



EMPLOYEE HANDBOOK

Human Resources @ HR1

1-800-677-5085, 770-541-7823

2030 Powers Ferry Rd., SE

Suite 120

Atlanta, GA 30339

TABLE OF CONTENTS

A WELCOME MESSAGE	4
MISSION STATEMENT	5
COMPANY VALUES	6
A WORD ABOUT THIS HANDBOOK	7
EQUAL EMPLOYMENT OPPORTUNITY	7
EMPLOYMENT CLASSIFICATIONS	8
INTRODUCTORY PERIOD	9
OPERATIONS AND ATTENDANCE	10
COMPENSATION POLICIES	13
PAID TIME OFF (PTO)	14
FMLA	17
COMPANY SEPARATION POLICIES	18
PERFORMANCE REVIEWS	19
GROUP BENEFIT PLANS	20
STANDARDS OF CONDUCT	22
DISCRIMINATION/ HARASSMENT POLICY	29
EMERGENCY PROCEDURES	32

WELCOME TO THE APPLIANCE DOCTOR

Dear Employee,

As an employee of The Appliance Doctor, the importance of your contribution cannot be overstated. The company's objective is to provide the finest quality service as efficiently and economically as possible. Surpassing customers' expectations assures that they will continue to do business with The Appliance Doctor and will recommend the company to others. You are a very important part of this process for your performance and attitude directly influences the company's reputation.

The next section of this book is The Appliance Doctor's MISSION STATEMENT and its COMPANY VALUES. This is the heart and soul of The Company's objectives. Every thought word, and deed must be with "THE MISSION" in our minds and hearts.

There are separate manuals or handbooks outlining the specific policies and procedures dealing with specific jobs. There is a "Technician Policies and Procedure Manual" as well as an "Office Policies and Procedures" manual. (These manuals are currently being written.)

This employee handbook explains The Company's personnel policies and benefits as well as opportunities and responsibilities that exist for you.

In an effort to be responsive to the needs of a growing organization, changes or additions to this employee handbook will be made when necessary. You will be kept informed when any changes are made.

We are glad you have joined The Appliance Doctor team and hope you will find your work to be both challenging and rewarding.

THE MISSION

Mission Statement

The Appliance Doctor exists to provide the most courteous, prompt, and honest appliance repair service available.

The Customer Experience

A *Great Experience* is the most important thing that any company can give to its customers. The customer's experience determines whether they will return and what they will tell their friends. **Customers judge their experiences based on the interactions they have with The Company's associates.**

Everything a company's associate does and every decision an associate makes must be with the customer's experience in mind. This includes attitude, manners, conduct, tone of voice, keeping promises, personal appearance, hygiene, etc.

The Appliance Doctor must charge a premium but fair rate for its services, therefore it must provide a consistent, premium, high quality level of service and its reputation must be impeccable.

This means that The Appliance Doctor's associates must have the good spirit and mind to be disciplined, determined and diligent in their pursuit of making their customers' experiences great ones.

The Appliance Doctor's Mission Statement (above) describes the experience that its customers should receive. The Appliance Doctor's company values describe the behaviors needed to achieve the mission.

Customers have chosen The Appliance Doctor, out of many, with which to spend their money. We, as associates of The Appliance Doctor, owe them excellence.

COMPANY VALUES

Courtesy

Courtesy is everything. As associates of The Appliance Doctor, we will always strive to conduct ourselves in a professional, kind, and understanding manner at all levels and on all fronts, showing respect to all customers as well as each other, always viewing things from the other person's perspective. We shall always remember to say, "Please" and "Thank You" to customers as well as other associates.

Promptness

1. We will work with each customer to arrange service at the earliest possible date and time.
2. We will strive to arrive at the customer's home or business within the promised time. If we find ourselves running late, we will notify the customer at least one hour before the end of the time scheduled.
3. We will reschedule order part returns ASAP. Never should a customer have to call the office to see if her part has arrived.
 - a. Each technician will attempt to schedule his/her order part returns while at the customer's home if possible.
 - b. The office will promptly attempt to schedule all order part returns that the technician has not scheduled.
4. We will make Call Backs a priority, and work with the customer to arrange service at the soonest date and time.

