

 <b>DW TOWER, INC.</b>	<b>Human Resources</b>		
	POLICIES AND PROCEDURES		
SUBJECT	ISSUED	REVISED	NO.
<b>Paid Time Off Policy</b>	03/01/2007		H-318
APPROVED <i>Applied with Policy A-100</i>  President			

**Purpose:** This policy provides information on D. W. Tower, Inc.'s Paid Time Off Policy for eligible team members.

**Policy:** D. W. Tower, Inc. recognizes the need for employees to relax and refresh during the year and to have time available in the event of illness or personal business. In recognition of the fact that unscheduled time away from work is the most problematic, the Company has developed a paid time off policy allowing employees to manage their time away from work for rest, recreation, personal business and sick time.

**Definitions:**

- *Full time employee* An employee who works 70 or more hours within a two week pay period.
- *Part time employee* An employee who works 40 to 69 hours within a two week pay period.
- *Plan year* The twelve month period from July 1 to June 30.

**Scope:** This policy applies to eligible regular, full-time and part-time team members of D. W. Tower, Inc. Eligible employees are those who have successfully completed their Introductory Period and have worked a minimum of six (6) consecutive months for the Company.

**Procedures:**

1. Management is responsible for ensuring that this policy is followed.
2. Generally, team members will accrue PTO time per pay period worked during the plan year.
  - a. Full time employees will accrue 4 hours per pay period during the first year of continuous employment.
  - b. Part time employees will accrue 2 hours per pay period during the first year of continuous employment.
3. Employees must request available vacation time in writing a minimum of two (2) weeks in advance. PTO requests must be approved by the Supervisor/Manager and forwarded to the Corporate Office.
4. PTO requests will be honored whenever possible. However, there may be occasions when work projects demand the attendance of all those assigned to the project.

5. Employees may accrue up to a maximum of 80 hours of paid PTO time within a twelve (12) month period. Employees must use their available PTO time within the plan year in which it is earned.
6. PTO time will not be carried over from one work year to another. PTO time not taken in accordance with this policy will be forfeited.
7. D. W. Tower, Inc. will not pay employees for unused PTO.
8. Employees who request PTO, but are unable to take it within the required timeframe due to business demands, will be allowed an additional 90 days in which to use this available PTO before the time is forfeit.
9. Employees who use PTO, but resign or are terminated from their position prior to earning the full amount of PTO used will be required to reimburse the company through authorized payroll deduction on the final paycheck.
10. If an Observed Holiday falls during an eligible team member's approved PTO, Holiday pay will be provided instead of the PTO benefit that would otherwise have applied.
11. PTO will not be counted as hours worked for the purpose of determining eligibility for overtime pay. However, hours actually worked, if any, by non-exempt team members on an Observed Holiday will be counted as hours worked for the purpose of determining eligibility for overtime pay.
12. Full time employees will accrue increasing hours per pay period worked based on number of years of continuous service. See chart below. Part time employees will accrue at a rate of 60% of the full time rate per pay period worked.

<b>Paid Time Off Accrual</b>		
<b>Years of Service</b>	<b>Hours Accrued/Pay Period</b>	<b>Maximum Potential PTO Earnings</b>
1 (after 6 mos.)	3.07	80
5	4.5	117
10	5.0	130
15	6.0	156

13. Employees who terminate employment, voluntarily or involuntarily, will not be paid for any earned unused Paid Time Off. Employees in California will receive pay for all earned unused paid time off.

See the Pay Policy, Time & Expense Reporting for additional information.

**Anyone found violating any portion of this policy may be subject to disciplinary action, up to and including termination.**

No changes will be made to this policy or any deviations authorized without the express written permission of the President.