



Your Time Off Policy

Salaried and Hourly Paid Employees
Not Covered By A Collective Bargaining Agreement

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Introduction

About the Time Off Policy

This is a summary of the Kimberly-Clark Corporation (Kimberly-Clark, K-C, or the Company) policy related to time off in effect on January 1, 2023. It describes vacation benefits, holidays, and other types of time off.

Generally, the time off benefits and provisions described in this policy apply to salaried and full-time hourly paid employees not covered by a collective bargaining agreement (CBA) and not classified as temporary/intermittent, intern or co-op. Any differences in eligibility will be noted where applicable. Hourly paid employees covered by a CBA should refer to their CBA or contact their HR Representative with questions about available time off benefits.

This policy doesn't establish processes used by mill locations to coordinate the scheduling of time off for hourly paid employees as each mill has unique scheduling needs. Refer to your mill's procedure for scheduling time off.

Time off balances for vacation, flex days (if eligible and elected), personal floating holidays, paid sick leave and caregiver leave can be viewed in the UKG Pro Time & Attendance (UTA) system.

Vacation

Eligibility

You're eligible for vacation if you're an active full-time or part-time (regularly scheduled 20 or more hours per week) salaried or full-time hourly paid employee not covered by a CBA and not classified as temporary/intermittent, intern or co-op.

Overview

K-C's vacation policy is designed to attract and retain employees as well as promote their health and well-being by encouraging them to plan for and use time away from work.

How You Earn Vacation

If you're an hourly paid employee, your vacation allotment is based on the length of your continuous employment.

If you're a salaried employee, your vacation allotment is based on your pay grade, the length of your continuous employment, and scheduled work hours.

The following charts show vacation allotment in the year you become newly eligible and how you earn vacation for years of completed service. For ELT, Other Elected Officers, and Grades 1-4 (Non-Elected Officers), refer to your Executive Benefits Guide for allotment details.

Vacation Allotment—Initial Year of Eligibility

The amount of vacation you earn depends on the month you become eligible. Vacation is available as of the day you become eligible.

Month of New Eligibility	Full-Time Hourly	Full-Time Salaried* (Salary grades 5-18)
January	80 hours	120 hours
February	80 hours	120 hours
March	72 hours	112 hours
April	64 hours	104 hours
May	56 hours	96 hours
June	48 hours	88 hours
July	40 hours	80 hours
August	32 hours	72 hours
September	24 hours	64 hours
October	16 hours	56 hours
November	8 hours	48 hours
December	0 hours	40 hours

*Allotments are for employees scheduled to work 30 hours or more per week. If you're scheduled to work less than 30 hours per week, your vacation allotment is 50% of the number of hours shown.

Vacation Allotment—Ongoing Years of Service

Years of Service	Full-Time Hourly	Full-Time Salaried* (Salary grades 5-18)
Year after new eligibility – 4 years	80 hours	120 hours
5 – 11 years	120 hours	120 hours
12 – 17 years	160 hours	160 hours
18 – 24 years	200 hours	200 hours
25+ years	240 hours	240 hours

*Allotments are for employees scheduled to work 30 hours or more per week. If you're scheduled to work less than 30 hours per week, your vacation allotment is 50% of number of hours shown.

Annual vacation allotments are effective January 1 to December 31.

You become eligible for your new year vacation allotment based on your employment status as of December 31 of the prior year. If you're on Long-Term Disability (LTD), unpaid personal leave, or extended military leave (more than 12 continuous months) on December 31, you're not eligible for the following year's vacation allotment until you return to active employment.

The amount of your vacation allotment is based on the number of years of service you'll have completed as of your service anniversary date. For example, if you were hired in May 2012, your 2023 vacation allotment would be based on 11 years of service. In a year when your continuous service earns you additional vacation hours, your allotment will increase as shown in the chart above.