Honesty

We will charge the customer a fair but profitable price for our services. We will never intentionally install parts not needed or charge for work not performed.

Professionalism, Kindness, and Understanding

We will always speak with the customers and others in a most friendly and respectful way that focuses on and addresses their needs. We will exhibit patience with excellence, *purposefully intending* to make the customer feel a part of The Appliance Doctor family. We who have person to person contact with our customers will maintain a clean, neat, friendly appearance.

A WORD ABOUT THIS HANDBOOK

As described in the Welcome Letter, this handbook outlines The Appliance Doctor's personnel policies and benefits. The Appliance Doctor from here on will be referred to as "The Company."

The policies outlined in this employee handbook should be regarded as guidelines only and are non-contractual. These policies and benefits will require changing from time to time. The Company retains the right to make decisions involving employment as needed to conduct its work in a manner that is beneficial to the employees and The Company. This handbook supersedes and replaces all prior handbooks, policies, procedures and practices of The Company.

In the case of any discrepancies between this handbook and any benefit plan, the actual plan documents are controlling. The employee handbook and other plan documents are not contractual in nature and do not guarantee any continuation of benefits.

The Company abides by employment-at-will, which permits The Company or the employee to terminate the employment relationship at any time, for any reason. Neither the policies contained in this employee handbook, nor any other written or verbal communication, are intended to create a contract of employment or a warranty of benefits. The policies contained in this handbook may be added to, deleted, or changed by The Company in its sole discretion, except modification of the employment-at-will policy. The employment policies and benefit summaries found in this employee handbook are written for all employees.

In the case of any discrepancies between an employment contract and the employee handbook, the provisions of the employment contract are controlling.

EQUAL EMPLOYMENT OPPORTUNITY

The Company's continued success depends heavily on the full and effective utilization of qualified persons, regardless of race, color, religion, sex,

national origin, age, disability or veteran status or any other protected classes. The Company strives to hire, develop and retain the most qualified people possible – basing judgment on each individual’s job-related qualifications, capabilities and potential.

Accordingly, The Company provides equal employment opportunities to qualified persons without regard to race, color, religion, sex, national origin, age, disability or veteran status, in accordance with applicable federal and state laws. This policy applies to all terms and conditions of employment including, but not limited to, advertising, recruitment, hiring, placement, promotion, demotion, recall, termination, layoff, transfer, leaves of absence, compensation, rates of pay, employee benefits (if provided to employees), training and participation in all employer sponsored employee activities.

Reasonable Accommodations

Any employee having a physical or mental impairment that substantially limits any of his or her major life activities should notify the management should there be a need for accommodation to perform his or her job. The Company will consider reasonable accommodations those which do not impose undue hardships on The Company and The Company will make every effort to enable the employee to perform the essential functions of the job.

EMPLOYMENT CLASSIFICATIONS

Each of the company’s employees fits into one of the following employment classifications.

Regular Full-Time Staff

Regular full-time staff is hired to work full-time hours (40) each week, five days a week. Regular full-time staff is eligible for all benefits provided by The Company.

Regular Part-Time Staff

Regular part-time staff is scheduled to work at least 20 hours a week, but less than full-time hours for a period of six months or more.

Temporary Staff

Temporary staff, including independent contractors, are hired to complete a particular assignment or may be hired to work on an occasional basis during seasonal or peak periods. These individuals are not eligible for any benefits, perks or gifts. Although these schedules may be full-time or part-time, they are not constant and/or their assignments are scheduled to end.

In addition to the preceding, employees are also categorized as "exempt" or "non-exempt."

Non-Exempt Employees

Pursuant to the Fair Labor Standards Act (FLSA) and applicable state law, non-exempt employees are entitled to overtime pay for all hours worked in excess of 40 hours per week.

Exempt Employees

Pursuant to the Fair Labor Standards Act (FLSA) and applicable state law, exempt employees are those who have administrative, professional, supervisory or managerial responsibilities or those who are considered outside sales personnel. Exempt employees are not entitled to overtime pay, and are not subject to certain deductions to their weekly salary under The Company's policies.

INTRODUCTORY PERIOD

All potential new hires must pass a drug test and background check before being considered for employment. The potential employee is responsible for this expense should he/she fail.

