



GADABOUT AND VERVE POLICY EMPLOYEE HANDBOOK

Date: _____

Employee Name: _____

Employee Number: _____



Mission Statement

Gadabout / Verve commits **excellence** to you,
our clients and our community.

Professionalism • Education • Community

- 1★ **BE ON TIME.** Preparation for every successful opportunity begins with being on Time.
2. **be POSITIVE.** Come to work with your best attitude - it's contagious. Monitor what you say to yourself for a healthy attitude.
- 3★ **be PREpared.** We are here to serve. To serve, we must be focused and ready for our guests.
4. **be INFORMed.** Know what is going on around you, within your department and the company at all times.
5. **be NICE & POLITE.** Be nice. If you have nothing respectful to say...say nothing.
6. **be accountable - 24 HOUR rule.** Communicate feelings - whether it's a celebration or a challenge.
7. **be LOVING.** Be loving when communicating or when approached by others - stand in their shoes.
8. **be proactive & OPEN.** Keep your mind open to solutions, even if they aren't your ideas.
- 9★ **BE KNOWLEDGEABLE.** Knowledge is confidence. Know what is happening in your industry, fashion, your business and your life.
- 10★ **be FASHION forward.** We are in the fashion business. 80% of what people think about is what they see. Black is the color of choice.
- 11★ **be PROFESSIONAL.** The definition of service is to be ready to help or be of use.
- 12★ **be PRIVATE & FOCUSED.** When you walk thru the door, leave your personal life at home. 80/20 rule: Talk about your guest more than you talk about you.

1. Employer Reservation of Rights

At-will Employment

Gadabout SalonSpas & VerVe Salon (Gadabout) is an “at-will” employer. No person working for Gadabout is employed on anything other than on an “at-will” basis.

Employment on an "at-will" basis means the employment is not covered by a written contract or bargaining agreement, and the employment relationship may be ended (i) for any reason not prohibited by law or for no reason, (ii) at any time, (iii) by either the employee or the employer, and (iv) with or without cause.

Nothing in this policy handbook provides any promise of continued employment, nor does it endow any right or benefit that is contractual in nature. Successful completion of a probation period does not change any aspect of this at-will employment status.

Reservation of Right to Modify

Gadabout reserves the right to modify this policy as needed, to address business needs, changes in the law, or other company practices. Employees will be notified when changes are made to this policy, and provided opportunities to seek answers to any questions related to these changes.

Any changes made to this policy book replace any prior statements in any previous edition. Employees may not rely on an older policy statement once a new policy statement has been made and communicated.

Reservation of Right to Interpret

Gadabout reserves the right to interpret all portions of this policy. Gadabout may rely on historic practice, executive interpretation, or outside experts/counsel for implementation of any term of this policy. Executives and management, in consultation with executives, will be the sole parties with the authority to interpret the terms and conditions in this policy book.

Company Communications

Gadabout communicates with employees via staff education meetings, one-on-one meetings, and through written communication including email. Official company communications come from a Department/Operations Manager, a General Manager, Director or an Owner.

2. Employee Conduct and Business Ethics

Gadabout provides this overview of the personnel standards to help employees understand their rights, responsibilities and role within the company. All terms and conditions will be applied fairly and consistently to all persons employed with Gadabout.

2.1. Time and Attendance

Gadabout hours are subject to change, at management discretion. Each employee is responsible for knowing their schedule, appointment times booked, and any schedule changes. Any employee requesting a schedule change must obtain approval from the General Manager.

Communications Center Hours:

Monday**	8:00am – 6:00 pm
Tuesday	7:15 am – 8:00 pm
Wednesday	7:15 am – 6:00 pm
Thursday	7:15 am – 8:00 pm
Friday	7:15 am – 6:00 pm
Saturday	7:15 am – 6:00 pm

Gadabout and VerVe Salon Hours:

Tuesday	8:00 am – 8:00 pm
Wednesday	8:00 am – 6:00 pm
Thursday	8:00 am – 8:00 pm
Friday	8:00 am – 6:00 pm
Saturday	8:00 am – 6:00 pm

Gadabout and VerVe Distribution and Resource Center Hours

Monday – Friday	8:00 am – 4:30 pm
Saturday	CLOSED

2.1.1.1. Start and End of the Work Day

Each employee is responsible for starting and ending the workday on time, according to their specific schedule. No employee is authorized to change his or her start or end time. Any employee requesting a change to the start or end to their workday must consult with management, and receive approval prior to making any changes to the start and end to their day.

2.1.1.2. Meal Time and Breaks

All non-exempt (hourly) employees must clock in and out for all meals. All employees must take their meal periods away from the workstation or the salon floor, and no work may be conducted during the meal period. Any time away from the work area outside of breaks and meal periods may be considered unprofessional, and may subject the employee to corrective counseling or other discipline.

2.1.1.3. Late Arrival and Notification

Late arrival to work is not acceptable at any time. All employees are expected to arrive on time and be ready to perform services precisely as scheduled, or for the scheduled guest service. All employees are required to be prepared, greet their guest and start services or work on time.

If an employee is going to be late, they must contact their salon directly by telephone. Text, social media or email is not an appropriate method for communicating an unexpected late arrival for work.

2.1.1.4. Unexcused Absence, Absence Without Prior Notice, Call-in

Any employee who is absent without obtaining prior permission from management will be considered out on an unexcused absence. Employees who take unexcused absences will be subject to discipline, up to and including termination.

If an absence is required on short notice, the employee must call in to their manager to notify them of the need for the day off. Any failure to provide contact for a sudden, or any other kind of unscheduled absence will be considered job abandonment. Gadabout may terminate any employee who abandons their job.

When possible, employees are expected to call the night before their absence or the morning of, directly to their salon location at 7:30 am. The employee must speak with the Salon General Manager, Desk Leader, or Key Holder (Opening/Closing GSR) only. Texts, social media or emails are not acceptable forms of notice for requesting short-notice sick or personal leave.

Numbers to call:

- Grant 319-6307
- Kolb/Sunrise 319-6302
- Speedway 319-6310
- River 319-6313
- Oracle 319-6303
- VerVe 319-6304
- VerVe Lifestyle 319-6306
- DC 319-6311
- Resource Center 319-6305

2.1.1.5. Requests for Time Off

Employees may request time off without pay for any days that are not blackout days. Paid time off is considered a reward and accrues according to the individual reward packages.

Time off must be scheduled and approved by a salon General Manager. Management may decline to approve the request, based on salon staffing needs. This may include blackout periods on the schedule. Management may suggest another time period for the time off.

Excessive absences may result in disciplinary action.

3. Pay Periods and Time Keeping

All employees are required to clock-in and clock-out for all workdays, including all lunch periods and breaks. Any errors must be reported to the salon General Manager or the Desk Leader so a correction can be made. This must be done before the end of the pay week, at the close of business on Saturday.

3.1. Paydays and Time Keeping

The workweek runs from Sunday to Saturday. All information must be accurately entered into the time tracking system for payroll integrity and insurance tracking purposes. All employees must clock in for themselves. Any employee found clocking in or out for another employee or asking another employee to clock in or out for them will be committing time card fraud. Time card fraud is a serious offense, and will result in immediate termination for both the person requesting and the person performing the time card fraud.

Payroll is distributed bi-weekly, on Thursday. This is based on a two-week period running from Sunday to Saturday and Sunday to Saturday. Direct deposit is offered, as well as iPay Statements. Regular payroll dates will move when federal holidays alter the pay schedule. All employees please note that Gadabout will move to paperless paychecks for all employees by 2018.

3.2. Payroll Deductions and Corrections

Gadabout provides payroll deductions as required by law and by employee election. Mandatory payroll deductions are made for Federal Income Tax, State Income Tax, and Social Security Tax (FICA and Medicare).

Other payroll deductions may include insurance premiums, legal garnishments, professional tools deductions, retail product purchase (a one-time only deduction), and other optional employee costs and needs.

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An employee may request a check be replaced if it is lost or stolen, and will be responsible for any costs incurred in its replacement, including stop-check fees. The employee will be asked to authorize a one-time payroll deduction from the replaced check, to reimburse Gadabout for all fees and costs associated with its replacement.

Payroll correction may be made for errors in pay amounts, tax information or deductions, or any other pay related concerns. The employee must speak with the salon General Manager and submit a written pay challenge. Any uncorrected timekeeping errors found after a payroll has been processed will be adjusted on the following payroll.