If You're Rehired—Restored Service

If you leave K-C after at least one year of continuous service and are rehired within 12 months of your separation date, here's how vacation is handled:

- **Separation and rehire within the same calendar year:**
Note: Unused vacation isn't paid out unless you work in a state where legally required—see the *Treatment of Unused Vacation* section for details.
 - If you didn't receive a payout of unused vacation at separation, you're eligible for the lesser of prorated vacation available upon your rehire or the unused vacation at the time of your separation. For example, if you had 16 hours of unused vacation at separation and are eligible for 32 hours of prorated vacation at rehire, the maximum amount available to you for use upon rehire is 16 hours.
 - If you received a payout of unused vacation at separation, you're not eligible for any vacation upon rehire. You'll be allotted vacation on January 1 following your rehire date.
- **Separation and rehire in different calendar years:**
Your prior years of service will be considered for purposes of calculating your vacation allotment. In the year of rehire, your allotment will be pro-rated based on the month of rehire as shown below:

Month of Rehire	Percentage of Total Vacation Allotment	Example: If you have 12 years of prior service, your total vacation allotment would be 160 hours. If rehired in August, you'd receive 80 hours of vacation (50% of 160 hours) in year of rehire.
January-March	100%	
April-June	75%	
July-September	50%	
October-December	25%	

In the year following rehire, you'll be eligible to receive the full vacation allotment based on your prior years of service. Using the example above, you'd be eligible for 160 hours of vacation in year following rehire.

If you're rehired after 12 months of separation, prior years of service will not be considered when calculating vacation allotment. In the year you're rehired, your vacation allotment will be based on the schedule shown in the *Vacation Allotment—Initial Year of Eligibility* chart. Following years of service will be based on your rehire date.

Mid-Year Status Change

If you experience a status change, like moving from an hourly paid to salaried role, moving from a part-time to full-time work schedule (salaried employees only), or receiving a promotion that makes you eligible for executive vacation benefits, any increase to your vacation allotment will be reflected on January 1 following your status change. For example, if you're a full-time hourly paid employee with two years of service, eligible for 80 hours of vacation in 2023 and you move to a full-time salaried role in June, your 2023 vacation allotment will remain 80 hours, and effective January 1, 2024, your vacation allotment would be 120 hours based on the salaried vacation allotment schedule.

Timing of Vacation

The scheduling of your vacation depends upon the workload in your department, so you should schedule your vacation in advance after consultation with your Team Leader. It may be necessary to restrict vacation scheduling during peak periods, but Team Leaders are generally expected to manage team schedules so that all employees can use all their vacation during the year.

Vacation may be taken in half- or partial-day/shift increments. Some mills may have specific provisions for the scheduling and amount of vacation that can be taken.

While you're on vacation, don't perform any of your regular job duties.

If you're an hourly paid employee who's scheduled to work on a Company-designated holiday that falls during planned vacation, you're required to use vacation for your absence on the holiday unless other provisions are permitted by your mill.

If you're a salaried employee, you're not required, nor permitted, to use vacation on a Company-designated holiday. You're only eligible to receive your normal salary for any given day, including holidays; in other words, K-C won't pay holiday pay plus vacation for the same day.

Using Vacation

As you use time off, here's how vacation is deducted related to other time off allotments:

1. Carryover vacation from the previous year (if applicable)
2. Vacation
3. Flex days (if eligible and elected)

If you're required to record your absences, the above order will automatically be managed by the time and attendance system when you use the vacation absence code. If you're not required to record absences in the time and attendance system, you're responsible for tracking your own time off and should apply absences using the order noted above.

Vacation and Disability Benefits

Vacation may be used to help cover scheduled workdays/shifts that fall within the seven-calendar-day Short-Term Disability (STD) waiting period (also known as elimination period). You may not receive vacation pay concurrently with STD or LTD benefits.

Vacation and FMLA-Only Leave

If you're on a non-disability leave covered under FMLA, K-C paid time off will automatically be applied to your absences as outlined in the [FMLA Policy](#).