The introductory period for all new and rehired employees is the first 90 days following the date of hire. This time is intended to help a new employee adjust to his/her new job as to give opportunity to demonstrate his/her abilities and to provide The Company an opportunity to evaluate the employee's performance.

To ensure adequate training to perform his/her job satisfactorily, someone in the department will work with him/her on the tasks to be learned. At the same

time the employee should thoroughly study the appropriate job description, performance standards, and any procedure manuals as necessary.

During the 90 day period, the employee's performance will be monitored and he/she will be informed of any areas that need improving. It will be determined and the employee notified if he/she will be granted regular employee status with The Company based on work performance and attendance.

If there is an excusable period of absence during the introductory period, the period may be extended at the discretion of the management, but not to exceed an additional 90 days. Employment may be terminated for poor attendance (three or more absences or tardies).

If an employee is transferred or promoted to another position, he/she may be subject to another introductory period.

OPERATIONS AND ATTENDANCE

Office Hours

The core business office hours are **8:00 a.m. - 5:00 p.m.**, Monday through Thursday and **8:00 a.m. - 4:30 p.m.** on Friday.

Work Schedules

The standard workweek consists of 40 hours. The hours that an employee works on any given day is determined by the needs of the customers and department. Technicians must arrive at their first call at 8:00 a.m. unless otherwise specified.

Lunch

Office employees are entitled to a 1 hour unpaid lunch break each day and should be taken according to the office lunch schedule. Technicians and field workers are entitled to a 30-minute unpaid lunch break and should be taken between service calls.

Breaks

Office workers are entitled to one 10-minute morning break and one 10 minute afternoon break. Smokers may smoke during these breaks.

Importance of Good Attendance

Good employee attendance is necessary to the success of The Company. Providing quality service depends on everyone being at the right place at the right time. Although there will be times when absences are necessary, unplanned absences and tardiness are disruptive to providing high quality service. Poor attendance or excessive tardiness will lead to corrective, disciplinary action, up to and including termination of employment.

Notification of Absence

In the event of an unexpected unavoidable absence or tardiness such as illness or emergency, the employee must notify the management ASAP as not to hinder the normal operation of The Company. Technicians should call in as early as possible so their scheduled customers can be notified. Failure of notification will constitute as unauthorized and may result in termination.

Excessive Absenteeism or Tardiness

An employee may be terminated for excessive absenteeism or tardiness. Excessive absenteeism occurs when an employee is absent (due to illness or other) on an average of once per month over several months. It also includes absence on more than one day prior to or immediately following a holiday and/or on scheduled days off. Excessive tardiness (reporting to work past the scheduled time to report to work) includes more than one tardy per pay period or two or more tardies per month over a three-month period.

If an employee is unable to report to work as scheduled by the employer because of conduct which leads to incarceration, he/she is at fault and may be dismissed from employment.

Time Recording Procedure for Hourly Employees

All non-exempt or hourly-paid employees are required to record their starting and ending times on a daily basis. In order for a technician to receive adequate overtime pay, his daily time out must be reported to the appropriate office personnel with 24 hours. Each technician is required to turn in a signed time sheet each day. This sheet must be turned in with his daily invoices. If the time sheet is not returned for any reason it is up to that technician to notify his work hours verbally with the appropriate office personnel within the 24 hour period. Any overtime pay not reported within 24 hours will be forfeited unless

approved by the management. Time in and time out may be randomly verified with the customers. Falsifying information concerning work hours is cause for termination.

In the event of a discrepancy concerning attendance and/or pay, the employee should discuss it with management first and if further discussion is necessary, contact HR1.

Outside Employment (Moonlighting)

The Company does not prohibit second jobs not related to appliance repair. However, additional job responsibilities must not interfere with the employee's performance, attendance, or the ability to work overtime. Moreover, use of company supplies, telephones, vehicles, computers, uniforms, and company time to perform tasks associated with a second job are prohibited.

Employees out on any type of leave of absence, including workers' compensation are not allowed to work at a second job. Violation will lead to corrective, disciplinary action, up to and including termination of employment.