3.3. Overtime (Non-exempt Employees)

Non-exempt employees may work overtime, only when the General Manager gives prior permission or upon the General Manager's request. Any overtime worked without permission or in response to a request from a General Manager will be paid, and considered unauthorized. Employees who work unauthorized overtime will be subject to discipline. Repeated unauthorized overtime worked will initiate progressive discipline up to and including termination.

3.4. Wages and Commissions, Gratuity Reporting

The rate of compensation for each employee is determined at the time of hire, based on the position description and the status determined therein. This includes when pay includes commission, will be hourly, salary, and any operational costs. All terms and conditions of wages paid are kept generally confidential from other employees, absent specific written authorization from the employee or in response to a legal request from an authorized party.

Gratuity reporting is completed on a Gratuity Report Form. Each employee who receives tips/gratuities must complete this form bi-weekly and submit it to Payroll. Gratuity Forms may be obtained at gadabout.com/employees.

3.5. Holidays

Gadabout celebrates the national holidays as follows:

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

Gadabout salons are closed for business on these dates.

4. Employee Presentation and Professionalism

4.1 Personal Appearance and Dress Code

Gadabout Dress Code

Black clothing (50% or more) and only one (1) other color.

VerVe Dress Code

Clothing must be all black, with a 10% color accent.

For both Gadabout and VerVe

All clothing must be clean, properly pressed and in good condition. Good condition means the clothing is free of stains, odors or signs of wear. Clothing must be professional, appropriate in fit and cut. All employees are required to arrive at work properly dressed and well groomed. Proper clothing and grooming is required for all work-related functions, including education and travel. Nametags must be worn at all times by General Managers, GSRs, Interns and Housekeeping staff.

Dress Code Specifics

- All hair and make-up must be finished upon beginning work or work related functions
- All clothing must be professional, clean, pressed and in good condition
- Clothing must be black (50%), and ONLY one other color
- Dresses and skirts must come to mid-thigh and no shorter
- Bermuda-style shorts, walking or dress shorts may be worn provided they end 1 inch (1") above the knee, and conform to the color code
- No denim can be worn at any time
- No white pants or trousers can be worn at any time
- No sleeveless styles at any time, or any top that reveals the armpit area
- No midriff-baring shirts, or other skin revealing tops can be worn, as tested by bending over or raising arms
- No athletic or sporty shoes, including tennis, skateboard or other athletic/athleisure style is allowed (with exceptions for documented medical reasons only)
- No backless, flat shoes including "flip-flops" of any sort

3.6. Personal Conduct, Outside Employment, and Workplace Violence

Personal Conduct

Gadabout expects each employee will use their best efforts to serve company interests, and avoid actions and behavior that would have an adverse affect on Gadabout or VerVe. This includes each employee refraining from promoting other persons, entities or businesses that compete with Gadabout/VerVe, while employed with the company.

All persons employed by Gadabout are expected to be truthful, respectful and highly professional at all times while on work time or premises. All are expected to protect confidential and proprietary information, including:

- guest book and daily schedules
- guest names list
- any personal guest information including contact information, personal services information
- miscellaneous guest information

Staff and employee information is also protected. All employees are required to refrain from copying, printing, disclosing or removing any information from salon or company premises, including:

- staff booking, daily schedules and future appointments
- staff personal information and identifiable information (phone numbers, addresses, personal information)
- staff passwords, security codes, salon operations documents, or floor plans
- staff payroll information, commission rates or salaries
- salon security codes, salon keys
- salon proprietary software, software licenses
- salon practice manuals for hair, skin, body, nails, and training
- business records, financial and accounting information
- proprietary forms
- any documents covered by HIPAA

Violations of this policy will be subject the employee to discipline, up to and including termination. Additionally, Gadabout may pursue any legal rights it has to protect business, guest and staff interests.

Outside Employment

All employees who are in a leadership role, including Operations Staff at the Resource Center, General Managers, Desk Leaders, Department and Education Directors, Instructors and any other member of management are required to let management know of any outside employment that may present a conflict of interest, or in any way have an effect on their primary job with Gadabout. Outside employment is considered secondary to all duties as an employee of the company. Employees who provide the same services performed at Gadabout as a side business, or for any other business entity will be considered in violation of this policy.

Workplace Violence

Violence against others in the Gadabout work environment will not be tolerated from any person employed by the company, guests, or any outside third party. Employees are encouraged to report any threats of violence or communications that appear violent to the site General Manager or the nearest supervisor. Employees are not to engage or confront the potentially violent individual.

Any employee may call 911 in the event of an immediate threat of violence or harm in the workplace. All reports of workplace violence will be investigated, and kept conditionally confidential. Employees are encouraged to report and participate truthfully in any investigation into an incident of workplace violence. Failure to report or cooperate truthfully will result in discipline, up to and including termination.

3.7. Cell Phone Use During Work Time, and Personal Calls

Personal cell phones may be used on the salon floor only in a professional capacity. This holds for all forms of portable technology, including tablets and laptops. This may include before and after pictures for the client to see, and for use for responsible posting to appropriate social media to promote the company, and help build a look-book for new styles and looks for guests.

Any personal work, texting or phone calls must be made away from the guest floor and any spaces where guests are allowed. All employees are encouraged to join the Gadabout Instagram Ambassador team, and learn the guidelines to create a professional experience with your personal devices.

Personal calls received by the front desk phones are allowed only in the case of emergencies. The front desk staff will call the employee away from the guest floor so the employee can discreetly address the call on their personal device. When an employee expects to receive an emergency personal call, the employee should notify the General Manager. All other personal calls should be directed to each employee's personal device.

3.8. Computer and Internet Use

All computers, Internet access and other business accounts, systems and machines belong to Gadabout. Gadabout may audit computer and technology use at any time, without permission of any user. There are no rights or expectations of privacy in communications, documents or other activity when using company provided technology and business resources.

All materials, technology, systems, facilities, equipment, storage and work areas, furniture and fixtures are for the sole purpose of conducting company business. Gadabout reserves the right to inspect any of these things, at any time to ensure proper use. Any discovery of improper use of company property, facilities, equipment or access will result in disciplinary action.

3.8.1. Social Media

Social media use on company sites must be professional, courteous and appropriate. The following guidelines set out Gadabout's social media site use policy:

- No posting of proprietary information, including confidential or identifiable information about guests or fellow employees
- Avoid posts or links that contain discriminatory, defamatory or inappropriate content
- Respect copyright and fair use in all cases; do not re-post the work of others without the proper permission from the owner or creator of the work, proper credit given to the owner or creator of the work, and specific citation to the owner or creator
- No promotion of personal causes, products or politics is allowed at any time

Personal social media sites may not use any Gadabout logos or other proprietary items such as company paid photographs, video or other online materials that belong to Gadabout/Verve. (See Gadabout Instagram Ambassador program)

4. Drug and Alcohol Prohibition

4.1. Presence of Drugs or Alcohol at Work

The use of alcohol or illegal drugs while on duty, or prior to arriving at work will not be tolerated. Any employee who presents at work as under the influence of illegal drugs or alcohol will be sent directly to the General Manager for assessment. The General Manager will counsel the affected employee, and send them home.

If the individual cannot safely transport himself or herself home, the employee will be sent home in a taxi or some form of conveyance not associated with company. The employee will not receive pay for the balance of the day missed due to intoxication while working. The employee will receive a written warning.

Any repetition of this behavior will be met with immediate transport to an occupational medicine facility for drug testing. If the drug test comes back positive for illegal drugs or alcohol, the employee will be immediately terminated.

4.2. Behavior Demonstrating Employee Under the Influence of Drugs or Alcohol and Drug Testing

Arizona employers are allowed to drug test employees. Testing is allowed for any job-related purpose consistent with business necessity, including:

- To maintain productivity, safety, quality, or security
- As part of an accident investigation or an investigation of possible employee impairment, or
- On reasonable suspicion of drug use.

Employees who have a prescription for use of a controlled substance may disclose this when this issue comes up related to intoxication while at work. Employees who have been legally issued a medical marijuana card will not be discriminated against in the workplace, but they may not be under the influence of this or any other drug while at work or engaged in a work function. Medical marijuana possession is not allowed on any company premises or during a work event.

All persons with the authority to assess an employee for presenting under the influence of drugs or alcohol shall be properly trained to understand the presentation and behavior of persons who are intoxicated or impaired.