Treatment of Unused Vacation

Carryover

If you don't use your full vacation allotment by December 31, you may carry over up to 40 hours of vacation to the following year unless you work in a state that requires payout of unused vacation in lieu of carryover.* Any carryover vacation hours will be used before your current year's vacation allotment.

If you're on LTD, unpaid personal leave or extended military leave as of December 31, you won't be eligible to carry over unused vacation hours until you return to active employment.

You forfeit any unused vacation in excess of 40 hours that aren't eligible to be carried over, unless prohibited by state law.

Separation—Leaving K-C

You can't use your vacation to extend your separation date. For example, if you plan to retire in February and have 200 hours of vacation available, your last day to actually perform work for K-C can't be in January with the use of vacation bridging to your February retirement date.

Note: State-specific provisions captured on the next page are as of January 2023. Any change in state requirements will take effect immediately upon adoption.

**As of January 2023, California requires payout of unused vacation in lieu of carryover to the following year.*

Last Day of Work – January 1, 2023 or Later

Work State	Maximum Payout of Unused Vacation
California	All unused vacation as of last day of work If last day of work is December 31, also eligible for payout of following year's vacation allotment
Colorado, Illinois, Louisiana, Maine, Massachusetts, Montana, Nebraska, North Dakota, and Rhode Island	All unused vacation as of last day of work If last day of work is December 31, up to 40 hours of unused vacation eligible for carryover plus following year's vacation allotment
All Other States	No payout

Compliance With Laws

Certain states may have different requirements relating to vacation benefits. K-C will comply with any state laws, to the extent they conflict with any provisions of this policy.

Flex Days

Eligibility

You're eligible for flex days if you're an active, salaried paid employee regularly scheduled to work 30 or more hours per week.

New or rehired employees aren't eligible for flex days in the year hired/rehired since flex days can only be elected during Annual Enrollment for the following year.

Overview

You may purchase paid time off in 4 hour increments up to a maximum of 40 hours. The benefit is called flex days and can only be elected during Annual Enrollment for use in the following year. You pay the full cost of this benefit and receive pay from K-C when you take the time off from work.

It's important to discuss your plans to purchase flex days with your Team Leader before Annual Enrollment. Flex days are subject to the vacation program policies which are in place at your location. Your use of flex days may be limited due to business requirements.

Cost

The cost of flex days is deducted from your paychecks throughout the year on a before-tax basis. The cost of flex days is based on your base salary converted to an hourly rate as of the previous July 1, or your hire date if you were hired after July 1. You'll see your cost for flex days during Annual Enrollment on K-C Benefit Compass.

Using Flex Days

As outlined in the *Using Vacation* section, flex days are last to be used when taking time off. You must use all flex days during the year in which you purchase; otherwise you forfeit them as flex days aren't eligible for payout or carryover to the following year.

Change to Scheduled Weekly Work Hours

If your scheduled weekly work hours are reduced below 30 hours per week during a year in which you elect flex days, you're no longer eligible for flex days. You'll automatically be reimbursed for the cost of any unused flex days which you've already paid. If you used more flex days than you paid for, the additional amount will be deducted from your first paycheck following notification of your change in scheduled weekly work hours.

If your scheduled weekly work hours increase to 30 or more mid-year, you won't be eligible to elect flex days until Annual Enrollment following your change in scheduled weekly work hours.

Making Changes to Flex Days

If you take an approved leave protected by the FMLA which includes approved disability leave or military leave of absence that's expected to last for 30 continuous days or more and want to drop your flex days, contact the Empyrean Service Center through the K-C Benefits Information Line (800-551-2333) Monday through Friday from 9 a.m. and 5 p.m. ET. You must make this request within 30 days of the effective date of the leave to be reimbursed for any unused flex days.

FMLA and military leave of absences are the only two leave situations in which you're eligible for a refund of unused flex days payments.

