

 DW TOWER, INC.	HUMAN RESOURCES POLICIES AND PROCEDURES		
	SUBJECT Termination of Employment	ISSUED 03/01/2007	REVISED
APPROVED <i>Approved with Policy A-100</i> President			

Purpose: D. W. Tower, Inc. recognizes that team members leave employment from time to time, voluntarily and involuntarily. The purpose of this policy is to minimize disruption and to facilitate a smooth transition when the D. W. Tower, Inc. workforce changes.

Policy: In order to ensure uniform and consistent procedures for team member terminations, D. W. Tower, Inc. has established rules applicable to all terminations. All terminations must be coordinated with Human Resources and processed in accordance with the provisions outlined in this policy. The VP, Operations must approve all involuntary terminations. Should Management or designated supervisory personnel be present when serious misconduct occurs, they may immediately suspend the team member, pending an investigation. Either the team member or D. W. Tower, Inc. may end the employment relationship at any time during or after the Introductory Period, with or without cause or advance notice.

Definition:

- *For cause* means an involuntary termination because of failure to follow Company procedures and policies, and/or to perform job duties in compliance with Company standards and expectations.

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

Procedures – Voluntary Terminations

1. When a team member initiates a termination (i.e., the team member resigns or abandons the job) the termination is considered voluntary.
2. When a team member is absent for three (3) consecutive business days without personal notification to Management, the Company will consider the absence to be job abandonment and will have the right to process a termination of that team member, effective as of the date of the first absence, and any such termination is considered voluntary.
3. When a team member fails to return from an approved leave of absence, vacation, or other approved absence for a period of three (3) consecutive business days without personal notification to Management, the Company will have the right to process a termination of that team member, effective as of the date the team member was scheduled to return from the absence, and any such termination is considered voluntary.

4. The resigning team member is expected to provide written notice of resignation, at least two weeks in advance of the effective date of the resignation. Once Human Resources has reviewed a team member's written resignation, the VP or Area Superintendent will advise the last day to be worked.

Procedures – Involuntary Terminations

1. When D. W. Tower, Inc. initiates a termination (i.e., the team member is terminated), the termination is considered involuntary.
2. Involuntary terminations may occur for a variety of reasons, including for cause (i.e., team member misconduct) or without cause (i.e., as a part of a layoff or reduction in force).
3. When practical, team members terminated for cause will first be counseled and warned based on the Company's Discipline Policy. However, failure to correct behavior and/or further violation of Company policy may result in additional disciplinary action, up to and including termination. Depending on the nature of the offense or failure to meet performance expectations, D. W. Tower, Inc. reserves the right, at its sole discretion, to terminate any team member without warning.
4. If it becomes necessary for D. W. Tower, Inc. to reduce team members, whether temporarily or long-term, the Company will provide team members notice of involuntary termination in accordance with state and federal laws. Similarly, any recalls will be in accordance with state and federal laws.

Procedures – All Terminations

1. The Human Resources Manager must complete a Personnel Action Form.
2. All terminated team members will be paid in accordance with state and federal laws.
3. Authorized contributions for the 401(k) plan and other authorized deductions will be deducted from the team member's final paycheck. Any outstanding balances for Company loans or for pay advances will also be deducted from the final paycheck through written authorization. **No payment for unused or accrued vacation, if any, will be made for team members who voluntarily or involuntarily terminate employment. Payment for earned, unused vacation will be paid to employees in California, per California state law.** The Company will pay out any unused vacation at the commencement of a Military Leave of 31 days or longer.
5. When appropriate, a designated member of Management will attempt to conduct an exit interview with the terminating team member.

Benefits Termination – All Terminations

1. Health and dental plan coverage for a terminated team member will end on the last day of the month in which the termination becomes effective.
2. Human Resources is responsible for terminating all insurance coverage and notifying the team member of his/her conversion rights.

See the Vacation Policy, the Observed Holidays Policy, the Pay Periods Policy, Travel & Business Expense Policy, and the Employee Benefits Policy for further information.

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