Reasonably suspicious behavior includes, but is not limited to:

- Odors resembling alcohol on breath and clothing
- Slurred speech
- Unusual stumbling and other balance issues
- Glassy, red eyes

- Loud talking and inappropriate laughter followed by sleepiness
- Clumsiness such as difficulty walking
- Sleepiness, poor judgment and dilated pupils.
- Hyperactivity, euphoria, irritability, or anxiety

No employee shall report to work or any company function while under the influence of alcohol or other controlled substances. Any unlawful or unauthorized manufacture, distribution, dispensation, possession, sale or use of any controlled substance while on company premises, in any company vehicle, or while engaged in any company activities will result in immediate termination.

5. Discrimination and Harassment, Including Sexual Harassment

Unlawful discrimination in the Gadabout work environment will not be tolerated. Discrimination can occur in a variety of ways in the workplace, and can be based on a number of protected classes. According to Federal anti-discrimination laws, employers cannot discriminate, nor tolerate discrimination in their organizations based on the following: Age, disability, equal pay and compensation, genetic information, harassment, national origin, pregnancy, race/color, religion, retaliation, sex/gender, and sexual harassment.

5.1. Discrimination

What Constitutes Unlawful Discrimination

Unlawful discrimination is more than a slight or a single incident, and as defined under the law, it must be pervasive, or egregious. However, an employee is not required to know the thresholds under the law. Any employee who believes they have experienced unlawful discrimination in the workplace is encouraged to bring their concerns forward so that they may be objectively investigated.

Different anti-discrimination laws apply to private companies, depending on the number of employees they have. The application of these laws ranges from 15 to 50 or more. In some cases where federal law may not apply, state or local law may. Gadabout takes all allegations of discrimination seriously, and will respond to them in a timely, thorough and objective fashion.

5.2. Making a Complaint

Any employee who believes they have experienced discrimination in the workplace is encouraged to bring their concerns to their site manager, or directly to the General Manager. The General Manager will ensure all allegations of discrimination are objectively reviewed, and allow due process for all persons involved in the allegations.

5.3. Due Process

Due process means the person who may be the alleged perpetrator of discriminatory acts or behaviors will have an opportunity to respond to the allegations directed at them. The complaint brought forward by complaining party, or complainant, will receive appropriate review and investigation. A report will be compiled, using the information gathered during the investigation. Findings at the end of an investigation will receive appropriate action, as determined by the results of the objective investigation.

5.4. Qualified Confidentiality

“Need To Know Basis”

Qualified confidentiality will attach to the investigation and all persons involved in an investigation. Qualified confidentiality means Gadabout will keep information collected during the investigation, and all reports and findings, on a need to know basis and shared only with the appropriate members of the executive and management team. All parties to an investigation are asked to keep all information confidential, as a matter of respect for the privacy of the self and others.

5.5. Cooperation and Truthfulness

All employees are required to cooperate and be truthful when taking part in any investigation into allegations of discrimination. Persons participating in the investigation will be protected from retaliation. Additionally, all parties to any investigation into allegations of discrimination are required to keep all information confidential to protect the privacy of all involved.

5.6. Sexual Harassment

This company is dedicated to providing a workplace that is free from sexual harassment, and from any intimidation that creates a hostile work environment. Gadabout will not tolerate sexually suggestive or aggressive behavior. Each employee is responsible for maintaining professional standards of behavior, and participating in keeping the work place free of sexual and intimidating behavior.

Sexual harassment is a kind of discrimination. According to the federal Equal Employment Opportunity Commission, it is unlawful to harass a person (an applicant, employee, or person served) because of that person's sex.

Harassment can include what most people understand to be “sexual harassment” or it can be unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature.

Harassment does not have to be of a sexual nature, and can include offensive remarks about a person's sex/gender. As an example, it is illegal to harass a woman by making offensive comments about women in general.

Both victim and the harasser can be either a woman or a man, and the victim and harasser can be the same sex. Nothing in the law prohibits simple teasing, offhand comments, or isolated incidents that are not very serious.

Harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment. It also applies when the harassment results in an adverse employment action such as hiring, firing, denial of training or denial of promotion.

Sexual harassment tends to be in situations of unequal power. Whether it is actual power, perceived or feared power. The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

6. Americans with Disabilities Act, Amendment Act

Gadabout and all of its employees are potentially protected under the ADAAA. A person with a disability who requires a workplace accommodation must inform management of the need for accommodation and work with Gadabout to explore possible workplace accommodations. Accommodations may be provided for a qualifying health condition that is not transitory in nature. A health condition that persists for less than three months is generally considered transitory. Any health condition that persists for three months or more is generally considered temporary, not transitory.

The ADAAA requires employers to apply certain processes and engage with employees requiring a workplace accommodation. A qualifying disability may be temporary without being transitory.

The ADAAA is one of the anti-discrimination laws, and it protects persons with disabilities. Disability law was broadened and simplified in 2008 to include clarification of the processes, definitions and qualifications required under the ADAAA.

Currently, it is unlawful when an employer or other entity covered by the Americans with Disabilities Act, as amended, or the Rehabilitation Act, as amended, treats a qualified individual with a disability who is an employee or applicant unfavorably because he/she has a disability.

Disability discrimination also occurs when the company treats an applicant or employee less favorably because that person has a history of a disability or because that person is believed to have a physical or mental impairment that is not transitory and minor.

The law requires an employer to provide reasonable accommodation to an employee or job applicant with a disability, unless doing so would cause significant difficulty or expense for the employer ("undue hardship").

The law also protects people from discrimination based on their relationship with a person with a disability (even if they do not themselves have a disability). For example, it is illegal to discriminate against an employee because her husband has a disability.

6.1. Requesting an Accommodation

Gadabout employees requesting a workplace accommodation under the ADAAA must inform the General Manager. The General Manager will access appropriate resources to assist with the interactive process required under the law, including qualification for protection under the law, and explore effective accommodations to remove workplace barriers.

7. Staff and Client Confidentiality, Conflict of Interest

Staff and Client Confidentiality

Confidential information refers to any information about the company, its employees and clients, which is not generally known to the public. Examples include, but are not limited to:

- Names and contact information of staff and clients
- Client service history and purchasing records, chemical formulas, schedules, and appointments
- Client pre-treatment forms
- Internal personnel and financial information
- Non-public information about vendors and distributors
- Company business practices, marketing information, and anything that provides the company with a competitive business advantage

All employees are not allowed to disclose any confidential company information, at any time or for any purpose to any third party. Any disclosure of confidential information to a third party will subject the employee to discipline.

While an employee is employed with the company, the employee is not allowed to ask clients for their contact information, or accept any client information. All client information belongs to Gadabout, and remains with Gadabout after separation from the company.

Conflict of Interest

All employees are expected to use good judgment and adhere to high ethical standards and avoid situations that create actual or potential conflicts of interest. A conflict of interest is a situation where a person can personally benefit from their status as an employee of Gadabout, outside of their employment with the company, and the third party is making the decision because the person is an employee at Gadabout.

Engaging in a conflict of interest, or otherwise being dishonest with Gadabout management in the performance of duties is considered a serious act and will subject the employee to discipline, including immediate dismissal.

Gadabout considers the following as examples of a conflict of interest:

- Working for a third party that provides salon services (any type of hair, skin, lashes, nails, body, or other service offered by the company) while working at Gadabout
- Encouraging a current client of Gadabout to receive salon services from a third party
- Engaging in self-employment with a current client, in competition with the company, while employed with Gadabout

Anyone with questions about what would present a conflict of interest is encouraged to seek out a member of management, and discuss the situation they are concerned about. Disclosure of a conflict of interest, with follow-up discussion is considered a positive action.

8. Performance Evaluation and Informal Corrective Coaching

Performance Evaluation

Performance evaluation will occur annually, on an employee's anniversary date. Performance evaluation does not take the place of informal corrective coaching, and is intended to provide feedback to the employee about successes and challenges that occurred in the past year, as well as to project future goals and areas for growth.

The General Manager will provide the employee with a copy of the Employee Performance Evaluation form once it has been completed. The General Manager will schedule a meeting with the employee to go over the document and discuss successes, areas for improvement and goals for the coming year.

Informal Corrective Coaching

General Managers and supervisors may engage in informal corrective coaching direct response to employee decisions and behavior that are in violation of this policy, or would otherwise harm the company.