Flex Days and Disability Benefits

Flex days may be used to help cover scheduled workdays that fall within the seven-calendar-day Short-Term Disability (STD) waiting period (also known as the elimination period).

You may not receive flex day pay concurrently with STD benefits nor can you request a payout of flex days at the transition from STD to Long-Term Disability (LTD).

Flex Days and FMLA-Only Leave

If you're on a non-disability leave covered under FMLA, flex days won't automatically be used concurrently with FMLA-approved absences like other K-C paid time off—see the [FMLA Policy](#). If all other paid time off has been used, and you'd like to use flex days to receive pay for FMLA-approved absences, you're responsible for notifying Matrix, K-C's disability/leave of absence administrator when reporting your absence.

Treatment of Unused Flex Days

Carryover

Unused flex days aren't eligible for carryover to the following year and not subject to payout under state law. The amount you pay for flex days will not be reimbursed to you if you're unable to use the time off except in cases of employment separation—see below.

Separation—Leaving K-C

When you separate from service, you're reimbursed for any current year flex days for which you've paid for but were unable to use. To be eligible for reimbursement, your last day of work must be December 30 or earlier. If your last day of work is December 31, you don't receive a reimbursement of unused flex days because you're considered to have worked until the end of the calendar year. If you've used more flex days than you've paid for, the additional amount is deducted from your last paycheck.

Initiating a Claim

Because you purchase flex days with before-tax dollars, your benefit is subject to Internal Revenue Service rules (Section 125). Exceptions to the use and forfeiture of flex days aren't permitted unless you file a formal appeal (claim) and it's approved. You may access a copy of the Claim Initiation Form by logging into K-C Benefit Compass and accessing the Plan Information page, or you may request the form by contacting the Empyrean Service Center through the K-C Benefits Information Line at **800-551-2333**. Select the Health & Welfare option to speak to an Empyrean representative, available Monday through Friday, 9:00 am to 5:00 pm ET.

Paid Holidays

Eligibility

All employees*, including temporary/intermittent, intern or co-op, are eligible for paid Company-designated holidays.

In addition to pay for Company-designated holidays, an allotment of personal floating holidays are provided to active full-time and part-time (regularly scheduled 20 or more hours per week) salaried and full-time hourly paid employees not covered by a CBA and not classified as temporary/intermittent, intern or co-op.

Overview

K-C provides paid Company-designated and personal holidays.

Company-Designated Holidays

K-C designates the following nine paid holidays:

1. New Year's Day
2. Martin Luther King Jr. Day
3. Memorial Day
4. Independence Day
5. Labor Day
6. Thanksgiving
7. Day after Thanksgiving
8. Christmas Eve
9. Christmas Day

The dates these holidays are observed may change from year to year based on when the holiday falls during the week. For example, if Independence Day (July 4) falls on a Saturday, salaried and day-shift (Monday through Friday) hourly paid employees would observe the holiday on Friday, July 3 while rotating-shift hourly paid employees would observe it on Saturday, July 4. The list of Company-designated holidays can be found on the UKG Pro Portal homepage and K-C & Me. Unused Company-designated holidays aren't payable in cash, in lieu of time off or upon separation from K-C. You also can't carry over these holidays to use in later years.

**Excludes part-time hourly paid employees. Owensboro doesn't observe designated holidays; instead, active salaried and hourly paid employees receive 104 hours of personal floating holidays.*

Personal Floating Holidays

In the year you become eligible, the personal floating holidays allotment depends on the month you become eligible:

Month of New Eligibility	Allotment*
January – March	32 hours
April – June	24 hours
July – September	16 hours
October – December	8 hours

*Allotments are for salaried employees scheduled to work 30 hours or more per week. If you're scheduled to work less than 30 hours per week, your personal floating holidays allotment is 50% of number of hours shown.

