



Policy Name	Vacation and Floating Holidays	Revision effective date	January 1, 2022
Issued to:	<i>US-based Hourly, Non-union 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* Hourly non-union 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

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

Base Schedule	Years of Service	Accrued Hours per Pay Period	Maximum Accrued Hours
	Less than 5 years	3.08	80
5 years but less than 15 years	4.62	120	
15 years or more	6.16	160	

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 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 reach 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 employees’ 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 Cash Out – Annual

Eligible Employees with 5 or more years of service who have taken at least 40 hours of vacation time in the current calendar year and who have a positive vacation balance, may request a cash out of up to 40 hours of accrued vacation time during the fourth calendar quarter each year (i.e., between October 1 and December 31). The requested vacation cash out may not cause Eligible Employees' vacation balances to drop below zero hours. Vacation cash out requests will be processed by local Human Resources and Operations management and paid on the next available payroll cycle following approval.

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 balances 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

When Eligible Employees voluntarily terminate employment with the Company, the Company will pay to the Eligible Employees an amount equal to the value of their accrued and unused vacation hours, determined using the Eligible Employees' base salary amount in effect as of the day their employment terminates.

If Eligible Employees' employment with the Company terminates for any reason when they have outstanding borrowed vacation hours, the 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 the Eligible Employees' hourly rate in effect as of the day their employment terminates. If (or to the extent) such amount is not otherwise paid by the 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 account is overstated for any reason (including but not limited to the Eligible Employees' failure to report their use of vacation hours) or is understated for any reason, Masonite reserves the right to adjust the number of vacation hours in the Eligible Employees' accounts to accurately reflect the number of accrued but unused vacation hours.

<p>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.</p>
