

Employee Guide to FTO & PTO

Employees at Palo Alto Networks work hard to protect our way of life in the digital age, and they deserve time off programs that support them in finding work-life balance. Palo Alto Networks offers two types of time off programs – Flexible Time Off and Paid Time Off – that are available depending on employee type (exempt/salaried or non-exempt/hourly). Both programs are outlined in more detail below.

What is Flexible Time Off (FTO)?

All exempt employees (and certain non-exempt salaried employees) at Palo Alto Networks are eligible for the Flexible Time Off (FTO) program. The FTO program allows unlimited time off for vacations, illnesses, personal business, and other reasons not otherwise covered by our Leave of Absence policies. It is first and foremost a *flexibility* program that allows employees to balance their work and personal lives, and take time off when they need it.

Although the FTO program is unlimited, tracking FTO requests enables the People Team to report out on the usage of FTO across the business and is critical to understanding whether the program is meeting the needs of employees. As such, all employees are expected to submit their requests for FTO on Workday two weeks in advance of the first day they expect to be out. Requests for FTO will then route to the employee's manager for approval.

Employees who have an unexpected need to be absent from work and haven't requested FTO should notify their manager as soon as possible, but no later than before the start of their regularly scheduled working day. They must also notify their manager about each additional day of unexpected absence (if more than one day), and report the time off on Workday as soon as they are able.

What is Paid Time Off (PTO)?

Regular full-time non-exempt employees are eligible for Paid Time Off (PTO) at a rate of five (5) hours each pay period up to a maximum of accrual of 22.5 days per year (180 hours). Employees may use this paid time off to support everything from vacations, to illnesses, to any other type of time off they may need.



Employees are generally expected to submit their requests for PTO on Workday two weeks in advance of the first day they expect to be out. Requests for PTO will then route to the employee's manager for approval.

Employees who have an unexpected need to be absent from work and haven't requested PTO should notify their manager as soon as possible, but no later than before the start of their regularly scheduled working day. They must also notify their manager about each additional day of unexpected absence (if more than one day), and report the time off on Workday as soon as they are able.

How do I know if I should request FTO/PTO or a Leave of Absence?

Employees who need to take more than five consecutive work days off for a reason covered by our Leave of Absence policies are required to request a leave of absence and should not use FTO or PTO for that time off.

Please refer to our <u>Leave of Absence Guide</u> for details on what types of situations and durations require a Leave of Absence instead of FTO or PTO.