

Time-Off/Leaves of Absence

7.1 Sick Time

In recognition of the fact that employees sometimes experience emergencies, illness, or need time away from work due to outside responsibilities, the Company offers all employees up to 40 hours per year of paid sick time.

Effective January 1st of each year, nonexempt employees will accrue 1 hour of sick time for every 30 hours worked to a maximum of 5 days or 40 hours in a calendar year. New hires will start to accrue sick time upon date of hire. Sick time will be paid in half hour increments up to a maximum of 8 hours per day.

Nonexempt employees may be paid out annually in late December for any accrued but unused sick hours. Nonexempt employees may carry over up to 40 hours of accrued sick time by notifying HR in writing by December 1st however, they may not take more than 40 hours of sick time per calendar year. If the employee's sick time has been exhausted, the employee may be subject to disciplinary action related to attendance when additional unapproved time is taken.

Employees who are paid out their sick time will begin the new calendar year with negative 16 hours of sick time to ensure they have time available at the beginning of the new year should they need it. In the event an employee uses the borrowed time before it is accrued, additional time will not be allocated until the negative 16 hours is accrued.

When the need for leave is foreseeable, employees must make a good faith effort to provide advance notice of their leave to their immediate supervisor.

In cases where employees call in, outside of approved time off request (3 days' notice), an employee can choose to designate with vacation time or sick time. Employees who opt to elect vacation time that was not pre-approved may receive a point towards the disciplinary warning system.

Supervisors and HR will be allowed discretion to excuse extraordinary circumstances.

Employees are not paid for unused sick leave upon termination of employment.

State-specific Company policy can be obtained in HR.

7.2 Vacation

Haartz believes that its employees are the key to what makes a great company. Although work makes up a large portion of an employee's life, a balance between work and nonwork activities is essential to maintain quality performance and a positive work atmosphere.

Effective 1/1/2021, all regular full-time, nonexempt employees who work 40 hours will earn accrued paid vacation time, upon hire and in accordance with their date of hire, by length of their employment (continuous service) according to the following schedule:

- Employees will accrue 1.54 hours per week (10 days per year) until their 4th anniversary.
- After their 4th anniversary they will accrue 2.31 hours of time per week (15 days per year) until their 9th anniversary.
- On their 9th anniversary they will accrue 3.08 hours per week (20 days per year) until their 24th anniversary.
- As of their 25th anniversary they will accrue 3.85 hours per week (25 days per year).
- When employees complete thirty (30) years of service, they earn a one-time only bonus of one (1) additional week of paid vacation.

Regular nonexempt employees working between 20-40 hours per week will accrue time on a prorated basis. Part-time regular employees scheduled to work less than twenty (20) hours per week and temporary employees are not eligible for paid vacation benefits.

Accruals will take place on a weekly basis. Employees may take vacation time in advance of the accrual provided the time off is approved by their manager. The maximum amount of vacation time an employee can request and use in a calendar year may not exceed their annual accrual plus any approved carry over.

Nonexempt employees will be paid out for any accrued hours over 200 or 25 days. The payout will occur in late December each year.

Employees must request vacation leave from their supervisor or manager before making any vacation/travel plans. Vacation requests must be made a minimum of three (3) days prior to the requested vacation though additional advanced notice is requested when possible. Managers reserve the right not to approve a vacation request if it interferes with Company operations or adversely affects coverage of job and staff requirements. Whenever possible, employees' requests for vacation will be accommodated, but where scheduling conflicts arise, seniority and workload priority will prevail. Employees should not buy tickets or otherwise pay for travel prior to receiving vacation approval.

Vacation Pay

Vacation pay will be calculated based on an 8-hour day. Vacation time will be paid in half hour increments up to 8 hours per day. Pre-paid vacation is available for nonexempt employees in full weeks increments. To receive a pre-paid vacation check, an employee must fill out a

“request for pre-paid vacation” form, (available in the lunch room or in the Human Resources department), obtain supervisor/manager signatures, and turn the completed form into Human Resources two (2) weeks prior to vacation.

Payment of Unused Vacation Upon Termination

Accrued but unused vacation time will be paid out upon termination of employment in accordance with state and federal laws. Deductions for vacation time taken in advance of accrual will be deducted from final paychecks.

Employees who have worked for Haartz for 20 or more years will receive their full accrual in the year that they are leaving the company in recognition of their long tenure. All accrued but unused time at the date of retirement will be paid to the employee when they leave the company.

7.3 Paid Holidays

Haartz has six (6) standard paid holidays per year plus an additional five (5) non-standard paid holidays. When a holiday falls on a weekend, the observed holiday will be determined based on business needs. The holiday schedule will be announced in advance.

The Company observes the following holidays:

The standard holidays are:

New Year’s Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving	Fourth Thursday in November
Christmas	December 25

The typical non-standard holidays are:

President’s Day	Third Monday in February
Patriot’s Day	April (date determined)
Columbus Day	Deferred to December
Veteran’s Day	Deferred to December
Day after Thanksgiving	Fourth Friday in November

Employees scheduled to work forty (40) or more hours per week will be paid eight (8) hours for the holidays listed above.

In the case when an employee works a less traditional schedule and a Haartz observed holiday does not fall on a regularly scheduled shift (for example, an employee who works Tuesday through Saturday and the holiday falls on a Monday), employees will be paid eight (8) hours for the holiday and may be given the option to take an additional day off without pay after discussed and agreed upon with their supervisor.

For employees regularly scheduled to work less than forty (40) hours per week, holiday pay is pro-rated when the holiday falls on a regularly scheduled workday. (For example, an employee who works thirty

(30) hours per week on a Monday through Thursday schedule will receive 7.5 hours of pay for a holiday that falls on a regularly scheduled work day. If a holiday falls on a Friday such as the day after Thanksgiving, the employee will not be paid for the holiday.)

Due to business needs, some employees may be required to work on Company holidays. Supervisors and/or managers will notify employees in advance, if applicable.

Eligible nonexempt employees required to work on a designated non-standard holiday will receive one and one-half (1 ½) times their hourly rate for hours worked, in addition to holiday pay, and two (2) times their hourly rate for hours worked on a standard holiday, in addition to holiday pay.

Effective 12/30/2020, in order to be paid for a standard or nonstandard holiday, nonexempt employees must work their scheduled hours on the last scheduled workday preceding a holiday, and the first scheduled workday following the holiday, unless taking an approved vacation day or due to bereavement.