

	PERSONNEL POLICIES AND PROCEDURES	
	SUBJECT: <b>PAID TIME OFF</b>	EFFECTIVE DATE: 1/1/2014
	POLICY NO. <b>211</b>	REVISION DATE: 2021
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ALL REVISIONS ARE MARKED BY AN ASTERISK (*)		

*This Policy covers all non-union associates employed by Perdue Farms, Inc. and all its subsidiaries and, where required by law, applicants for these entities.*

## I. SUMMARY

One of our core values is that “We believe in responsible Food and Agriculture™.” We take this to include predictive trust. We believe most associates will conduct themselves in a disciplined and responsible way and therefore place confidence in associates to be open and honest about the need to balance their time at work and the time needed away from work.

We expect our leadership associates to manage and direct the attendance of their reporting teams. If associates use all of their allotted PTO and continue to take time away from work that is not otherwise covered leave (i.e. FMLA, Military, etc.) they may be disciplined, up to and including discharge.

## II. POLICY

The Company does not differentiate when allowing time off with pay for personal days, absences, personal illnesses, vacation time, or time off for family illnesses, etc. Instead, we provide a bank of paid time, which reflects the PTO earned. All days will be converted to hours off work for which associates will receive pay. PTO will run concurrently with other non-paid leave (i.e. FMLA). Hours may be taken in increments as little as two (2) hours at a time.

### A. Leaves of Absence Hours

Once an associate exhausts all paid time off in any given year, they may qualify for additional time off without pay, or may qualify for other benefits such as Short-Term Disability (STD), Long-Term Disability (LTD), Other Medical Leave (OML) or Family Medical Leave (FML). Personal leaves of absence will continue to be evaluated on a case-by-case basis and are covered under a separate policy. Associates on a leave of absence of any kind will continue to accrue hours for up to twenty-six (26) weeks. Beginning with calendar year 2015, associates with less than 1040 hours worked in the previous calendar year will have their rate of accrual for the following calendar year reduced to one-half of their normal accrual rate. The process to evaluate hours worked and to determine the accrual rate, will be repeated at the beginning of each calendar year. All accruals end upon the death of an associate.

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The Company will track all accrued and used PTO. Associates will be able to view all accrued, used and unused PTO on their payroll stubs.

Associates may accrue up to 150% percent of their annual allotment. Once they have reached this threshold, they will no longer accrue any time until they use PTO that brings them below %.

PTO will be compensated at the rate in effect at the time the hours are taken.

Company paid national holidays are not available to schedule and must be taken at the days the company schedules them.

***B. New Hires***

New exempt hires may be given credit for time and experience gained at another employer at the sole discretion of the Company. Any such credit will be determined as a component of total compensation within the job offer. Such PTO credit must be included in the written offer of employment and may not be made after an associate begins work.

During the first year of employment, except as noted in associates will accrue PTO per pay period and may use these amounts during the first year. Associates cannot choose to be paid in lieu of time off during their first year of employment.

***C. Alternate Schedules and Miscellaneous***

Associates who are working on continuous or alternate schedules may be permitted to use available earned PTO in increments which equal a full day off. Where the schedules are designed to cross over two payroll weeks, (36-48 hour rotation), associates will only be required to take PTO pay of 40 hours in order to receive a full week of days off. Local Human Resources Management may address such PTO schedules on a location-by-location basis due to the wide variety of scenarios and schedules in use throughout the Company.

Hourly associates will be allowed to sell up to 50% of their annual earned PTO time back to the Company after the first year of employment. The minimum number of PTO hours that can be sold is 40, and PTO can only be sold two times per year by any associate. Salaried associates are not permitted to sell PTO time back to the Company.

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Generally, PTO must be scheduled in advance with prior approval of your supervisor. However, associates may use up to 3 PTO days per year without scheduling them in advance. The 3 unscheduled PTO days will not be charged as an unexcused absence provided the associate calls in prior to the start of work to request the unscheduled day.

While it is optional for an associate to use available PTO during an unpaid FML, OML, Personal Leave or Military Leave of absence, the associate cannot receive PTO pay while on approved STD paid leave. PTO will always run concurrently, but not extend the period of the Leave.

PTO will be accrued during each pay period, starting with the first day of regular employment. PTO will not accrue while an associate is on a leave of absence.

An associate whose employment is terminated will be paid for all earned, unused PTO hours.

**II. Responsibility for Compliance**

The Senior Vice President of Human Resources (SVPHR) is responsible for adherence and compliance with this policy. Any decision that falls outside of this policy must have prior authorization from the SVPHR or designate. An associate may request a review of a decision related to this policy by the same or their designate.