Employees are prohibited from performing any service which directly or indirectly competes with The Company for any individual or business. The only exception is immediate family members and very close friends. Employees may not receive any payment, compensation, or tips for any services rendered for immediate family and very close friends. The employee may not use company supplies, vehicles, or company time if performing allowable services. Parts must be purchased through The Company and sold for the regular list price and will carry a 90-day warranty. An invoice must be written and submitted with payment for the part sale. Violation may result in immediate termination.

Employees are prohibited from soliciting or promoting any other person or business which is in competition with The Company.

COMPENSATION POLICIES

Pay Periods

The set work week is Monday through Sunday. Employees are paid weekly on the Friday following the work week. When the payday falls on a holiday, the pay day is the first working day before the holiday.

No deductions will be made from any paycheck other than those required by law for tax purposes, legal mandatory wage garnishments, or those, which an employee has authorized, such as insurance premiums or contributions to the 401(k) and Flexible Spending Program. All deductions must be authorized in writing and sent them to HR1.

Overtime Pay

All non-exempt (hourly) employees working more than 40 hours per week will be paid 1½ times their normal hourly rate. Employees in exempt positions are not eligible for overtime pay. Paid holidays and PTO days are not credited towards hours per week worked.

Snow Days

Employees will not receive pay for days or partial days if The Company is closed due to inclement weather. Employees may use PTO time if they wish to receive pay for said days.

Pay Raises

Depending upon job performance and The Company's profitability, adjustments in employee's pay may be made upon the employee's review.

Pay Advances

Pay advances will not be granted to employees.

Direct Deposit

Paychecks can be directly deposited into an employee's personal bank account. Advantages of this benefit are:

- Pay is deposited and credited on payday morning eliminating the need to make trips to the bank.
- No need to worry about lost, stolen, or forged paychecks.

For more information, contact HR1.

PAID TIME OFF

Paid Time Off (PTO) is an all-purpose time-off policy for eligible fulltime employees to use for vacation, illness, injury, or any other personal use. It combines vacation and sick leave plans into one flexible, paid time-off policy.

For new employees, PTO hours will accumulate at a rate of 1.54 hours per pay period, which totals 80.08 hours per year (a little over 10 days or 2 weeks).

After an employee has been employed with The Company for a period of 15 years his PTO will accumulate at a rate of 2.31 hours per pay period (a little over 15 days or 3 weeks).

After an employee has been employed with The Company for a period of 20 years his PTO will accumulate at a rate of 3.08 hours per pay period (a little over 20 days or 4 weeks).

PTO hours will start accumulating on the day of employment but will not be granted until following the 90-day introductory period. If the employee is not granted full time employment after the 90-day introductory period, the employee will forfeit any PTO accumulated.

Should an employee leave The Company and is rehired, his years of employment start over and he forfeits the benefits of his previous years.

An employee employed less than 15 years may accumulate no more than 160 PTO hours. 15-year employees may accumulate no more than 240 hours and 20 year employees may accumulate no more than 320 hours. Any additional PTO hours earned will be forfeited.

PTO is to be taken in 4-hour increments (1/2 Day) and an employee may take

no more than 80 hours (2 weeks) PTO in a two month period.

The balance of PTO not used hours will be shown on each pay check. Any discrepancy must be reported to management by the next pay period.

Office employees are allowed an additional three paid sick days per year. Office employees must be sick and sick days cannot and must not be used for any other reason than sickness. The Company reserves the right to require a physician's excuse. Failure to abide by this policy may result in termination.

Technician's sick days count against eligible PTO but can be made up by working additional Saturdays.

To schedule PTO, employees must request advance approval at least 5 days in advance unless request is due to an emergency. Requests will be reviewed based on a number of factors, including business needs and staffing requirements. No more than 15% of the work force may be absent at one time and this will be on a first come scheduling basis. Requests may not be made before January for that calendar year. Any time off for January may be requested in December or before.

THANKSGIVING WEEK - No employee may use PTO on the Monday, Tuesday, or Wednesday of Thanksgiving Week.

PTO is paid at the employee's base pay rate at the time of absence. It does not include any other forms of compensation such as overtime, incentives, commissions, or bonuses.

As stated in the "Operations and Attendance" section of this manual: In the event of an unexpected unavoidable absence or tardiness such as to illness or other emergency, ***the employee must notify the management ASAP*** as not to hinder the normal operation of The Company. Failure of notification of absence may result in termination.