Informal corrective counseling is not discipline, but incidents of informal corrective coaching may be considered when behaviors are not corrected and lead to disciplinary action. The General Manager will document incidents of informal corrective coaching, which include the date, subject and agreed upon solution provided. This document will be held in the employee file.

9. Progressive Discipline

When incidents occur, or situations arise that require disciplinary action, Gadabout will employ disciplinary measures calibrated to respond to the infraction at hand. In the case where the infraction is egregious, or creates any threat to the health and safety of any employee or client, Gadabout reserves the right to proceed directly to termination. Progressive discipline will be applied in all other cases.

Generally, all disciplinary action will be appropriately documented in an effort to protect the rights of all parties, and to create a history of the events and responses that led to disciplinary action. Under all circumstances, a member of executive leadership and the General Manager will determine the course of action best suited to the situation.

10.1 Corrective Counseling

Corrective counseling will be initiated when the General Manager has reasonable evidence or belief that an employee performance problem can be resolved through counseling and training. The General Manager has complete discretion on the decision to engage corrective counseling in response to an employee performance issue.

Corrective counseling is intended to be sequential, but the General Manager, with the agreement of executive leadership or resource center support, may go to the step in the process that is most responsive to the situation in a given case.

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- a. Verbal Counseling Step One – This is the first step in the corrective action process. The General Manager will conduct initial intake to determine the problem. Problem assessment may include review of job descriptions, duty assignments, and discussion with the appropriate supervisor to determine the nature and severity of the problem. Employee performance reviews from prior years may also be reviewed. Once completed, the General Manager will meet with the employee and provide counseling specific to the performance issue. Counseling will include specific directions on behaviors that must be modified, or cease.
- b. Verbal Counseling Step Two – If the employee fails to improve after initial verbal counseling, the General Manager will meet with the employee, and present them with a written description of the problem, the seriousness of the concern, and explain the consequences of continued failure to perform up to GADABOUT standards. Consequences of failure to improve performance include written warning, administrative leave without pay, or termination. The employee will review the document with the General Manager during this meeting, be given the opportunity to ask questions or state a plan for improvement. The General Manager and employee will sign and date the written description provided to the employee, and make a copy to retain for company records as proof of the meeting and its content.

- c. Written Counseling – In the event an employee fails to improve after the first two steps of verbal counseling, the employee shall receive a written warning from the General Manager. The written warning shall include a description of the issue, the steps taken and direction provided during the verbal counseling process, and the indicators of employee failure to improve.

The document will also state clearly what steps must occur for the employee to demonstrate performance improvement. This will include specific actions, dates for completion, and any training or other things required by the company.

The written warning shall also specifically state which action will follow if the employee fails to improve after receiving written warning, administrative leave without pay, probation, or termination. Written counseling will become part of the employee personnel file. The General Manager reserves the right to remove the written warning from the file under appropriate circumstances.

The General Manager, or designee, will deliver this letter to the employee in a meeting scheduled strictly for this purpose. The employee will sign one copy of the letter and return it to the General Manager for retention in the personnel records. One copy of the letter will remain with the employee to take from the meeting. Any employee refusing to sign the letter will have this fact noted by the General Manager, or designee, handwritten on the letter indicating the date, time and location of the meeting, along with a statement regarding the refusal to sign. Refusal to sign may be factored in by the General Manager and the executive leadership team, when assessing the need for termination in this case.

The formal letter becomes part of the employee file and shall remain there. All employee files are kept in the office of the Director of Operations.

All follow-up meetings with the General Manager will be documented and made part of the employee file.

- d. Suspension – A one-week suspension may be justified when circumstances arise, or serious incidents occur that involve the employee and it is in the best interests of Gadabout to allow it. Suspension is warranted when employee or client safety, welfare or morale may be adversely affected. Suspension notice is provided in person, if possible and includes a written counseling report setting forth all circumstances surrounding the decision to suspend.
- e. Termination - When appropriate, the company may proceed directly to termination. Involuntary separation from employment will follow Gadabout procedures for termination. Terminations are treated as a qualified, need to know confidential matter, and parties to the action are required to behave as professionals, with courtesy and respect for one another.

The General Manager, the Director of Operations and an Owner shall ensure all termination procedures are fairly and consistently applied, and after appropriate efforts have been made to preserve employment. Gadabout reserves the right to proceed directly to termination, as is their right with “at will” employment, and as circumstances require for egregious, unsafe or unethical behavior.

9.1.1. Resignation

An employee who desires voluntary separation from Gadabout, regardless of employee status, is expected to provide as much advance notice as possible. Gadabout requests two weeks (10 business days) notice prior to the last day of work for the employee.

When it is in the best interests of the company, Gadabout management may require immediate separation for the employee seeking to resign. Any payment due to the employee will be provided to the employee that day, prior to their exit from Gadabout premises, or mailed to the last known delivery address when in-person delivery is not possible.

When possible and appropriate, based on business necessity, Gadabout requests staff in leadership roles four weeks notice prior to separating from employment with the company. While compliance with this section of the policy is discretionary on the part of the employee, this request may be made depending on the role in the company and its effect on the flow of business.

9.1.2. Dismissal

An employee may be discharged for substandard performance, including job abandonment. The General Manager shall complete the corrective action cycle, as appropriate to the circumstances, and provide the employee with the underlying reasons for termination. Documentation provided by the company shall include, at a minimum: reasons for separation. Other information may be included such as performance history, corrective action, alternatives explored, and any additional, relevant information.

An employee may be dismissed for misconduct that is detrimental to the company. This includes theft of property and resources, insubordination, conflict of interest, willful disregard for company interests or policies, and using any company property or influence in any way for personal influence or financial gain.

9.1.2.1. Examples of Behaviors

This list below is for example only, and is not exhaustive of actions or circumstances that can invite corrective action and termination.

- a. Minor violations are less serious acts or behaviors that have a negative effect in the workplace. A negative effect may be anything that disrupts continuity, decreases efficiency in the workflow, affects workplace safety, and diminishes collegiality and professionalism in the office environment. Actions and behaviors that typically lead to corrective action or progressive discipline tend to be more serious. Some examples include:
 - Excessive tardiness
 - Unsatisfactory performance
 - Defacing company property
 - Interfering with or distracting other employees and their work
 - Excessive absenteeism
 - Using work time and resource for personal matters, including side businesses
 - Failure to follow company policy for absences
 - Intoxication from alcohol or illegal drugs at work or on Gadabout premises
 - Actions or consequences from outside of work behaviors that affect any aspect of Gadabout, including company credibility and good will in the community
 - Unresolved personal conflicts with co-workers
 - Unresolved issues with personal hygiene and appearance while in the workplace

9.2. Final Pay Procedures and Employment Information

Employees who have resigned or been terminated must contact the Resource Center to arrange receipt of the final paycheck. All debt owed to the company will be deducted from the final paycheck.

If Gadabout receives inquiries into an employee's prior employment with the company, the only information released will be dates of employment and the position last held with the company and eligibility for re-hire. Any information beyond that must be specifically authorized by the employee, in writing and include the specific information Gadabout is authorized to release beyond the information cited above.

10. Recruitment and Selection

Gadabout is an equal opportunity employer. Hiring is completed based on recruitment and selection for open positions, based on established job descriptions. Applicants invited for interviews are vetted based on qualifications and education that is most relevant to the position advertised.

Applicants moving forward in the recruitment process may be asked to complete pre-employment tests that are relevant to the open position. Job offers are conditional, based on successful background checks. Gadabout reserves the right to contact prior employers as part of background checking prior to a job offer, as listed on the job application. When appropriate and relevant to a position within the company, Gadabout shall pay for the costs of the post-offer, pre-employment drug tests. Applicants who fail either the background check or the post-offer/pre-employment drug test will not be invited to start work with Gadabout.

Immigration Law Compliance

Gadabout is committed to employing individuals who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986 (IRCA) and the Arizona Legal Workers' Act, each new employee must complete the Employment Eligibility Verification Form I-9 and present documentation establishing her or his identity and that she/he is legally employable in the United States. The Legal Arizona Workers Act requires Arizona employers to use the Federal E-Verify employment verification system to verify the names and identification documentations of all new employees

Former employees who are rehired are also subject to these requirements. Employees are responsible for maintaining their employment eligibility while working at Gadabout.

10.1. Employee Training Period, Probation

Employee Training Period

Gadabout provides its own paid training for all persons hired into the company. Training is customized to each position in the company. This training period includes all education and skills development needed for a person to be successful in their specific job. The details of each training are determined by the position being filled. This training period extends from the first day of work until complete for a given position within the company.

