

Policy Name	Vacation and Personal Absence	Revision effective date	July 1, 2020
Issued to:	<i>US-based Salaried, Exempt Employees</i>	Prior effective date:	January 1, 2018
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, MI and NJ.

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

POLICY

Vacation Accruals for Salaried Based 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 be eligible.

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. 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 an Eligible Employee’s years of continuous employment with the Company, determined by disregarding any breaks in employment of less than twelve (12) months. An Eligible Employee’s 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 he/she will complete in that calendar year assuming he/she remains employed.

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 an Eligible Employee’s Years of Service will be final and binding. Time worked in any category or classification not considered an Eligible Employee (as defined above) will not be counted as a period of employment in determining an Eligible Employee’s 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 the individual becomes an Eligible Employee. When an employee reaches 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: an Eligible Employee on a Leave of Absence (LOA) status (e.g., FMLA, STD, Workers’ Compensation) for more than one (1) week will cease to accrue Vacation time until they have returned to Active work status. Employees on a qualified Military Leave of Absence will continue to accrue Vacation time.

Maximum Number of Vacation Hours

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

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

An Eligible Employee's use of any vacation hours is always subject to the prior approval of his/her 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. Employees are required to notify their manager if they have not accrued sufficient time to take vacation and intend to borrow vacation time.

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 paragraph).

Payment upon Termination of Employment

If an Eligible Employee's employment with the Company terminates, the Company will pay to the Eligible Employee an amount equal to the value of his/her accrued and unused vacation hours, determined using the Eligible Employee's base salary amount in effect as of the day his/her employment terminates.

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

Correction of Account

If an Eligible Employee's number of accrued but unused vacation hours in his/her account is overstated for any reason (including but not limited to the Eligible Employee's failure to report his/her use of vacation hours) or is understated for any reason, Masonite reserves the right to adjust the number of vacation hours in the Eligible Employee's account to accurately reflect the number of accrued but unused vacation hours.

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.