

EMPLOYEE HANDBOOK



Service You Can See. Experts You Can Trust.

High Desert Oil Companies

Independent Licensee of Valvoline Instant
Oil Change Franchising, Inc.

January 1, 2020

Welcome to Valvoline Instant Oil Change

We are a company specializing in fast oil changes and fluid maintenance in cars and light trucks. The service we provide is unique in that **how** we do it is more important in the customer's eye than **what** we do.

Our success depends on how well we treat the customer, how we look, how fast and effectively we provide the service, and how good the customer **feels** when they have left.

This can be accomplished with these specific skills and attitudes which are the most important part of your job description:

- 1) A big smile and a big hello greets every customer every time.
- 2) A clean and neat personal appearance is what the customer sees first. **Look Good!**
- 3) The consistent cleanliness of the store is a must and leaves a lasting impression on each customer.
- 4) Getting each and every customer in and out quickly (in 10 to 15 minutes) will convince them to return.

We have a system, SuperPro 10®, to service our customers and the system is what you will be trained in and it is what we will use. Our customers know and expect that whenever they come in, their vehicle will be serviced in the same safe way every time.

Thank you for joining the Valvoline Instant Oil Change team.

Chris R. Malone
President

TABLE OF CONTENTS

INTRODUCTION	1
EQUAL OPPORTUNITY	1
HARASSMENT OF EMPLOYEES AND APPLICANTS	1
SUBSTANCE ABUSE	2
WORK DAYS AND WORK WEEK	2
PART-TIME EMPLOYEES.....	2
EMPLOYEE RECORDS	3
TIME RECORDS	3
PAY INFORMATION.....	3
ADVANCEMENT AND PERFORMANCE APPRAISALS	4
ATTENDANCE AND PUNCTUALITY	4
JOB SECURITY	4
DRESS CODE	5
SAFETY	5
PERSONAL BUSINESS	5
DISCIPLINE AND TERMINATION	6
BENEFITS	7
VACATION.....	7
PERSONAL TIME OFF (PTO).....	8
PAID HOLIDAYS	8
LEAVE OF ABSENCE	8
DEATH IN THE FAMILY	9

INTRODUCTION

The purpose of this booklet is to provide all employees with the common benefits, policies, schedules and work rules at High Desert Oil, Inc. and High Desert Oil NV, Inc. (High Desert Oil Companies) d.b.a. Valvoline Instant Oil Change (VIOC).

VIOC continually reviews its Employee Benefit Program and provides the best program that is available consistent with the needs of the employees and the ability of "VIOC to provide these benefits.

VIOC attempts to be as flexible as possible within its rules and regulations and to be consistent where necessary to maintain orderly operations.

It is important that you as an employee should know what VIOC is providing for you and your family and also what VIOC expects of you. In the event you need more information, ask your Supervisor.

We will always be ready and willing to help you when we can.

While VIOC believes wholeheartedly in the plans, policies and procedures set out in this handbook, they are not conditions of employment.

The handbook does not create an employment contract or term, nor does it limit the reasons for dissolution. It is simply a general guide to enable you to know what you can expect from your employer and what the employer and what the employer can expect from you.

Changes may be made from time to time without notice. Keep your handbook in a handy place so that you may refer to it when needed.

EQUAL OPPORTUNITY

VIOC is an Equal Opportunity Employer. Our employees are hired on the basis of qualifications for the job. Equal opportunity for training and promotion is provided to all employees regardless of their race, color, religion, sex, age, national origin, marital status, physical or mental handicaps, sexual orientation or political belief. Close relatives of employees are eligible for regular or temporary employment on a regulated basis.

HARASSMENT OF EMPLOYEES AND APPLICANTS

The law prohibits racial, ethnic, religious, age, disability, or sexual harassment of any employee or applicant. Illegal harassment includes such conduct as slurs, jokes, intimidation, or any other verbal or physical attack upon a person because of race, religion, sex, national origin, age, etc.

Sexual harassment is defined as unwelcome advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment.
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual.
- Such conduct interferes with an employee's work performance or creates an intimidating, hostile, or offensive working environment.

VIOC does not and will not tolerate such harassment. *Not only is such behavior offensive, it's illegal.*

Violation of any part of the policy is subject to disciplinary action, up to and including termination.

SUBSTANCE ABUSE

VIOC does not condone nor will it tolerate illegal drug use or abuse of alcohol or other legally-controlled substances by its employees. The risk that abuse has upon other employees, customers, and the communities in which VIOC operates is intolerable.