Probation

All persons hired are under a six (6) month probationary period. This period is to allow both the employee and Gadabout to evaluate the quality of the fit between the employee and the company, performance and skills development under training. Nothing about the presence of a probationary period negates or supersedes at-will employment status of any employee at Gadabout.

Persons on probation accrue benefits from the first day of employment with Gadabout. Employees will have access to any benefits accrued after they reach the threshold described for that benefit. Earned Paid Sick Time may be accessed after 90 days of employment, per Arizona Statute.

Probation may be applied to persons who are reemployed, promoted, demoted, or laterally transferred. Results of the probationary period may be successful completion, extension of the period, or termination of employment.

The probationary period allows an employee time to become proficient in the basic responsibilities of a new position and permits the supervisor to assess the individual's performance. The employee and supervisor are encouraged to communicate frequently during the probationary period.

If the educator or supervisor determines that performance indicates that the employee cannot accomplish the job or if the supervisor determines that the individual's behavior is unacceptable, Gadabout may terminate employment at any time during the probationary period.

An employee may resign during a probationary period. Advance notice is not required but employees are encouraged to notify the department head in advance, when possible, to allow for a smooth transition.

Probation may be reasserted when a staff member is promoted, and endure for the same time period as the initial, new hire probationary period. Gadabout reserves the right to reinstate the employee to the position last held prior to the promotion if the person fails to pass probation after promotion.

10.2. Anniversary Data

Each employee at Gadabout has an anniversary. The date of the anniversary is the first day of employment. The anniversary date is significant for performance evaluation, and for accrual of specific company benefits.

Specific anniversaries trigger different benefits, from one (1) year employment benefits to 10 years and beyond benefits. Each increment includes different benefits. Employees will be provided specific information at each significant anniversary when a change in existing additional benefits accrues to them. Questions regarding anniversary-based benefits should be directed to a General Manager or the Operations Director.

10.3. Employee Status and Classification

The federal Fair Labor Standards Act (FLSA) categories for employees are:

Exempt Employee

Refers to those employees who are classified as not subject to the minimum wage and overtime pay provisions of the FLSA.

Non-Exempt Employee

Refers to those employees, regardless of title or function, who are not exempt from the minimum wage and overtime pay provisions of the FLSA. All employees who do not meet the qualifications for exemption are included in this category.

10.4. Training Period (Mandatory)

Training while at Gadabout is separate from any aspect of probation, as that term is described in this policy. Gadabout provided training is developed to teach each employee the technique and standards required to be successful at work. New employees must successfully complete each training module to continue to work at Gadabout.

10.4.1.Regular, Full-Time

Regular, full-time employees work a normal schedule, 64 or more hours per pay period. They work on a regularly scheduled basis, after completing mandatory training period status. Earned paid sick time, per statute (EPST) is earned on a pro-rata basis, depending on the hours worked. This applies to all other PTO offered at Gadabout. EPST is separate from all other PTO offered by Gadabout, and may be accessed after 90 days of employment, per Arizona statute.

10.4.2.Regular, Part-Time

Staff hired to work at least twenty-five (25) hours each week accrues paid time off starting with the first day of employment and are eligible to take it upon successful completion of six months of employment. Earned paid sick time is separate from regular Gadabout Paid Time Off, and per statute (EPST) is earned on a pro-rata basis, depending on the hours worked. This applies to all other PTO offered at Gadabout. EPST may be accessed after 90 days of employment with Gadabout, per Arizona statute.

10.4.3.Temporary

Temporary employees are hired for a period of time not to exceed three months. Temporary employees are not entitled to regular benefits. An extension of a temporary work classification for an additional three-month period, or less, may be granted provided the program director finds the extension necessary and appropriate for company needs. A temporary employee may be full-time or part-time. Students and summer workers may fall into the temporary employee status.

11. Compensation and Benefits

11.1. Compensation

Payment of wages will be made based on the information submitted on the time cards and submitted time sheets. Each employee is solely responsible for the creation and confirmation of the accuracy of their time cards or timesheet before it is submitted.

Mandatory payroll deductions will be made from every employee's gross wages: federal income tax, social security tax (FICA), Medicare and Arizona State tax.

Each employee must fill out a sign a federal withholding allowance certificate (IRS Form W-4) on or before the first day of work. The form must be completed in accordance with federal regulations. An employee may fill out a new W-4 at any time when circumstances change.

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Employees who paid no income tax for the preceding year may fill out an Exemption Form Withholding Certificate (IRS Form W-4E). Employees are expected to comply with the instructions on the W-4. Questions regarding the propriety of claimed deductions may be referred to the IRS in certain circumstances.

Every employee will receive an Annual Wage and Tax Statement (IRS Form W-2) for the preceding year on or before January 31. Any employee who believes that his or her deductions are incorrect for any pay period, or on the W-2 must check with the Resource Center.

State and federal law requires proper deductions be made, to comply federal tax and labor laws. Amounts withheld vary according to how much the employee earns, marital status, and the number exemptions claimed. Required deductions include:

- Social Security (FICA)
- Federal Income Tax
- State Income Tax
- State and Federal Income Tax Liens

11.2. Benefits

11.2.1. Insurance

Gadabout provides the following benefits:

Medical Insurance Benefit

Gadabout contributes 50% of the cost of the company Base Medical Plan for employee only coverage, for full-time, benefit eligible employees. This contribution amount is applied to any level of coverage on the company medical benefit plans.

Important specifics include:

- Full-time Benefit Eligible employees become eligible on the first day of the month after 60-days of completed employment, while maintaining documented, minimum worked hours of 60+ hours bi-weekly, and minimum worked hours of 130+ hours monthly. This benefit will continue uninterrupted if the employee continues to maintain “documented” worked minimum hours of 60+ hours weekly, with minimum worked hours of 130+ hours monthly.
- “Documented” work hours are those recorded in the company SalonBiz program for timekeeping, with the employee clocking in and clocking out every day that is worked. NOTE: All employees are required to clock in and clock out every day that they work.

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- A notification to discuss benefits will be sent to the employee from the Gadabout/VerVe Resource Center, with directions enclosed that each employee must follow once an employee is eligible
- Schedule changes that affect the number of hours worked that rise to the level of a life change event, and affect eligibility, require action on the employee's part to maintain their benefits outside of those offered by Gadabout

Annual open enrollment is conducted in August and September each year. Changes to status within a benefit year that disqualify an employee from company-sponsored insurance must seek their own insurance for coverage until the next open enrollment period.

Continuation of Insurance Coverage (COBRA)

Employees who participate in Gadabout medical, dental or vision insurance while employed will be offered the opportunity to continue after termination of employment, for the prescribed period of time as described under the COBRA law. An employee electing to continue coverage must pay 100% of the premium charged for the elected coverage, plus an administration fee. Procedures for accessing this benefit will be discussed at the time of separation from Gadabout, or sent via regular mail. All questions regarding this benefit should be directed to the Resource Center.

Dental and Vision Insurance Benefit

Group plans are available similar to the Medical Benefit detailed above. An employee must work twenty (20) hours, properly clocked in/out weekly, and 100% of the cost for the insurance is paid by the employee for this insurance only. This payment is made through payroll deduction. Employees must follow all directions provided with the Resource Center provided packet.

Short- and Long-Term Disability, Life Insurance, Pet Insurance

Information on this insurance benefit is available to each employee, and is provided in the Resource Center provided packet. Employees must follow the instructions provided to establish this benefit.

401K Pension Plan Benefit

Employees who have worked for the company for one (1) full year become eligible to participate in the Gadabout 401K Pension Plan Benefit. A notification to discuss this benefit will be sent to eligible employees from the Resource Center. Employees must follow all of the directions provided to them by the Resource Center, and must be 18-years old to participate.

11.2.1.1. Military Leave

Gadabout complies fully with the requirements under the Uniformed Services Employment and Reemployment Act (USERRA). Leave is available for active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, and for examinations for determination for fitness for any such duty. Total military leave taken may not exceed five years during employment, except in special circumstance.

Advance notice for leave under this section is required. Accrued vacation will be paid during military leave, at the employee's request. Health plan continuation coverage can be arranged for up to 18 months during military leave if the employee makes the required payments. Failure to return to work, or to reapply within applicable time limits may result in termination.

Employees may be able to take 26 weeks of unpaid leave for the care of an injured military family member, or to deal with exigent circumstances caused by a National Guard member being called into active duty.