In the event of termination due to disciplinary action, the employee will forfeit any remaining PTO unless otherwise decided by management. Compensation for any PTO taken in advance will be deducted from the employee's last paycheck.

Non-PTO

Technicians may not take off days without pay without express permission of the management. Otherwise, time off must go against PTO and any days taken off in excess of the remaining PTO balance must be made up by working Saturdays. Make up days will not receive overtime pay. Two days of bereavement is the only exception and is described following. Under certain circumstances taking off of days without pay may be approved.

Company Holidays

The Company observes six paid holidays on which The Company is closed:

1. New Year's Day (January 1)
2. Memorial Day
3. Independence Day (July 4)
4. Labor Day (1st Monday in September)
5. Thanksgiving Day (Fourth Thursday in November)
6. Christmas (December 25)

As a general rule, when a paid Holiday falls on a weekend day, The Company will be closed on the closest business day. When the holiday falls on a Saturday, The Company will be closed on the preceding Friday. When the holiday falls on a Sunday, The Company will close the following Monday.

If the holiday should happen to fall on a payday, employees will receive their pay on the preceding working day.

All regular full-time employees are eligible to receive holiday pay after completing the 90-day introductory period. Any employees on an unpaid leave of absence will not receive compensation or future day off for any paid holiday occurring during the unpaid absence.

Regular part-time employees are eligible for holiday pay based on the number of hours they are normally scheduled to work.

To receive holiday pay employees must work the day before and the day after the holiday or have obtained permission for a vacation day prior to the holiday. Any employee absent due to illness and produces a doctor's excuse, PTO and holiday pay may be paid at management's discretion.

Jury Duty

Exempt and non-exempt employees summoned for jury duty will not be paid for any days off concerning jury duty. These days may be taken without pay or PTO can be used. Employee may be required to bring proof of the time spent on jury duty.

The management of The Company must be notified ASAP by the employee upon reception of the jury summons. The employee is expected to return to work if excused from jury duty during regular working hours of that day.

Military Leave

Employees who serve in any branch of the Armed Forces of the United States or are engaged in state military service may be allowed the necessary time off, without pay according to The Company's discretion.

PTO may be used for this leave if the employee chooses. Military orders should be presented to the management and arrangements for leave made as early as possible before departure. Employees are required to give advance notice of their service obligations to The Company's management unless military necessity makes this impossible. Management must be notified of intent to return to employment based on requirements of the law.

Bereavement

Employees are entitled to two bereavement days without pay for the death of a parent, grandparent, sibling, child, or spouse. Bereavement days also may be applied toward PTO or may be "made up" as described previously.

Requests for bereavement leave should be made as soon as possible. The Company reserves the right to request written verification of an employee's familial relationship to the deceased and his or her attendance at the funeral service as a condition of bereavement pay.

FMLA (Family Medical Leave)

FMLA does not apply to The Company because Federal requirements state the employee must work at a worksite where 50 or more employees are employed by the Company within 75 miles of that office or worksite.

The distance is to be calculated by using available transportation by the most direct route.

For more in-depth, up-to-date FMLA regulations, see www.dol.gov/whd/fmla

Employees of the Appliance Doctor are not eligible for Federal FML, since The Company doesn't meet the Federal standards of 50 or more employees within 75 miles of the office.

COMPANY SEPARATION POLICIES

Involuntary Termination

An employee who has engaged in serious misconduct and/or has not responded to corrective action and disciplinary measures may be terminated from The Company.

In addition, The Company makes hiring and assignment decisions based on its needs and current organizational scheme.

As a result, on occasion it may be necessary for an employee to reassign or be terminated who has performed satisfactorily. The Company, therefore, reserves the right to terminate employment at any time, with or without cause, for any reason which does not violate the law.

The employee will be paid through the last day of employment. Unused PTO and sick time will be forfeited and will not be paid. Salary for any incurred PTO which has not yet been accrued will be deducted from the employee's final paycheck.

Health benefits will continue until the end of the month in which the employee leaves. After this time, the employee may continue insurance coverage by making the total payments if applicable as provided under COBRA. Additional information regarding this option will be provided upon request. Contact HR1 for more information.