To protect the health and welfare of employees, customers, shareholders, and neighbors, VIOC has formulated the following policies and procedures:

- The unlawful manufacture, distribution, dispensation, possession, use, sale, or purchase of unauthorized or illegal drugs or substances, or the abuse or misuse of legal drugs or alcohol on VIOC premises, while on VIOC business or during working hours, is prohibited. Any violation is grounds for disciplinary action, up to and including termination.
- Any employee under the influence of drugs or alcohol while on VIOC premises, VIOC business, or during working hours is subject to disciplinary action, up to and including termination.
- Unlawful actions which discredit VIOC involving illegal drugs, controlled substances, or alcohol during non-working hours are grounds for disciplinary action, up to and including termination.
- A medical screen for drugs will be included as a condition of employment. Periodic testing for drug use may also occur.
- VIOC may require medical screens as a condition of continued employment if reasonable suspicion exists that an employee's work performance or safety is impaired by the use of drugs or alcohol.
- VIOC may inspect or search employees' possessions on VIOC premises to assure a drug-free work environment. If an employee is convicted of any criminal drug statute, he or she must notify VIOC within five days after such conviction.

Refusal to cooperate with any of these described procedures, including medical screens, may result in disciplinary action, up to and including termination.

VIOC may also require employees convicted of criminal drug statutes to satisfactorily participate in a drug abuse assistance or rehabilitation program or face disciplinary action, up to and including termination.

Note: Drug and/or alcohol dependence can be a serious medical problem. Employees who suffer from a drug or alcohol abuse problem are urged to acknowledge the problem. As appropriate, VIOC may provide employees who are not an immediate threat to property or the safety of others with the opportunity to seek medical assistance.

As a condition of employment, you will receive a copy of the **High Desert Oil Substance Abuse Agreement**. You will be required to sign an acknowledgement you have received the Agreement and will comply with the requirements contained therein.

WORK DAYS AND WORK WEEK

Our Service Centers are open 7 days a week. The basic work day varies depending on the needs of the service center, based seasonality, local market conditions or customer expectations. The basic work week is 40 hours. For Managers, the work week is dependent upon the needs of the service center. Instructions regarding any changes will be explained by your Supervisor.

PART-TIME EMPLOYEES

Any employee that works for less than 30 hours per week, shall be considered a part-time employee. Part-time employees do not qualify for employee benefits such as holiday pay, vacation day, personal time off or medical benefits.

EMPLOYEE RECORDS

Your address, telephone number, email address and information about your family status may be on record with VIOC. This is very important to you in case of an emergency and in connection with such things as Social Security, taxes and so forth.

Notify the Main Office immediately when changes occur, such as:

- Address or phone number
- Marriage, divorce, or legal separation
- Birth or death in immediate family
- Legal change of your name
- Beneficiary changes
- Any change in dependents
- Person to be notified in case of emergency

This information is kept in confidence by VIOC.

TIME RECORDS

VIOC uses computer-generated time sheets for payroll accounting. You are required to ensure that your time sheets are correct.

Erasures or handwriting on time sheets are to be made only by your Supervisor. If your time is recorded incorrectly, have your Supervisor make the necessary correction.

Falsification of time cards, including clocking on behalf of another employee or permitting another employee to clock your time will result in discipline up to and including immediate termination.

PAY INFORMATION

The company pays employees on a biweekly basis. The pay periods begin on Sunday (subject to change).

Included with your paycheck (paper or electronic) is a statement of your earnings, deductions, and your pay to date for the year. It is your responsibility to maintain these records.

Paychecks are distributed on Friday for the preceding pay period. In the event that payday falls on a holiday, paychecks will be distributed on the next weekday.

Your pay is based on an hourly rate and is computed as follows:

- Straight-time pay -- All hours worked up to 40 hours in any one week.
- Overtime pay -- Time and one-half for all time in excess of 40 hours in any one week. All overtime must be authorized by your Supervisor.
- Holidays – Any paid holiday is paid at straight-time rate of 8 hours (if an hourly employee)

Vacation and PTO are calculated as straight time.

In order to receive any bonus or incentive compensation, you must have been employed on the last day of the pay period or month for which the bonus or incentive pay is determined.

Deductions from final pay at termination (voluntary or involuntary), will be made for items owed to VIOC, such as uniforms, property damage, health insurance, tools, etc. If you have any questions about your paycheck, see your Supervisor for an answer.

ADVANCEMENT AND PERFORMANCE APPRAISALS

It is a policy of VIOC to advance interested and qualified employees to positions of greater responsibility and authority. VIOC also intends to pay a fair wage for all work performed.

When an employee is hired, there is an initial probation period of 90 days. After 90 days, a review of the employee's performance will be made to determine if the employee has met all goals.

Your personal file will be reviewed periodically, along with personal interviews with your supervisor to analyze your progress.

So that you may be correctly and fairly evaluated for pay increases and advancement, several categories will be examined such as:

- Performance
- Conduct
- Reliability
- Attendance
- Accuracy
- Progress
- General Attitude
- Length of Employment
- Knowledge

A formal performance evaluation will be conducted with each employee on a periodic basis. Since wage rates are generally set within the paygrade system, performance appraisals may, but are not intended to, immediately affect hourly rate changes.

