an employee’s personal illness or injury, or for any other reason required by law. Eligible employees may also use paid sick leave for any reason covered by the Michigan Earned Sick Time Act (ESTA) or reasons defined under the applicable state or local law.

Unused sick time does not carry over from year to year. Paid sick leave can only be used in the year in which it is earned. If an hourly employee is absent due to a reason that is covered by ESTA, they will be required to use paid sick time first. Once paid sick time is exhausted, they may use up to 32 more hours of PTO for any reason covered by ESTA and the time off will be protected by that Act. To designate PTO as sick time, please use the “PTO – Sick Time” option.

In the event the employee exhausts their available PTO balance prior to the need for ESTA related leave, the leave may not be protected.

Once an employee has exhausted 72 hours of paid leave (paid time off/paid sick time) for ESTA-covered reasons, they may still take any remaining PTO for reasons covered by ESTA, but it will not be protected by that Act.

Sick time hours taken will be paid at the employee’s straight-time rate of pay and will not be included in the calculation used for the purpose of determining overtime or the eligibility for this benefit.

The Company reserves the right to request documentation for any absence from work, including reasons defined under the applicable state or local law. Please refer to the Absenteeism and Tardiness policy for further information regarding attendance notification procedures.

Failure to enter time taken into reporting system or falsifying the reason for requesting or using paid time off of any type, will result in disciplinary action up to and including termination of employment.

Accrued but unused paid sick time will not be paid out upon any employee’s separation from employment.

- However, **the Company** will reinstate the previously accrued, unused paid sick time of any employee who is rehired by the **Employer** within two (2) months of separation of employment. Rehired employees may use any accrued paid sick time upon rehire.
- Previous employees are not eligible for rehire unless approved by the COO.

Part-Time and Seasonal Employees:

All employees in this category will accrue one (1) hour of paid sick time for every thirty (30) hours worked.

1. Unused paid sick time will carry over from year to year, but employees **may not** use more than seventy-two (72) hours of paid sick time during a single year. For purposes of this policy, a “year” is defined as calendar year.
2. Paid sick time may only be used for reasons covered by the Michigan Earned Sick Time Act (ESTA) (see below).
3. Failure to enter time taken into reporting system or falsifying the reason for requesting or using paid time off of any type, will result in disciplinary action up to and including termination of employment.

Reasons for Paid Sick Time (ESTA)

Under ESTA, time off may be taken for any of the following medical or personal reasons:

- (1) the employee’s personal illness, injury, health condition or preventative medical care;
- (2) a family member’s illness, injury, health condition or preventative medical care;
- (3) reasons related to the employee’s or family member’s victimization by domestic violence or sexual assault (including the employee’s or family member’s need for medical care or psychological or other counseling for physical or psychological injury or disability; to obtain legal services or services from a victim services organization; to relocate due to domestic violence or sexual assault; or to participate in civil or criminal proceedings related to or resulting from such violence or assault;
- (4) meetings at the employee’s child’s school or place of care related to the child’s health or disability, or the effects of domestic violence or sexual assault on the child;
- (5) the closure of the employee’s primary workplace or the employee’s child’s school/place of care due to public health emergency; or
- (6) where the appropriate health authorities or the employee’s healthcare provider has determined that the employee’s or family member’s presence in the community would jeopardize health of others due to the employee’s or family member’s exposure to communicable disease.