



Modine Paid Time-off (PTO) Frequently Asked Questions

January 2024

Thank you for all the questions you have asked about changes to Modine's paid time off (PTO) benefit for U.S. salaried exempt and non-exempt employees. In response, we have prepared the following FAQ to provide additional information.

You may recall that enhancements to Modine's vacation and sick leave benefits for U.S. salaried exempt and non-exempt employees took effect April 1, 2023. These changes added more flexibility by allowing employees to use sick time for any reason.

In June 2023, we announced that vacation and sick/personal leave would be combined into a "Paid Time Off" designation and that we'd be moving from a grant to an accrual system for this PTO benefit. As previously communicated, these changes will take effect April 1, 2024, at the start of our next fiscal year (FY25).

Q: Why is Modine changing from a vacation grant to an accrual system for PTO?

A: The new PTO benefit and how it is managed is aligned with common practices at companies today. It provides additional time off for Modine salaried exempt and non-exempt employees by shifting sick days into the PTO allotment. And for the majority of Modine salaried employees, the change accelerates eligibility for time off, i.e. more PTO days available earlier in your Modine career.

Q: How does this accrual actually work?

A: Today we grant vacation on 4/1. Beginning April 1, 2024, employees will begin to accrue PTO based on the hours they have worked. On 4/1/2024 you technically start with zero PTO days. Throughout the year you accrue PTO, so by 3/31/2025 you will have accrued your full allotment of PTO. Carry over days and arrears are discussed later in this FAQ.

Q: How many hours of PTO can I accrue?

A: Accrual is based on hours worked and years of service. PTO accrual amounts will be allotted based on years of service as of your anniversary date. Please see the accrual chart, below:

Credited Service as of Anniversary Date	# of Hours PTO Earned for Every 30 Hours Worked	Total Potential PTO Days to Earn in One Fiscal Year	Total Potential PTO Hours to Earn in One Fiscal Year
Zero to 2 years	1.74 hours accrued	15	120
3 to 6 years	2.32 hours accrued	20	160
7 to 9 years	2.67 hours accrued	23	184
10 to 14 years	2.90 hours accrued	25	200
15 to 19 years	3.14 hours accrued	27	216
20+ or more years	3.48 hours accrued	30	240

*This chart has changed slightly from previous versions. The # of hours PTO earned for every 30 hours worked has increased due to system rounding considerations.

Q: Can I carry over PTO? Do I lose unused PTO?

A: PTO must be taken during the fiscal year it is accrued, unless otherwise required by law. However, employees will be eligible to carry over up to 40 hours of unused accrued PTO to the next fiscal year. All PTO eligible to be carried over must be used in Q1 of the next year, i.e. by June 30. All other accrued PTO hours in excess of 40 hours accrued in a fiscal year that are not used within that fiscal year will be forfeited at the end of that fiscal year, except as otherwise required by law.

Q: What if I have a two week trip planned in April of 2024?

A: We provided notice of the change to an accrual process for PTO in June 2023, leaving enough time for employees to plan for FY25 (April 1, 2024 – March 31, 2025). As communicated, employees may carry over up to five days from FY24. In addition, employees may take up to five PTO days in arrears in FY25. Combining the two would give an employee access to ten PTO days early in the fiscal year. In extreme circumstances, please see your HR Representative to determine your eligibility for an unpaid personal leave of absence.

Q: Can I go into arrears more than five days?

A: There is a five day (40 hour) cap on going into arrears. If you have special circumstances, please contact your HR Representative to determine your eligibility for an unpaid personal leave of absence.

Q: I am a salaried employee. How much time am I credited for?

A: Each eligible salaried non-exempt employee will accrue PTO throughout the fiscal year based on hours worked and years of service. Salaried exempt employees will receive credit for 40 hours of work per week, regardless of hours worked.

Q: How does the math work?

A: To comply with state-by-state guidelines around minimum PTO accruals, the accrual calculation is based on hours of PTO accrued for every 30 hours worked. The calendar year has 2080 work hours (40 hours times 52 weeks). There are 69.33 periods of measurement based on 30 hours. The easiest way to check the math is to multiply the # of PTO hours accrued for every 30 hours worked times 69 (rounded). For example: An employee with 0-2 years at Modine accrues 1.74 hours PTO for every 30 hours worked: $1.74 * 69 = 120.06$. (The system will cap the

accrued PTO at 120 hours.) In this example, the employee has the potential of accruing 120 hours of PTO in a year.

Q: I am salaried non-exempt. How does this work with overtime?

A: Salaried non-exempt employees will accrue PTO for actual hours worked, including overtime, and will use Kronos for time tracking. The limit of how many hours you can accrue will be based on your years of service.

This change to PTO accrual does not impact hourly employees.

Q: Do I accrue time when I am not at work?

A: Yes. You will still accrue PTO when it is a paid holiday, you have jury duty, or you use bereavement leave, paid parental leave, or accrued PTO. The only time you would not continue to accrue PTO would be when you are on a continuous leave of absence greater than 12 weeks.

Q: When I started with Modine I was told I “earned” vacation. Will I get a PTO payout when I retire/resign?

A: Modine vacation has always been a grant, even if it was communicated as “earned” from the prior fiscal year. If you leave Modine employment after April 1, 2024, you will only be paid out PTO that you have accrued, less any arrears you have at the time of your departure.

Q: Why am I not receiving a vacation payout for my FY24 hours worked prior to moving to the accrual?

A: You received your FY24 vacation grant on April 1, 2023, which was an upfront grant of your full allotment of vacation for the fiscal year. Beginning on April 1, 2024, all current vacation and sick/personal are combined into a Paid Time Off benefit. Your FY25 PTO will be accrued as you work during FY25 and will not be given as a grant.

Q: Will the Kronos system be rolled out prior to April 1, 2024?

A: We will have training regarding the use of Kronos prior to April 1, 2024.

Q: Is the Kronos system linked to our badge entries?

A: No. There will be no link to badge entries. For salaried exempt employees, time will only be systematically tracked in Kronos for the PTO accrual and requesting time off. For salaried non-exempt employees, Kronos will be tracking actual hours worked.

Please contact your HR Representative with additional questions.