11.2.1.2. Medical Certification

Any request for medical leave for an employee's own health condition, or any reason required for FMLA qualification, must be supported by medical certification from a health care provider. Gadabout requests employees provide at least 30 days advance notice of the need for leave, when possible. Medical certification must be provided before the leave begins.

In all other cases, medical certification must be provided within 15 days of the first day on which leave is requested. Failure to provide medical certification within 15 days will result in denial of the request, until certification is provided. If the employee requires an exception to the 15 day rule, the employee must inform Gadabout management of any efforts to comply and request a time extension.

Failure to acquire certification will result in the leave taken considered leave without authorization. Leave without authorization may subject the employee to corrective counseling or discipline.

Proper Medical Certification

Acceptable certification includes:

- The date the serious medical condition started
- The probable duration of the condition
- Provider's estimate of time needed to treat the condition

- A statement that the employee is unable to perform the tasks and duties of their job because of this condition

Gadabout reserves the right to seek a second opinion, and a third when disagreement between the employee's health care provider and the Gadabout second opinion disagree. These additional opinions will be at Gadabout's expense.

Return to Work

Gadabout requires return to work documentation before allowing the employee to resume work after absence for medical needs. Documentation must include a release to return to work, and list any restrictions (if any) and the duration of any restrictions. Employees returning from work after FMLA protected leave are entitled to reinstatement to it or a comparable position, consistent with applicable law. This does not require Gadabout to greater rights than they had at the time leave was taken.

11.2.1.3.Jury duty

The company recognizes the importance of attention to civic duty. If an employee receives notice to serve as a jury member or a witness in a trial, the employee is required to notify the General Manager or supervisor, in a timely fashion.

11.2.1.4.Family Medical Leave Act Leave

The Family and Medical Leave Act of 1993 (FMLA) is a federal law that requires employers of a certain size (50 or more employees) to allow employees to take job-protected leave in certain situations. FMLA leave may be paid, unpaid, or a combination of paid and unpaid time, depending on the circumstances of the leave and as specified in this policy.

Gadabout complies with federal and applicable state requirements for providing eligible employees with up to 12-weeks of FMLA leave per rolling calendar year for the following reasons:

- Incapacity due to pregnancy, prenatal medical care, or childbirth.
- To care for the employee's child following birth, or placement of the child with the employee for adoption or foster care.
- To care for the serious health condition of the employee's spouse, child, or parent.
- The employee's own serious health condition that renders her/him unable to perform her/his job.

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- To address certain qualifying exigencies in connection with the “covered active duty” or “called to covered active duty” status of the employee’s spouse, child, or parent (for example, to attend certain military events, to arrange for alternative childcare, to address financial and legal arrangements, to attend certain counseling sessions, or to attend post-deployment reintegration briefings).

Qualifying exigency leave may be taken on an intermittent basis. A rolling year begins with the first day of usage through one year from this date.

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Special Military Family Leave Entitlement

Amendments to the FMLA, under the National Defense Authorization Act (NDAA), also provide up to 26 weeks of unpaid leave during a single 12-month period for eligible employees to care for a covered service member under certain conditions:

A covered service member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

The FMLA definitions of “serious injury or illness” for current service members and veterans are distinct from the FMLA definition of “serious health conditions”. The definition of a serious injury or illness for current service members includes an injury or illness: (1) that was incurred by the covered service member in the line of duty on active duty that may render the service member medically unfit to perform the duties of her or his office, grade, rank, or rating or (2) that existed before the beginning of the member’s active duty and was aggravated by service in the line of active duty in the Armed Forces. In the case of a veteran, serious injury or illness may include an injury or illness that was incurred or aggravated by the member in the line of duty on active duty in the Armed Forces and manifested itself before or after the member became a veteran.

Eligibility

FMLA leave is available to regular full-time, regular part-time, and temporary employees who have completed at least 12 months of service with Gadabout and have worked at least 1,250 hours within the 12-month period immediately preceding the beginning of the leave; employees are eligible if at least 50 employees are employed by the company within a 75-mile radius.

Employment at Gadabout may be counted toward meeting the service requirement for eligibility, provided that no more than a three-month break in employment passes between any two periods of service. Leave may generally be taken at any time consistent with the reason for requesting leave.

Leave Usage

An employee does not have to use the leave in one block of time; leave may be scheduled intermittently or on a reduced leave schedule when medically necessary. The employee must make reasonable efforts to schedule leave for planned medical treatments so as not to unduly disrupt the company’s operations.

Substitution of Paid Leave

Employees may elect to utilize available paid time off while taking FMLA leave. Employees must comply with the company’s normal paid time-off policies when using paid leave during FMLA leave. Any periods of paid time off shall run concurrently with FMLA leave.

Benefits and Protections

During FMLA leave, Gadabout will maintain the employee’s health coverage under the group health plan and the same terms as if the employee had continued to work.

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Use of FMLA leave will not result in the loss of any employment benefit accrued prior to the start of the employee's FMLA leave.

Upon return from FMLA leave, most employees will be restored to their original (or equivalent) positions with equivalent pay, benefits, and other employment terms.

Employee Responsibilities

Employees must provide 30 days' advance notice of the need to take FMLA leave when the leave is foreseeable. When 30 days is not possible, the employee must provide notice as soon as practicable and must generally comply with Gadabout's normal call-in and reporting off procedures.

Employees must provide sufficient information for the company to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Gadabout Responsibilities as the Employer

Gadabout will inform the employee requesting leave whether she/he is eligible under FMLA. If she/he is eligible, the notice will specify any additional information required as well as the employee's rights and responsibilities. If the employee is not eligible, Gadabout will provide a reason for the ineligibility.

Gadabout will inform the employee if leave will be designated as FMLA protected and the amount of leave counted against the employee's leave entitlement. If the company determines that the leave is not FMLA protected, Gadabout will notify the employee.

Unlawful Acts by Employers under FMLA

FMLA makes it unlawful for any employer to:

Interfere with, restrain, or deny the exercise of any right provided under FMLA.
Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for getting involved in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

FMLA section 109 (29 U.S.C. 2619) requires FMLA covered employers to post notice of FMLA.

11.2.1.5. Worker's Compensation

Gadabout carries workers' compensation insurance coverage, as required by law. This insurance protects employees who are injured during the course and scope of their employment with Gadabout. The Industrial Commission of Arizona is the state agency responsible for administration and enforcement of state laws related to the protection of the life, health, safety and welfare of Arizona employees. The process for assessing a given workplace or work related injury is undertaken by the agency, working with the injured worker.

Workers' compensation is a "no fault" system in which injured workers receive medical and compensation benefits no matter who causes the job-related accident. If an illness or injury is job-related, the injured worker (also known as a claimant or applicant) receives medical benefits and may receive temporary compensation, **if eligibility requirements are met**. In some cases, a claimant may also receive permanent compensation benefits and "job retraining."

Workers' compensation generally covers injuries and illnesses that occur in the course of employment. Any employee who sustains an injury or illness in the course of employment must immediately report the incident and any absence related to the incident to her/his General Manager, or as soon as possible.

It is critical that all injuries are reported to Gadabout management or a supervisor, immediately after the injury occurs and all necessary care has been administered to the injured worker. Immediate response may include sending the injured employee to an occupational medicine facility to document the injury as near in time to the incident's occurrence.

Both timeliness and completeness is important, and a full injury report must be filed with the Resource Center.

Information that must be provided by the employee and/or witness includes:

- Date, time and location of injury
- If the employee stopped working immediately, and when
- If the employee reported the accident at the time of injury, and to whom
- Did the employee return to work immediately? If not, when?
- Persons who saw the accident
- If accident was caused by another person
- Name of the tool, equipment, or machine that cause the accident
- Complete statement of how the accident happened, with details
- Description of the body part injured, and description of the injury

For more information, go to ica.az.state.us

11.2.1.6. Earned Paid Sick Time, Arizona Fair Wage and Healthy Families Act

Gadabout follows all applicable laws for protected leave status for workers requiring an absence based on medical needs. The Arizona Fair Wage and Healthy Families Act requires employers to offer employees paid sick time under qualifying conditions. Gadabout refers to this as Value Paid Time Off - VPTO.