Beginning the year following becoming eligible, personal floating holidays allotments are effective January 1 to December 31.

You become eligible for the following year's personal floating holiday allotment based on your employment status as of December 31. If you're on Long-Term Disability (LTD), unpaid personal leave, or extended military leave (more than 12 continuous months) on December 31, you're not eligible for the following year's personal floating holidays allotment until you return to active employment.

If you're regularly scheduled to work 30 or more hours per week, your personal holidays allotment is 32 hours; 16 hours if you're a salaried employee regularly scheduled to work less than 30 hours per week.

Unused personal floating holidays aren't eligible for carryover to the following year nor payable in cash in lieu of time off or upon separation from K-C unless required by state law.

Other Types of Time Off

Family and Medical Leave Act (FMLA) Leave of Absence

The FMLA is a federal law that entitles eligible employees to unpaid, job-protected time away from work for qualifying events like pregnancy/childbirth, bonding with a new child, care of your own or a family member's serious health condition and certain military-related events.

[View FMLA Policy](#)

Caregiver Leave

K-C offers 40 hours of paid absence per year to care for an eligible family member with a serious health condition who depends on you for care and support.

[View Caregiver Leave Policy](#)

Paid Sick Leave

K-C provides 40 hours of paid time off per calendar year to eligible employees for qualifying absences.

[View Paid Sick Leave Policy](#)

Parental Leave

K-C offers seven calendar weeks of pay following the birth or adoption of a child.

[View Parental Leave Policy](#)

Bereavement Leave

K-C provides paid time off when you experience the loss of a covered individual. The amount of time off depends on relationship.

[View Bereavement Leave Policy](#)

Jury Duty/Testimony Leave

K-C provides up to 80 hours per calendar year of paid time off when you're summoned or selected to participate in jury duty, subpoenaed to testify or required to appear as the plaintiff in a legal matter.

[View Jury Duty/Testimony Leave Policy](#)

Military Leave

K-C complies with the Uniformed Services Employment and Re-employment Rights Act (USERRA) and offers paid benefits for new enlistment training, inactive- and annual active-duty training and post-deployment leave

[View Military Leave Policy](#)

Unpaid Personal Leave

If you're a salaried or hourly paid employee not covered under a CBA and not classified as temporary/intermittent, intern or co-op and need to take time off from work without pay for personal reasons, you must have the request pre-approved by your Team Leader. An unpaid leave can only be requested once all available personal floating holidays and vacation has been exhausted. You must submit your request in writing and state the reason for the request as well as the start and end date of the leave. A leave of absence won't be granted for the purpose of engaging in employment outside of K-C.

The minimum duration is seven calendar days.

The maximum duration is 60 calendar days.

If your request is approved, submit a copy of the written request, including approvals, to Matrix, K-C's disability/leave of absence administrator using the Matrix eServices Mobile app (available for iOS and Android) or by using matrixabsence.com.

Unpaid personal leave doesn't provide job protection.

If you're on a disability leave of absence (STD or LTD), your leave is certified for a certain period based on information shared by your health care provider. If you don't return to work at the end of your certified leave period and your leave isn't extended, you're placed on an unpaid personal leave status. This means that you'll stop receiving disability benefits, and you're not eligible to use paid time off, like personal floating holidays or vacation while on unpaid personal leave.

You may be subject to disciplinary action, up to and including termination, if:

- your disability claim isn't extended,
- you're on an unpaid personal leave without the approval noted above,
- you don't return to work as scheduled from an approved unpaid personal leave, or
- you're without a FMLA leave approval.

You can find a copy of your Disability Summary Plan Description on kcbenefitcompass.com > Plan Information.

K-C expects this policy to continue indefinitely. However, K-C reserves the right to make changes to and even discontinue this policy. If K-C were to terminate this policy or designate a partial termination with respect to a specific group of employees, each employee will have no further rights or obligations for future use of this policy. Employment Rights Not Guaranteed

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