

## 4.4 Fair Labor Standards Act Statement

The Fair Labor Standards Act (FLSA) requires accurate records of hours worked. All non-exempt employees must accurately record time worked on a timecard for payroll purposes. Employees are required to record their own time at the beginning and end of each work period, including before and after the lunch break. Employees also must record their time whenever they leave the building for any reason other than Company business. Filling out another employee's timecard, allowing another employee to fill out an employee's own timecard, or altering any timecard will be grounds for corrective action, up to and including termination.

Any errors on an employee's timecard should be reported immediately to their manager, who will attempt to promptly correct legitimate errors.

Salaried (exempt) employees may not be required to track working hours, unless otherwise requested. However, salaried employees are required to accurately track time away from work. Abuse of this requirement or inaccurate reporting will be a violation of this policy. Abuse of this requirement or inaccurate reporting will be a violation of this policy.

Salaried employees work as few or as many hours as are necessary to get the job done. For this reason, and subject to the exceptions below, the Company's policy does not reduce an exempt employee's predetermined compensation for any partial-day absence (other than intermittent Family & Medical Leave Act ("FMLA") leave); any partial-week absence occasioned by the Company or its operating requirements, including holidays and partial-week shutdowns; or because of variations in the quality of work performed.

For all employees (exempt and non-exempt), reductions in pay may occur in the following circumstances:

1. Full-day absences for personal reasons, other than sickness or disability in accordance with the Company's policies;
2. Full-day absences due to the employee's own sickness or injury (including work-related injuries and FMLA-related absences). Such deductions will be made in accordance with the Company's paid time off plans and state worker's compensation laws and regulations;
3. A penalty imposed for infraction of a safety rule of major significance;
4. Full-day absences for unpaid suspensions due to corrective action measures; and
5. When no work is performed in a workweek.

The Company may require an employee to utilize paid time off benefits for partial-day absences occasioned by personal reasons or the employee's own illness or injury.

Exempt employees who believe their salary has been improperly reduced should report the concern immediately to Human Resources. The Company is committed to complying and expects all managers to comply with this policy and not to make improper deductions from employees' salaries. The Company will reimburse an employee for any improper deduction.

## **Time Keeping Abuse**

We have adopted a “zero-tolerance” policy of permitting or requiring any hourly employees to work off the clock. It is against this policy for any manager to expressly or implicitly permit non-exempt employees to perform any services for the Company without being paid for them. This policy requires non-exempt employees to perform no work before clocking in, after clocking out, or during any unpaid break times, including meal periods.

**Off Duty Texting and Emailing for Business Purposes:** Non-exempt employees are prohibited from reviewing or responding to work-related electronic communications outside of work hours without prior authorization from management. This prohibition includes, but is not limited to, checking, reviewing, sending, or responding to e-mails, text messages, or other electronic communications. To facilitate compliance with this rule, managers should refrain from sending work-related communications to non-exempt employees outside of regular work hours that can wait until the next day. In the event that management does require assistance from a non-exempt employee outside of regular work hours, management will either give the employee advance notice and authorization or call the employee. Any time spent by non-exempt employees during and outside of their regular work hours must be recorded on their time record.

No manager is permitted to bypass or interfere with this requirement. Employees are required to promptly notify Human Resources if any manager ever requires or permits an hourly employee to work off-the-clock. Non-exempt employees are expressly assured within this policy that they will not be discriminated against or retaliated against for making a good-faith complaint under this policy.

Any employee or manager who violates this policy in any respect will be subject to corrective action, up to and including termination-

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