# PTO and Leave Policy

### *Northstar Software, Inc.*

Effective date: 2025-01-01  |  Owner: People Operations  |  Status: Active

This policy is intended for internal use. It does not create a contract of employment and may be updated at any time.

## 1. Purpose

**Scope:** This policy applies to all Northstar Software, Inc. employees (full-time and part-time) and contractors where noted. Local law may impose additional requirements; where local law conflicts with this policy, the stricter standard will apply unless prohibited.

**Definitions:** "Employee" refers to active staff on the company payroll. "Manager" refers to the employee's direct manager or other designated approver. "People Operations" ("People Ops") refers to HR administrators. "Business days" excludes weekends and company holidays.

Northstar provides paid time off (PTO) and related leave programs to support rest, wellbeing, family care, and personal needs while maintaining business continuity.

## 2. PTO Categories

PTO may include: (a) Annual/Vacation Leave, (b) Sick Leave, (c) Personal Leave, (d) Company Holidays, (e) Bereavement Leave, and (f) Jury/Witness Duty.

Some leave types may be unpaid depending on eligibility, local law, and available balances.

## 3. Eligibility and Accrual

Accrual is prorated based on FTE status. New hires begin accruing on their start date. If local law requires front-loading, the legally required method will apply.

Standard annual accrual (full-time): Vacation PTO is provided at 15 days/year during years 0–2 of service, 20 days/year during years 3–5, and 25 days/year after 5+ years. Sick Leave is provided at 10 days/year. Personal Leave is provided at 3 days/year.

Part-time accrual is prorated by scheduled weekly hours. Contractors are not eligible for PTO unless specified in their contract.

## 4. Requesting PTO (Advance Notice)

Employees must submit PTO requests at least 14 calendar days before the intended start date for non-emergency vacation PTO.

Sick leave may be reported as soon as practicable, ideally before the start of the workday. For planned medical leave, submit as early as possible.

Managers may deny or adjust requests to maintain coverage. If the requested period overlaps with major delivery milestones, managers may propose alternate dates.

PTO requests must include start/end dates, leave type, and any handoff notes if the employee is supporting on-call or customer commitments.

## 5. Blackout Periods and Coverage Requirements

Certain teams may declare limited blackout windows during critical launches or peak operational periods. Blackout windows must be communicated in advance by the department head.

During blackout windows, vacation PTO requires additional approval from the department head (or delegate) in addition to the direct manager.

On-call engineers must coordinate coverage swaps before PTO begins. If coverage cannot be arranged, the request may be rescheduled.

**Additional coverage rules:**

- No more than **40%** of a team may be on vacation PTO at the same time. Managers may approve an exception (override) where business continuity can still be maintained.

- For software engineering teams, at least **one Senior Software Engineer** must remain on duty. Senior Software Engineers must coordinate PTO so that not all Senior Software Engineers are on PTO simultaneously.

## 6. Carryover, Caps, and Payout

Vacation PTO may carry over up to 5 days into the next calendar year unless a different limit is required by local law. Excess above the cap may be forfeited where permitted.

Sick Leave does not carry over unless required by law. Personal Leave does not carry over.

Payout of unused PTO at termination follows applicable law and the employee's employment agreement. Where payout is not legally required, PTO is not paid out.

## 7. Leaves of Absence (Non-PTO)

Family/medical leave, parental leave, military leave, and other statutory leaves are administered separately from PTO and may run concurrently where allowed by law.

Employees needing extended leave should contact People Ops. Supporting documentation may be required for certain leave types.

## 8. Holidays

Northstar observes a set of paid company holidays published annually. If an employee is required to work on a holiday due to operational needs, an alternate day off may be provided.

## 9. Compliance and Recordkeeping

Employees must accurately record time off. Misrepresentation of time off may result in disciplinary action up to and including termination.

Managers must apply this policy consistently and in a non-discriminatory manner.