If You Must Leave

Any employee deciding to leave employment with The Company is required to provide the management at least a two weeks' advance written notice from non-managerial positions and 4 weeks from managerial or supervisor positions. Any employee not providing advance notice as requested may be ineligible for rehire.

Employees rehired following a break in service may be required to serve a new initial introductory period. Such employees are considered new employees from the effective date of their reemployment for all purposes, including their eligibility for benefits.

The Company does not provide a "letter of reference" to former employees. Upon request, confirmation of any employees' dates of employment, salary history, and job title may be provided.

All company property, including employee handbook, must be returned upon termination, otherwise The Company may take further action to recoup any replacement costs and/or seek the return of company property through the appropriate legal recourse.

Any employees leaving The Company, either voluntary or not, must notify The Company of any change in address during the calendar year to insure that tax information (W-2) will be sent to the proper address.

Reemployment

Following any voluntary termination, the employee may wish to apply for reemployment. Application for reemployment will be processed as a new applicant. If rehired, the employee will be treated as a new employee and is subject to all the rules of a new employee.

EMPLOYEE PERFORMANCE REVIEWS

New hires will receive a written and oral performance evaluation review 90 days after hire to find out if they will be granted regular employee status with The Company based on work performance and attendance. This review does

not necessarily guarantee a pay increase. New hires also will receive a 6-month review which does not necessarily guarantee a pay increase.

Thereafter, each employee will receive review each year on or around the anniversary date of hire.

This evaluation will consist of:

1. a review of past performance.
2. discussing goals and objectives for future performance.
3. a possible pay increase based upon performance and The Company's finances.

An evaluation does not necessarily constitute a pay increase.

GROUP BENEFIT PLANS

Employees are eligible to participate in The Company benefit programs if he/she is:

- an active, regular, full-time employee
- Or**
- an active, regular part-time employee regularly scheduled to work at least 30 hours a week for a period of six months or more.

Upon termination of employment the employee may be entitled to continuation or conversion of the group medical, dental, and vision insurance plans in accordance with the terms of the policy and/or applicable state law (COBRA). For more information contact HR1.

Medical Insurance

Eligible employees may participate in single, employee + spouse, employee + child, or family insurance coverage after three months of employment.

The Company pays a portion of the premium and the employee is responsible for paying the balance through payroll deduction. Regular part-time employees are eligible for an employer contribution based upon the regular number of hours scheduled.

New employees not enrolling within the month of the eligibility period will not be eligible to participate in the benefit offering without providing evidence of insurability, which must be underwritten, unless a “life event” is experienced. For further information employees should contact the Benefit Department at HR1.

Section 125 Plan/Flexible Spending Plan

The Section 125 Flexible Spending Plan (FSA) offers a special tax-saving opportunity by allowing the use of before-tax dollars to pay for certain out-of-pocket medical and dental care expenses and dependent day care costs. This money is not subject to federal income or Social Security taxes. Through the Section 125 Plan the majority of elected benefit premiums are deducted pre-tax reducing the employee’s net-taxable income.

Social Security

During employment, both the employee and company contribute to the Federal Government to support the Social Security program. This program is intended to provide monthly checks and medical insurance coverage at the eligible retirement age.

401(K) Plan

After 90 days of employment, The Company offers eligible employees with a 401(k) Plan that offers a sound means of long-term savings to supplement Social Security benefits at retirement. The employer on an annual basis, if any, determines The Company’s contribution.

Participating employees should receive a copy of the Summary Plan Description. This document contains the details of the plan including eligibility and benefit provisions. In the event of any conflict in the description of any plan, the official plan documents, which are available for review, shall govern. Contact HR1/Benefits Department for more details.

Workers' Compensation

On-the-job injuries are covered by a Workers' Compensation Insurance policy. This insurance is provided at no cost to the employee. On the job injuries, no matter how seemingly slight, must be reported **immediately** to the management.

Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize any claim. The Company's management should be notified of any condition that could lead to or contribute to an employee accident or injury. Additionally, The Company will attempt to provide a reasonable accommodation that is feasible, medically necessary, and does not impose an undue hardship on The Company as prescribed by applicable Federal, State or Local law.

