



Policy Name	Vacation and Floating Holidays	Revision effective date	January 1, 2022
Issued to:	<i>US-based Salaried, Exempt Employees</i>	Prior update:	January 1, 2021
Owner:	Vice President – Global Total Rewards		

BACKGROUND & SCOPE

Masonite International Corporation (“Masonite”) has adopted this Vacation Program (“Program”) for Eligible Employees of Masonite and its affiliates that have US-Based employees (collectively, the “Company”).

Eligible Employees: Regular, full-time* salaried, exempt employees of the Company based in the US, except such employees located in the states of CA, MA, NY and CO (see separate policy).

Purpose: To provide a competitive vacation program for all Eligible Employees, that rewards tenure by basing the level of vacation accrual on years of service.

Effective Policy: Commencing on the Effective Date, this Policy supersedes all other individual vacation and paid time off policies and programs at each of the Company’s plants and operational locations within the US to the extent those policies and programs apply to Eligible Employees.

*Full-time is defined as scheduled to work 30+ hours per week on a regular basis

POLICY

Vacation Accruals for Salaried, Exempt Eligible Employees

Eligible Employees will accrue vacation based on their Years of Service, according the following “Base Schedule,” and the Rules and Definitions.

Base Schedule	Years of Service	Accrued Hours per Pay Period	Maximum Hours Per Year
	Less than 10 years	4.62	120
10 years but less than 15 years	6.16	160	
15 years or more	7.69	200	

Vacation Accruals for Directors and Above

Eligible Employees whose positions are identified as Director and above positions will accrue vacation based on their Years of Service, according the following “Base Schedule,” and the Rules and Definitions.

Directors and above Schedule	Years of Service	Accrued Hours per Pay Period	Maximum Hours Per Year
	Less than 10 years	6.16	160
	10 years or more	7.69	200

Rules and Definitions for Determining Vacation Accruals

“Seniority Date” means date of Hire or, for certain rehired employees, Company Seniority Date. Eligible Employees who terminate and are rehired may receive past credit for vacation allowance purposes. The Company Service Date eligibility applies only if the period between the termination date and rehire date is less than twelve (12) months.

“Years of Service” means Eligible Employees’ years of continuous employment with the Company, determined by disregarding any breaks in employment of less than twelve (12) months. Eligible Employees’ Years of Service for a calendar year will be calculated as of the first day of the calendar year, taking into account any Year of Service they will complete in that calendar year assuming they remain employed. This date is reflected as Continuous Service Date in Mployee Central.

In its sole discretion, Masonite may count certain periods of employment with a predecessor employer as “Years of Service” for purposes of this Policy. Masonite’s determination of Eligible Employees’ Years of Service will be final and binding. Time worked in any category or classification not considered Eligible Employees (as defined above) will not be counted as a period of employment in determining Eligible Employees’ Years of Service.

Accrual of Vacation Hours

Eligible Employees accrue vacation hours on a per pay period basis, beginning the first pay date of the calendar month following the date they become Eligible Employees. When Eligible Employees reach a new calendar year where their accrual rate will change due to a service milestone, the change will become effective on the first pay date in the new calendar year. Note: Eligible Employees on a Leave of Absence (LOA) status (e.g., FMLA, STD, Workers’ Compensation) will cease to accrue Vacation time until they have returned to Active work status. Vacation accrual will be prorated based on the number of calendar days out on LOA status. Eligible Employees on a qualified Paid Parental and Military Leave of Absence will continue to accrue Vacation time.

Maximum Number of Vacation Hours

The Schedule provides the maximum number of vacation hours Eligible Employees may accrue. Once Eligible Employees reaches their maximum accrual, they will no longer accrue vacation hours.