ATTENDANCE AND PUNCTUALITY

Unless excused by your Supervisor, you are expected to be at work -- **on time**. "On time" is intended to mean you will be **dressed in uniform ready to work** at your scheduled start time. You are also expected to work during your entire scheduled shift.

Remember, you're employed because we need you, so please keep absences to a minimum.

If you are absent or late without your Supervisor's okay, disciplinary action may take place, up to and including termination.

If you are unexpectedly absent, **you** must **call** (text messages or email are NOT accepted) your Supervisor no later than 30 minutes after your scheduled shift was to begin. Notifications made by others on your behalf are not considered acceptable.

JOB SECURITY

Although we expect to provide steady employment, we cannot guarantee conditions will not, at certain times, require a reduction in our work force. If there ever comes a time when conditions force us into a layoff situation, job performance will primarily determine the order of layoffs unless special skills or experience are required. In cases where job performance, skill or experience are relatively equal, seniority will also be considered.

DRESS CODE

YOU represent VIOC to our customers. In a customer service business such as ours, a professional image is very important at all times. Therefore, VIOC requires that you follow our dress code.

You need to wear a clean uniform daily. These uniforms are supplied by VIOC.

Violations of the dress code policy can lead to disciplinary action, up to and including termination.

What you need to do . . . to comply with the dress code policy:

- Wear a neat and clean uniform shirt, pants or shorts and jacket (in season)
- Wear a bump hat and safety glasses for the bottom side and safety glasses at all other times.
- Wear a black belt with the buckle turned to the side or a Velcro closure.
- Keep your hair neat, clean and of reasonable length.
- Take off jewelry before reporting to work. Visible piercings **must** be removed during your shift, this includes, but is not limited to, jewelry worn on the nose, eyebrows, lips, tongue and ears.
- Visible tattoos which could be considered offensive, in management's sole discretion, must be covered during your shift.
- Wear black safety shoes with oil-resistant soles (VIOC has a supplier for appropriate shoes with payroll deduction).

SAFETY

It is the policy of VIOC to provide a safe and healthful workplace for all employees. You will be taught our safety policies as part of your SuperPro10 training.

Safety is a shared responsibility. Front-line supervision, management and employees are responsible for day-to-day implementation of the Safety Policy. All employees are responsible for practicing safety in day-to-day operations. It is the employee's responsibility to notify management of any injury or violation of safety policies immediately.

The elimination of all accidents is the primary goal of the Safety Policy. No accident is considered acceptable.

Note: Employees who violate safety procedures may be subject to disciplinary action, up to and including termination.

PERSONAL BUSINESS

Personal business during work hours is to be kept a minimum.

Personal mail or email is to be directed to your home. You cannot use the Service Center's mailing address or email address for personal use.

In addition, incoming and outgoing personal telephone calls are to be kept to a minimum. You must receive supervisor permission to make or receive personal calls during your shift.

Personal cell phone use during your shift is not permitted. Your cell phone may not be on your person during your shift.

DISCIPLINE AND TERMINATION

VIOC requires that its employees:

- Meet performance standards.
- Observe a standard of conduct that contributes to an orderly, positive and productive workplace.
- Come to work on time and work during the entire scheduled work shift.

In cases of poor performance, misconduct, or repeated absenteeism or tardiness, VIOC will use discretion to determine the appropriate disciplinary action. We may consider the following factors in our decision:

- The seriousness of the offense(s).
- The employee's past record.
- The effect of performance on customers.
- The handling of similar offenses in the past.

Whenever practical, VIOC will use a progressive disciplinary approach, which may include:

1. Personal counseling.
2. Written warning.
3. Probation or temporary suspension.
4. Termination.

However, for serious incidents of misconduct or in any other situations warranting disciplinary action as determined by VIOC, VIOC may immediately suspend or terminate an employee.

The list below contains examples of behavior that may lead to immediate termination. (This list is not all-inclusive; that is, it does not contain every behavior that can lead to termination. It is intended only as an example, and is not intended to grant any other additional rights to an employee.)