Gadabout's process for requesting use of earned paid sick time is as follows:

1. Employees must provide advance notice to their salon manager, or supervisor not less than two weeks in advance for known, planned need for access to available, earned paid sick time.
2. Employees must provide notice as soon as they know they will be absent for a same day absence, providing notice directly to their salon manager, or supervisor. Notice must be by telephone. Text messages, email or use of social media for notice of a same day absence is not considered proper notice for a same day absence.
3. Employees choosing take time off for elected medical procedures are required to provide 30 days notice of the need to be away from work. Any notice less than 30 days will not be considered proper notice.

Employees can begin accruing earned paid sick time at the commencement of employment or July 1, 2017, whichever is later. Earned paid sick time is sick time accrued by an employee that is compensated at the same hourly rate and with the same benefits, including health care benefits, as the employee normally earns during hours worked.

Employees may use earned paid sick time for themselves or for family members (see Arizona Revised Statutes § 23-373 to see who qualifies as a family member), after properly following the Gadabout request for EPST as detailed above and in the following circumstances:

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- Medical care or mental or physical illness, injury, or health condition;
- A public health emergency (see Arizona Revised Statutes § 23-373 for more information about what qualifies as a public health emergency); and
- Absence due to domestic violence, sexual violence, abuse, or stalking.

Employees accrue a minimum of one hour of earned paid sick time for every 30 hours worked, but they are not entitled to accrue or use more than 40 hours of earned paid sick time per year.

Gadabout will give employees written notice of the following at the commencement of employment or by July 1, 2017, whichever is later:

- Employees are entitled to earned paid sick time;
- The amount of earned paid sick time that employees are entitled to accrue;
- The terms of use guaranteed by Arizona's earned paid sick time laws;
- That retaliation against employees who request or use earned paid sick time is prohibited;
- That each employee has the right to file a complaint if earned paid sick time is denied by the employer or the employee is subjected to retaliation for requesting or taking earned paid sick time; and
- Contact information for the Industrial Commission.

Gadabout must also provide employees either in or on an attachment to the employee's paycheck:

- The amount of earned paid sick time available to the employee;
- The amount of earned paid sick time taken by the employee to date in the year; and
- The amount of pay time the employee has received as earned paid sick time.

Non-exempt employees rate of accrual will be based on hours actually worked. An employee who is exempt under the Fair Labor Standards Act is presumed to have worked 40 hours per workweek, unless the employee's normal workweek is less than 40 hours (in which case accrual of earned paid sick time is based on the employee's normal workweek).

Persons already employed by Gadabout on July 2, 2017 may access accrued leave as it is earned. Gadabout requires employees hired after July 1, 2017 to wait 90 calendar days after the start of employment before using accrued earned paid sick time. Employees earn paid sick time upon starting work with Gadabout, but may only access it according to the terms and conditions noted above.

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When foreseeable, the Gadabout employee must make a good faith effort to provide notice of the need to use earned paid sick time in advance and should schedule the leave in a manner that does not unduly disrupt business operations. Requests to use earned paid sick time may be made orally, in writing, by electronic means, or by any other reasonable means. When possible, the request to use earned paid sick time must include the expected duration of the absence, and made directly to the direct supervisor.

Earned paid sick time is accrued according to the formula established by the statute. An employee earns one (1) hour of earned paid sick time for each 30 hours actually worked. Employees are entitled to 40 hours of earned paid sick time per anniversary year, and may accrue only 40 hours per year.

If an employee has some earned paid sick time remaining at the end of the Gadabout fiscal year, Gadabout will pay out any unused balance on the individual employee's anniversary. Upon pay out of the unused balance, the employee reverts back to zero and begins a new accrual cycle for the following anniversary year.

Where no specific law applies, medical leave may be provided for Gadabout employees for absences related to medical needs, or any other medical reason due to personal illness or injury. Employees must make a request to management for medical leave in writing and in advance of the requested time away from work.

Management has the right to exercise discretion in this case when granting medical leave, and will assess each request on a case-by-case basis. Where medical leave is provided in those instances that are not covered by federal and state law, return to work is contingent upon documented medical release to return to work. The medical providers note or letter must include the expected dates for return to work, and any restrictions that may apply upon return to work. This provision will be automatically in effect for absences longer than 3 business days.

Accrual of seniority and benefits will continue for thirty (30) days of an approved leave of absence. Employees are required to continue payment of any required contributions for insurance benefits during the leave period. Employees returning from leave will be reinstated without loss of seniority earned prior to the commencement of leave.

Coordination of Benefits

Gadabout will provide coordination of benefits. Accrued vacation and personal leave benefits shall be paid during a leave of absence, but such pay shall be coordinated with any state disability or other wage replacement benefits the employee is eligible and entitled to.

Notification Requirements

Employees are responsible for providing information, in writing, as soon as they know the need for a leave of absence:

1. Reason for the need for a leave of absence, without providing personal medical information
2. Expected dates of the absence, including return to work
3. Medical documentation supporting the request for leave

Employees are required to sustain communication with management at least every thirty (30) days, providing updates on the status of their leave, expected date of return to work, and confirmation of expectation to return to work when the approved leave expires.

If there is a change in any of the circumstances of the approved medical leave requiring an extension of leave, employees must notify management immediately. This notice needs to include the new expected date of return, and any supplemental medical documentation confirming the need for the extension.

Employees must request payment for use of EPST by following the Gadabout online pay request process. Please visit gadabout.com/employees and use the Payroll Request Form. The employee must submit the request in writing to the payroll department, and must be specific on how many days or hours requested. The payment for any available EPST will be paid on the next paycheck.

11.3. Business Expense Reimbursement

Expenses incurred on behalf of the company can be reimbursed when a member of Gadabout management or an owner authorized the request for the purchase. All purchases made must include a receipt for reimbursement to occur. Proof of pre-authorization may be requested when purchases exceed \$100.

11.4. Gadabout Special Benefits

Home Care and Excellence Commission Benefit

Home Care and Excellence Standards for this commission benefit are set per Technical Department Skill Sets. Department Skill Sets will be discussed and given to the employee at the time of hire, or upon graduation in the department of technical expertise. Gadabout/VerVe Desk Staff do not participate in a salon's Home Care and Excellence Benefit.

This Home Care benefit is paid monthly on a separate payroll. The Excellence Bonus is paid quarterly. Eligibility for this benefit, the employee must be a current/ active employee at the time of payroll preparation, and payroll pay date. Gadabout reserves the right to alter the percentage of commission for this benefit at any time.

Employee Purchasing Benefit

Home Care products are sold to guests, and may be purchased by an employee at discounted prices. Employees must see the General Manager for discount breakdowns. Purchases are payable at the time of purchase, or by a one-time payroll deduction. Professional products are not available for purchase unless they are specifically ordered and purchased directly from the DC and dependent on vendor agreements. Professional products for salon use are never removed from a salon. Any removal of any product from any salon is considered theft, unless specific approval is given by a manager to do so.

Advanced Technical Education Benefit

Gadabout provides a wide range of advanced education classes throughout the year, at no cost to employees. This benefit is purely for educational enrichment and it not a condition of employment. Any employee is free to attend classes, or not. Attendance is purely voluntary, and is not compensable, work time.

12. Conflict Resolution

Gadabout encourages appropriate conflict resolution at the lowest appropriate level. When conflicts between staff cannot be resolved at the salon level, staff or managers may request assistance with the conflict. The executive leaders may engage in a conflict resolution process, or engage an objective, third party to address the issues and move the conflict to solution. All parties to conflict resolution are expected to be truthful, courteous and cooperative throughout the process, and participate in the solution in a good faith way.

13. Education and Training

Gadabout provides extensive and proprietary training to all staff as part of employment with the company. Additional training beyond the initial training period to become qualified up to the standard determined by Gadabout is offered as a matter of optional professional development.

Any Gadabout provided training that is optional is offered as a matter of personal and professional enrichment. As such, it is not considered work time and is not considered a factor in performance evaluation. All staff members are encouraged to attend advanced technical training, but are not required to as part of their job performance. Gadabout invests time in educating employees as a supportive way to help employees build their business, retain guests, and encourage success for employees in all aspects of their career.

13.1. Employee Meetings

In salon meetings are held monthly, unless otherwise noted. Schedules are posted in each staff room. Employees are expected to arrive to meetings on time and ready to participate. Meetings may include general information, product knowledge, current events, professional techniques, and other business related content.