The Company will abide with all requirements set forth by the Workers' Compensation Act and any other applicable law. No adverse action would ever be taken in retaliation for filing a Workers' Compensation.

The amount of benefits payable and the duration of payment depend upon the nature of the injury or illness.

Where applicable, The Company will maintain an employee's benefits for the first 12 weeks of Worker's Compensation leave; after this time has expired, benefits will cease. Employees will be expected to repay any premiums that were paid on their behalf by the Company.

All employees are required to wear a seat belt when operating company vehicles or when using personal vehicles while performing work related duties. Texting while driving is strictly prohibited. Failure to abide by this requirement can result in loss of Workers' Compensation eligibility.

STANDARDS OF CONDUCT

An Overview

Each employee has an obligation to observe and follow The Company's policies to the best of his ability and to maintain proper standards of conduct at all times. An employee's behavior interfering with the orderly and efficient operation of The Company, may lead to corrective, disciplinary action, up to and including termination of employment.

Dress Code

Customers, fellow employees, and the general public judge The Company by the quality of service, and overall level of professionalism. The work environment and personal appearance influence The Company's professional image and impact employee's feelings about each other. Proper dress and a neat appearance contribute to this positive image. At all times employees are responsible for dressing in a manner appropriate to a business environment.

Technicians are required to wear uniforms. The Company provides shirts, and the technicians must provide their own slacks, either black or dark blue. Refer to the "Technician's Policy and Procedures" manual for further information.

Telephone Courtesy

It is important that the quality of service over the telephone is as high as the quality of our technical services programs. Phones must be answered promptly and in a friendly but professional manor. Please refer to the "Office Policies and Procedures" manual.

Personal Use of Telephones

While not completely forbidden, personal calls must be kept to a minimum as not to hinder customer service. Personal telephone conversations between office workers and technicians must be kept to a very minimum as not to hinder productivity and customer service.

E-Mail and Internet Use

The e-mail and Internet system are the property of The Company and must be used for business purposes only.

All Internet data that is composed, transmitted, or received via The Company's computer systems is considered to be part of The Company's official records and is therefore subject to disclosure to law enforcement or other third parties.

Use of personal e-mail, Facebook, Twitter, other social media, You Tube, and all other web sites not pertaining to The Company's business is strictly forbidden. Violation will lead to corrective, disciplinary action, up to and including termination of employment.

The Company reserves the right to store and/or monitor all E-mail and Internet use.

Employees should not expect the right of privacy in the use of company owned property.

The Company does not allow the unauthorized use, installation, copying, or distribution of copyrighted, trademarked, or patented material.

Employees whose Internet usage violates governmental laws or The Company's policies personally will be held liable for any legal violations.

Personal Cell Phone Use

The use of personal cell phones for any personal use (including tweeting, text messages, internet usage, Facebook, etc.) is strictly prohibited during work hours.

Company Vehicles

The use of company vehicles for personal use is strictly prohibited without permission from the management. Employees may "stop by the store" on the way home if it is not out of the way as to use company fuel and vehicle wear and tear. If permission is granted for an employee's personal use or to "stop by the store," the vehicle must not be parked in front of any package store or bar. No one other than Appliance Doctor employees are allowed to drive or ride in company vehicles without permission from the management. Should permission be granted, the employee must log the miles used and reimburse the company for any fuel used. Violation will lead to corrective, disciplinary action, up to and including termination of employment.

Charging fuel to company credit card for personal vehicles is theft and is strictly prohibited and will result in immediate termination.

Smoking Policy

The Company office and warehouse space is smoke free. Technicians are allowed to smoke in their vans but should be done at a very minimum.

Technicians must not carry any smoke smell into any customers' homes as per the guidelines in the "Technician Policy and Procedure Manual."

Office employees are allowed to smoke outside in designated areas but must not carry a smoke smell back into the office as to displease or irritate other coworkers.

Safety

All employees must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately.

The following precautions should be followed:

1. Any employee must notify the management of any emergency situations or injuries.
2. Employees should be familiar and use proper lifting procedures and get help when lifting or pushing heavy objects.
3. Employees should be familiar with the locations, contents and use of first aid and firefighting equipment.
4. Seat belts must be worn when driving on company business. Use of cell phones and texting while driving on company business are strictly prohibited.

