

H-E-B is committed to providing opportunities for great pay and benefits that help us attract and retain our great Partners. To maintain our commitment for great pay, we want to ensure that you are paid for all your work and that you are paid on a timely basis. As described in our Partner Guide, it is our policy and practice to accurately compensate our Partners and to do so in compliance with all applicable state and federal laws. To ensure that you are paid properly for all time worked and that no improper deductions are made, you must record correctly all work time and ensure you review your paychecks promptly to identify and to report any errors.

#### Please Review Your Pay Stub

In accordance with the FLSA and state law, H-E-B does not permit improper or unauthorized deductions from our Partners' pay or their salaries. Deductions are made only if: (1) the deduction is in compliance with or permitted by federal and/or state law; and/or (2) the Partner has authorized the deduction.

H-E-B has always made every effort to ensure our Partners are paid correctly. Occasionally, however, inadvertent mistakes can happen. When we find out a mistake has happened we promptly make the necessary corrections, so please review your pay stub when you receive it to make sure it is correct.

If any deduction was improper, H-E-B will reimburse the Partner for the improper deduction. In addition, H-E-B will, in good faith, take all reasonable steps necessary to ensure that no such improper deductions are made in the future.

#### Non-exempt Partners

If you are classified as a non-exempt or hourly Partner, you must maintain a record of the total hours you work each day. These hours must be accurately recorded on a time record via our time entry system (i.e. Workforce Manager (WFM)). Your time entries must accurately reflect all regular and overtime hours worked.

To ensure you are paid properly, you should not work any hours that are not authorized. We ask that you clock in when you arrive for work, and clock out immediately after finishing your shift. You should also clock in and out for your lunch period in a timely manner. Your supervisor can advise you of the procedure for manually recording time if the system is down. Whether your time is tracked manually or electronically/WFM, only your supervisor may approve hours or correct errors.

To further ensure you are fully paid for all time worked, you should not perform any work off the clock, which includes remote access to H-E-B computer systems.

"Off-the-clock" work means work you may perform but fail to report on the time entry system. No H-E-B representative is authorized to request, require, or allow you to work off the clock.

It is also a violation of H-E-B's policy for any Partner to falsify a time entry, or to alter another Partner's time. It is also a serious violation of Company policy for any Partner, including a supervisor, to instruct another Partner too incorrectly or falsely report hours worked or alter another Partner's time entries to under- or over-report hours worked. If any manager or Partner instructs you to (1) incorrectly or falsely under- or over-report your hours worked, or (2) alter another Partner's time records to inaccurately or falsely report that Partner's hours worked, you should report it immediately.

#### Exempt Partners

If you are classified as an exempt salaried Partner, you will receive a salary, which is intended to compensate you for all hours you may work for the Company. This salary will be established at the time of hire or when you become classified as an exempt Partner. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

Under federal and state law, your salary is subject to certain deductions. For example, absent contrary state law requirements, your salary can be reduced for the following reasons:

- Full day absences for personal reasons.
- Full day absences for sickness or disability, under most circumstances, although pay may be replaced by med-bank or other program where applicable.
- Full day disciplinary suspensions imposed in good faith for violations of H-E-B written workplace conduct policies and rules.
- Family and Medical Leave absences (either full or partial day absences) although pay may be replaced by applicable med-bank or other program where applicable.
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event you work less than a full week.
- An unpaid leave of absence and you perform no work in the workweek.
- Penalties imposed in good faith for violating safety rules of "major significance."

Your salary may also be reduced for certain types of deductions such as your portion of health, dental or life insurance premiums; state, federal or local taxes, social security; or, voluntary contributions to a 401(k) or pension plan.

It is our policy and practice to ensure that no improper deductions are taken from your pay. In any work week in which you performed any work, your salary will not be reduced for any of the following reasons:

- Partial day absences for personal reasons, sickness, or disability.
- Absences occasioned by the employer or by the operating requirements of the businesses or because the facility/location is closed on a scheduled work day.
- Absences for jury duty, attendance as a witness, or military leave in any week in which you have performed any work.
- Violations in quality or quantity of work performed.
- Occasions when the Partner is ready, willing, and able to work but no work is available.
- Any other deductions prohibited by state or federal law.

Please note: An employer is entitled to deduct from or reduce a Partner's accrued vacation, personal or other forms of paid time off for time away from work.

To Report Concerns or Obtain More Information

As it is our philosophy that you be paid fully for all your work, if you believe a mistake or improper deduction has occurred in your pay check or there is a violation of this time-keeping procedure, please use the Open Door Process outlined in your Partner Guide or contact your supervisor or your Human Resource Manager. You may also contact the H-E-B Compliance & Ethics Helpline at 1-866-208-8167 available 24 hours a day.

Every report will be investigated and corrective action will be taken where appropriate, up to and including discharge for any Partner(s) who violates this policy. In addition, H-E-B will not tolerate any form of retaliation against individuals who report alleged violations of this policy or who cooperate in H-E-B's investigation of such reports. Retaliation is unacceptable, and any form of retaliation in violation of this guideline will result in disciplinary action, up to and including discharge.

Printed Name: \_\_\_\_\_

Employee ID: \_\_\_\_\_

Department/Location: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_