

 DW TOWER, INC.	ADMINISTRATIVE		
	POLICIES AND PROCEDURES		
SUBJECT	ISSUED	REVISED	NO.
Employment Classifications At - Will Employment	03/01/2007		H-305
APPROVED			
<i>Approved with Policy A-100</i>			
President			

Purpose: This policy is designed to explain how D. W. Tower, Inc. classifies employees for purposes of salary administration and eligibility for overtime payments and employment benefits.

Policy: Each employee of the Company is designated as either Non-exempt or Exempt from federal and state wage an hour laws for salary administration purposes and to determine overtime payment eligibility. In addition to those categories, to determine eligibility for Company employment benefits, each employee will belong to one other employment category: Regular full-time, regular part-time, temporary employee, and contractors.

D. W. Tower, Inc. offers employment under the Employment At Will doctrine. Under the employment-at-will doctrine, both the employee and the Company have the right to terminate employment at any time. No supervisor, manager or representative of the Company, other than the President, has the authority to enter into any agreement for employment for any specified period or to make any promises or commitments contrary to the foregoing. Any employment agreement shall not be enforceable unless it is in writing and signed by both the employee and President.

Definitions:

- **Non-exempt Employees** – Employees who are required to be paid minimum wage at the federal or state prescribed wage rate, whichever is higher, and are entitled to overtime pay for work performed beyond forty (40) hours in a workweek under the specific provisions of federal and state laws.
- **Exempt Employees** – Employees who are not required to be paid minimum wage and overtime, in accordance with applicable federal wage and hour laws, for work performed beyond forty (40) hours in a workweek. Executives, professional employees, outside sales representatives, certain computer programmers and employees in some administrative positions are typically exempt.

- **Regular Full-Time Employees** – Employees hired to work the Company’s normal full time, forty (40) hours or more workweek on a regular basis. Such employees may be “exempt” or “non-exempt” as defined above. Regular Full-Time employees are eligible to participate in Company-provided and legally required benefits as described in this policy.
- **Regular Part-Time Employees** – Employees hired to work fewer than thirty (30) hours per week on a regular basis. Such employees may be “exempt” or “non-exempt” as defined above. Regular Part-Time employees are not eligible to participate in Company-provided benefits as described in this policy and procedure manual. They are, however, eligible for legally required benefits.
- **Temporary Employees and Contractors** – Employees engaged to work full time or part time on the Company’s payroll with the understanding that their employment will be terminated no later than the completion of a specific assignment. A temporary employee may be offered, and may accept, a new temporary assignment with the Company and thus still retain temporary status. Such employees may be “exempt” or “non-exempt” as defined above. Temporary employees are not eligible to participate in Company-provided benefits. Contractors work under the terms of their contract with D. W. Tower, Inc. and are therefore, not employees, and not eligible for any D. W. Tower, Inc. benefits.

Scope: This policy applies to all employees of D. W. Tower, Inc.

Procedures:

1. Management is responsible for ensuring that this policy is enforced.
2. Employees will be notified of their employment classification as “exempt” or “non-exempt”, and as either regular full-time, regular part-time or seasonal/temporary verbally by their hiring manager and in writing, within their offer letter. Contractors will work under the provision of their contract.

See the Pay Periods, Time & Expense Reporting (H-306), the Hiring Process Policy (H-301), and the Employee Benefits Policy (H-317), for additional information.

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

This manual and the policies herein are the property of D. W. Tower, Inc. They may be altered or deleted only with the permission of the President.