Floating Holidays

Eligible Employees are provided two (2) Floating Holidays each calendar year. In the first year of employment only, Floating Holidays will be pro-rated as follows: two (2) days for dates of hire from January 1 through June 30, one (1) day for dates of hire from July 1 through September 30 and zero (0) days for dates of hire from October 1 through December 31. Floating Holiday Pay will be paid the same number of hours as the employee's scheduled shift (e.g., 8, 10 or 12 hours as scheduled). Note that each facility may designate specific day(s) for shutdown periods and require employees to use their Floating Holiday(s) and/or accrued Vacation time for a portion of the shutdown period.

Approval Process

Using Your Vacation Hours

Once you have accrued a vacation balance, you may begin to use them in full-hour (i.e., 60-minute) increments or as otherwise determined for each location by local management. Accrued vacation hours must be used during mandatory facility shut down periods unless the employee is required to work through the shutdown period by management. You may borrow up to 40 hours of vacation time before it is accrued subject to the Manager's Consent requirement.

Manager's Consent Required

Eligible Employees' use of any vacation hours is always subject to the prior approval of their manager. The Company has the right under any and all circumstances to refuse a request for use of vacation hours at a particular time and may require a different time for use of vacation hours, depending on business needs as determined by the Company in its sole discretion. Eligible Employees are required to notify their manager if they have not accrued sufficient time to take vacation and intend to borrow vacation time. Each facility may designate specific day(s) for shutdown periods which may require employees to use Floating Holiday(s) and/or reserve accrued vacation hours.

Vacation Record-Keeping

Eligible Employees are required to utilize the Time Off functionality within the Company's Employee Central HR system when requesting time off, including vacation and Floating Holidays. Managers are required to utilize this system functionality to review and approve (or deny) Eligible Employees' requests for time off. Failure to properly utilize the Company's designated record-keeping system to maintain accurate vacation balance records may result in forfeiture of payout eligibility when an Eligible Employee terminates employment, as described below.

No Cash-out of Vacation Hours

Cash-out of unused accrued vacation hours is not authorized or permitted under this Policy (except as described in the next two sections).

Vacation Cash Out – Hardship

In cases of significant financial hardship, Eligible Employees may request a cash out of a portion or all of their accrued vacation time. Examples of extreme hardship include, but are not limited to, sudden loss of home or transportation means or a critical illness resulting in significant out of pocket expenses. The requested vacation cash out may not cause Eligible Employees' vacation balance to drop below zero hours. Hardship requests will be processed by local Human Resources and Operations management and paid on the next available payroll cycle following approval.

Payment upon Termination of Employment

Eligible Employees who provide a 14-calendar day written notice to their manager of their intent to voluntarily terminate employment with the Company, will be paid an amount equal to the value of their accrued and unused vacation hours, determined using Eligible Employees' base salary amount in effect as of the day their employment terminates. Eligible Employees who do not provide a 14-calendar day written notice to their manager will forfeit any remaining accrued and unused Vacation balance, unless such requirement is otherwise prohibited by state regulations.

If Eligible Employees' employment with the Company terminates for any reason when they have outstanding borrowed vacation hours, Eligible Employees will be required to reimburse the Company at the time of their termination in an amount equal to the value of all used but not yet accrued vacation hours, determined using Eligible Employees' base wage rate in effect as of the day their employment terminates. If (or to the extent) such amount is not otherwise paid by Eligible Employees, it shall be withheld from their final paycheck, except as otherwise required by law.

Correction of Account

If Eligible Employees' number of accrued but unused vacation hours in their accounts are overstated for any reason (including but not limited to Eligible Employees' failure to properly report their use of vacation hours through the Time Off functionality in the Company's Mployee Central HR system as described above) or is understated for any reason, Masonite reserves the right to adjust the number of vacation hours in Eligible Employees' accounts to accurately reflect the number of accrued but unused vacation hours or to deny payment at termination, except where such provision is prohibited by applicable state regulations.

This Policy is discretionary and Masonite reserves the right to amend or terminate this Policy at any time and for any or no reason without prior notice to Eligible Employees. This policy does not constitute a promise of employment and does not modify the Company's at-will employment relationship with any employee.