Examples of behavior that can lead to your immediate termination:

- Violation of any VIOC rule or regulation
- Unlawful discrimination or harassment
- Recurring tardiness, absenteeism, or both
- Absent without leave or failure to report off work properly
- Insubordination
- Failure to follow a supervisor's reasonable order
- Failure to perform a reasonable job assignment
- Failure to improve performance after warning
- False statements
- False information on records (including misstatements or omission on the employment application)
- Unauthorized disclosure of any confidential company information
- Coming to work under the influence of alcohol, drugs or other comparable substances
- Possession of alcohol, drugs, or other comparable substances
- Violation of VIOC's substance abuse policy
- Fighting with customers or fellow employees
- Arguing or being rude to customers
- Unauthorized use of company property or personnel

- Unauthorized work performed on personal vehicles or other vehicles both during and after working hours
- Willful destruction of company property
- Theft of cash, inventory or merchandise
- Borrowing money from the cash drawer for any reason
- Possession of a weapon while on company property or while on company business

Note: These are examples only and are not intended to represent a complete list of causes for immediate termination and do not constitute an employment contract. An employee may voluntarily terminate his or her employment at any time for any reason. Likewise, VIOC has the same right and may terminate any employee at any time for any reason. Furthermore, VIOC continually updates and reviews its disciplinary policies and procedures so that these and any other VIOC policies and procedures can be changed at any time.

BENEFITS

1. Group Insurance

The company may offer group medical benefits to eligible employees as required by the Affordable Health Act. This may include or exclude certain groups of employees. The company's participation in the financial cost of the plans is subject to change. Please consult your Supervisor about plans that may be currently offered.

2. COBRA

The COBRA plan provides the opportunity for terminated employees and certain eligible family members (such as spouse, divorced spouse or dependent children) to continue medical benefits after employment is terminated.

These benefits can be purchased at group rate for the period of time when coverage under the company plan would normally end.

3. Employee Discounts

All VIOC employees, including spouses and children living with you, may purchase oil changes and other services performed on their personal vehicles at the Service Center at 50% of the regular price. Other family members also receive a special discount on services, but they may not receive the 50% employee discount. The amount of the discount will be determined at time to time by management. No other discount may be taken with employee discount. Certain products or services are excluded from the 50% discount. Please ask your supervisor what discount (if any) apply to certain products.

VACATION

VIOC recognizes the importance of time away from work for you and your family. We strongly encourage you to take your annual vacation.

VIOC grants vacation based on your length of service. All full-time employees are granted paid vacation hours based on the following:

1. All full-time employees will earn 40 hours of vacation upon completion of 12 continuous months of employment.
2. All full-time employees with 24 to 60 months of employment will earn 80 hours of vacation upon completion of the previous 12 months of continuous employment.
3. All full-time employees with more than 60 months of employment will earn an additional 8 hours of vacation for each year employed over 5 years. The maximum additional hours of vacation is limited to 40 (120 hours of total vacation per year).

For purposes of vacation accrual, your hire date will be used. Eligibility date for employees that are rehired will be determined by Senior Management.

Earned vacation must be taken within 1 year of earning on your anniversary date. Unused vacation cannot be carried forward nor will you be paid for unused vacation.

After 12 months of employment, if you leave employment you will be paid for any accrued but unused vacation hours, but not to exceed the annual maximum.

PERSONAL TIME OFF (PTO)

After completion of 1 year of continuous full-time employment and each year thereafter, you will receive 40 hours of Personal Time Off (PTO). For purposes of PTO accrual, your hire date will be used.

PTO may be used to pay for unscheduled days away from work due to illness, injury or for personal reasons. PTO may also be used for **scheduled** days off during the 12 months following the year accrued.

If you leave employment, for any reason, you will **not** be paid for PTO accrued but not used. All hours accrued, but unused in the twelve months following accrual, expire and will not be paid or carried forward to the next twelve months.

PTO will not be paid for scheduled days of work missed for any reason if preceding or following a holiday, vacation or termination.

HOLIDAYS

The company normally observes the following paid holidays:

- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Christmas Day

In order to be eligible for holiday pay, you must be employed full time for more than 12 months, employed on the holiday and you must work any scheduled day before or after the holiday. Holiday pay is computed your regular hourly rate for 8 hours.

VIOC may make changes to the schedule of days we might be closed and whether that time is paid or not. Hours during holiday periods may be adjusted based on the needs of the individual Service Center.

LEAVE OF ABSENCE

VIOC recognizes that occasionally there may be a need for its employees to take a leave of absence. This leave of absence may be in the form of military leave, personal leave, family leave, and medical leave.

To receive a leave of absence, an employee must have had 12 continuous months of employment prior to the leave.

All leaves of absence are unpaid unless you wish to use vacation time accumulated or PTO (in the case of a medical leave). You may elect to pay for medical benefits continuation during the leave.

In most cases, approved leaves of absence will not affect length of service and certain benefits during the leave. Upon your return, the company will reinstate you to your job or an equivalent position, unless business conditions do not permit this.

DEATH IN THE FAMILY

Full-time employees (who have completed 12 months of continuous service) are allowed up to three days (8 hours per day) paid leave when a member of the immediate family dies. VIOC defines immediate family as:

- Spouse or Domestic Partner
- Child or Stepchild
- Parent
- Grandparent
- Brother/Sister
- Mother-in-Law/Father-in-Law

This leave does not count against vacation or PTO.