



## General

### ***If I reside in a state where unused PTO is required to be paid out upon termination, what happens to my unused PTO as of December 31, 2024?***

If you live in a state where unused PTO must be paid out, any PTO balance remaining as of December 31, 2024, will be retained, and paid at the base pay rate as of the date of your termination, in accordance with state regulations.

### ***Does Flexible Time Off (FTO) replace company paid holidays, including floating holidays?***

No, the time off you take under the new FTO policy is separate from company-provided holidays. However, floating holidays will be eliminated as the FTO policy will enable you to take time off for personal moments that are important to you.

## Approval Process

### ***Will I still need to receive approval from my people leader to request FTO and will it need be recorded?***

Yes, you will still need to obtain approval to take FTO from your people leader. In addition, you will be required to record your FTO in the designated time off reporting system (SAP, Veeva, or ADP).

### ***How will my people leader make approval decisions?***

People leaders will make reasonable efforts to grant time off requests. To ensure we continue to meet business expectations, there are instances where FTO may be denied including, long-term requests (e.g., three or more weeks) or recurring time off (e.g., every Friday). In other instances, it may not be possible to have several colleagues out at the same time due to business needs. This process for approval will be the same as it existed under the current PTO policy.

### ***What is considered “excessive use” of FTO?***

If an employee's use of FTO results in the failure to meet business objectives, this may be considered excessive use of FTO. Also, FTO is not designed to be a flexible work schedule where employees may take every Friday off and work a four-day workweek. If in doubt, please contact your HR Business Partner for further guidance.

## FTO & Leaves of Absence

### ***Can FTO be used in place of other specific leaves?***

No, FTO is not intended to replace any other Otsuka-provided leaves. In addition, FTO may not be used to **extend** other types of leave for more than **two (2) weeks** total in a rolling twelve (12) month period, subject to management approval. These types of leave are handled separately and FTO is not designed to be an extended paid leave policy.

FTO also may not be used to **supplement** pay for unpaid or partially paid leave for more than four **(4) weeks** total in a rolling twelve (12) month period. Similarly, employees working in certain states may be eligible for state-provided medical and/or family leave benefits.

Please refer to the FTO policy for additional details.