13.2. Smoking in the Workplace

Gadabout is a non-smoking business, and is committed to a non-smoking, safe and healthy environment for guests and employees. Any smoking from any device, whether traditional or electric, is allowed only in designated smoking areas, 20 feet from any entrance or exit, in compliance with state law. All persons engaging in smoking during work hours and on Gadabout premises are expected to clean up after themselves and dispose of all trash safely and prevent any fire hazards.

13.3. Solicitation on Company Property and Company Time

No employee, at any time, is allowed to solicit for any product, charity, or personal interest while on work time, or Gadabout premises unless, and only with prior approval from Salon Leader (Girls Scouts cookies, wrapping paper, fundraisers, for example). This prohibition on solicitation applies to other Gadabout employees, guests, vendors or other persons associated with the company.

13.4. Employee Parking

Staff parking is designated at each salon, and is separate from guest parking. Employees are asked to check with the General Manager at each salon to determine which areas are designated for employee parking.

13.5. Staff Safety

All staff members are asked to be safety conscious. If an unsafe practice or condition is present in the workplace, employees are asked to bring it to the General Manager's attention.

All employees are asked to become familiar with locations of fire alarms, fire escape routes and fire extinguishers. Any accidents involving a guest must be immediately reported to the salon General Manager, or the Desk Leader.

13.6. Loss Prevention

All staff members are requested to remain alert and aware to help prevent losses in the salon. Losses include revenue from product and services, time, or personal injury to either guests or staff. Suspicious behavior, dishonesty, collusion, fraudulent entries into books, failure to ring up sales, hazards and carelessness should be reported immediately to the General Manager.

Employees are not allowed to borrow or remove items or tools from any workstation, desk, office or room that do not belong solely to them. Gadabout is not responsible for employee's non-secured personal items left in any salon, or for damage or theft of personal items from facilities' parking lots.

13.7. Gadabout/VerVe Gift Cards Redemption

Gift cards are redeemable/valid at each separate business, only. Cards are honored for their dollar value.

13.8. Service Tickets

Gadabout has an audit policy that includes a ticket for every service, every time. This is the only accepted practice, without regard as to who receives the service (guest, family member, employee). All service tickets are entered though the salon software system.

13.9. Sales/Promotions/Discounts

All sales, promotions and discounts offered are equally divided between the salon and the staff providing the service.

13.10. Refunded/Redone Services

At the discretion of the salon manager, it may be necessary to refund a guest for services rendered, or ask another technician to re-do a guest. When this occurs, appropriate deductions/credits will be taken from/given to the employee who performed the corrective services. Deductions and credits will be based on the pricing structure of the technician performing the corrective services.

13.11. Personal Donations, Celebrating/Honoring a Guest

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All personal donations of service must be on a provided form. Employees must ask the General Manager for the form when providing a personal donation to any organization. Gadabout/VerVe does not pay service dollar commission on any personal donation of services.

When employees wish to celebrate or honor a guest via a discounted service, the employee must discuss this matter with the General Manager prior to the guest's appointment. The General Manager is the only person who can prepare the correct service ticket, and then the ticket policy can be followed.

14. Technical Licensed Staff

Licensed staff members are solely responsible for all action required for maintenance and renewal of their license to practice with the State of Arizona board of Cosmetology, and the Arizona Massage Board, every two (2) years. Staff found to be delinquent would be sent home and not allowed to work until they can provide proof of license renewal. Adequate proof includes printed receipts from online renewals, active status listed on the State Board web site, or the actual license itself.

Any extended non-licensed time could lead to termination from employment.

Licensed staff must comply with all State Board guidelines with regard to workstations, drawers, rooms, and all aspects of salon practice and the Ethics of Massage Practice. The employee will pay for any breach in compliance that leads to fines.

Any licensed employee who is working on an expired license that is discovered during a State Board inspection that leads to a fine assessed to Gadabout/VerVe, the employee will reimburse the company for all fees and fines assessed to the company by the State Board, up to \$250. Any fine that requires mandatory follow-up education in Phoenix, Arizona will be at the delinquent employee's time and expense.

By my signature below, I acknowledge I have been provided this policy manual and understand its provisions. I understand nothing in this policy or in my signature below affects my status as an at-will employee. I acknowledge this signature page will be copied and placed in my employment file as proof of receipt and understanding of this policy manual.

Name _____

Signature _____

Date _____ Employee Number _____

APPENDIX A: Gadabout Team Agreement

This team agreement is entered on this day _____ of _____, 20_____, (hereafter the Effective Date) by and between Gadabout, Inc. dba Gadabout SalonSpa or VerVe Salon (hereafter the Employer or Company), and _____ (hereafter You, Your or the Employee).

The Employer and the Employee may be referred to as The Parties.

In addition to all the terms and conditions of employment detailed in the *Gadabout and VerVe Policy and Employee Handbook*, including but not limited to Staff and Client Confidentiality, Conflict of Interest section, the Employee and the Employer also agree to the following:

1. RESTRICTIVE COVENANTS – NON-COMPETE AGREEMENT

- a. For the time period of 12 months following your departure from Company, You will not provide, either for Your own benefit or for the benefit of any third party, ***any type of Salon Service You provided during Your employment with the Company within a five (5) mile radius of the Company salon location, or locations, at which You were last employed.***
- b. For the time period of 12 months following your departure from Company, You shall not directly or indirectly, either for Your own benefit or for the benefit of any third party, solicit or encourage any Company employee to become employed by or work for any third party that provides Salon Services.

2. Remedies

The Employee acknowledges the promises contained in this agreement are reasonable and necessary for protect the Employer's legitimate business interests. The Parties agree a breach of any term of this agreement would cause harm to the Employer. In the event of a breach of this agreement, the Employer will have all rights available under the law, including the right to an injunction, specific performance and any other equitable relief, without any requirement to post a bond or other security, to prevent or redress the violation of the Employee's obligations under this agreement.

3. Affirmative Representation

The Employee represents and affirms the Employee is not under any obligations, contractual or otherwise, that conflict with or preclude the Employee's immediate employment with the Employer, nor will the Employee take on any obligations, contractual or otherwise, that would conflict with or preclude employment with the Employer.

4. Miscellaneous Provisions

- a. Waiver of Breach – Waiver by any party of a breach of any provision of this agreement will neither operate nor be construed as a waiver of any subsequent breach.
- b. Entire Agreement – This agreement replaces and merges all previous agreements and discussion related to any non-competition, non-solicitation, and all confidentiality obligations owed to the Employer by the Employee, and constitutes the entire agreement between the Employee and the Employer, with respect to related rights and obligations of either party. This agreement may not be modified or waived by prior written consent executed by an executive officer of the company.
- c. Severability – If any provision of this agreement is held by any court or arbitrator of competent jurisdiction to be invalid or unenforceable, the remainder of this agreement shall not be affected thereby, and shall continue to be given full effect without regard to that portion that was deemed invalid. It is the intention of the parties to this agreement that if any portion of the agreement is construed by any court to be invalid or unenforceable, the court shall modify the provision so that it becomes valid and enforceable, with the modified provision then be enforce.
- d. Governing Law – This agreement and rights and obligations of the parties hereunder, shall be governed and interpreted in accordance with laws of the State of Arizona, without giving effect to principles and provisions thereof relating to conflict or choice of laws and irrespective of the fact that the Employee is now or may become a resident of a different state.
- e. Employment At-Will – Nothing in this agreement not to compete shall have any effect on the Employee's status as an at-will employee of the Employer.
- f. Attorney's Fees – The prevailing party shall be entitled to collect from the non-prevailing party its reasonable attorney's fees and costs incurred in any litigation, arbitration or other proceeding.
- g. Successors and Assigns – The agreement shall inure to the benefit of the Employee's parent company and subsidiary entities, successors and assigns.

The Employer and Employee, intending to be bound by this agreement, execute this document as of the Effective Date.

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IN CONSIDERATION OF THE **TEAM AGREEMENT** AND AGREEMENT THAT THE ABOVE IS REASONABLE AND NECESSARY,

Today's Agreement Date _____

EMPLOYEE

EMPLOYER, GADABOUT, INC
dba Gadabout SalonSpas, VerVe
Salons, The Lifestyle LLC

Signature

Signature

Name (Print)

Name (Print)

Employee Number

It's (title)

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By my signature below, I acknowledge I have been provided this policy manual and understand its provisions. I understand nothing in this policy or in my signature below affects my status as an at-will employee. I acknowledge this signature page will be copied and placed in my employment file as proof of receipt and understanding of this policy manual.

Name _____

Signature _____

Date _____ Employee Number _____