Any employee injured on the job is subject to drug and alcohol testing. Refusal to submit to drug and alcohol testing may lead to corrective, disciplinary action, up to and including termination of employment and will forfeit eligibility for Workers' Compensation medical and indemnity benefits.

Substance Use/Abuse/Possession

Employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. Employees must not be under the influence of any illegal substance or alcohol while on the job or while operating company vehicles. Employees must not have any "alcohol smell" on their breath from drinking the night before or any time.

The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals.

Violation of this policy will lead to corrective, disciplinary action, up to and including termination of employment. Such violations may also have legal consequences.

As a condition of employment, The Company reserves the right to require, at random, an employee to submit to drug testing. The presence of illegal drugs is grounds for immediate termination of employment.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with the management or an HR1 representative without fear of reprisal.

The Employee Assistance Program (EAP) provides confidential counseling and referral services to employees for assistance with such problems as drug and/or alcohol abuse or addiction. It is the employee's responsibility to seek assistance from the EAP prior to reaching a point where his or her judgment, performance, or behavior has led to imminent disciplinary action. Participation in the EAP after the disciplinary process has begun may not preclude disciplinary action, up to and including termination of employment. The EAP can be reached 24/7 at 866-440-6556.

Copies of the drug testing policy will be provided to all employees. Employees will be asked to sign an acknowledgement form indicating that they have received a copy of the drug testing policy.

Social Media Policy

Social media are defined as media designed to be disseminated through social interaction, created using highly accessible and scalable publishing techniques. Examples include but are not limited to LinkedIn, Twitter, Facebook, YouTube, and MySpace. Employees are required to follow the same behavioral standards online as they would in real life. The same laws, professional expectations, and guidelines for interacting with co-workers, clients, etc. apply online as in the real world. Employees are liable for anything they post to social media sites.

Cell Phones and Other Electronic Devices

The Company provides cellular telephones and other electronic devices to some employees as business tools. The phones are provided to assist employees in communicating with management and other employees, clients, and other business-related contacts. Cell phones are primarily intended for business-related calls. Occasional, brief personal use is permitted within reasonable limits. Data and cell phone usage is monitored on a monthly basis.

Changes in Personal Data

To aid your family in matters of personal emergency, up-to-date information needs to be maintained. Changes in name, address, telephone number, marital status, number of dependents or changes in next of kin and/or beneficiaries must be given to the management and/or HR1 promptly.

Protecting Company Information

Protecting The Company's confidential information is the responsibility of each and every employee in making sure it is not improperly or accidentally disclosed. Do not discuss The Company's confidential business with anyone who does not work for The Company.

Any and all communication regarding a current or former employee's position/compensation with The Company must be forwarded to HR1.

Care of Equipment

All employees are expected to use proper care when using The Company's property and equipment. No property may be removed from the premises without proper authorization from management. In the event of lost, broken or damaged property, a knowing employee must report it to the management at once.

Office equipment is solely for work related uses. Use of equipment for personal use is not permitted without permission.

Break Room Etiquette

Food may be stored in the office refrigerator, provided it is stored in a closed container and not allowed to spoil.

All staff members share the break room and everyone should take part in keeping it clean. Each individual is responsible for cleaning up his or her own dishes, utensils, counter space, and table before leaving the break area.

Other Behaviors

Other behaviors that may lead to corrective, disciplinary action, up to and including termination of employment:

1. Unsatisfactory job performance / Poor work quality
2. Insubordination
3. Theft
4. Chronic personal problems negatively affecting job performance
5. Dishonesty
6. Excessive customer complaints
7. Not following through on promises / keeping customers hanging
8. Unauthorized possession weapons, firearms or explosives on work premises
9. Disrespectfulness
10. Poor Attendance

Corrective Action

The Company is committed to excellence in customer service, maximum sales production, and optimum employee performance. Outstanding conduct and performance of each employee is crucial to success of The Mission and is expected.

The Company expects all employees to perform their job duties at or above satisfactory levels, to conduct themselves in accordance with established policies and procedures, to follow generally accepted standards of business behavior, and to comply strictly with all the laws, rules, and regulations applicable to any activities.

In the event disciplinary action is warranted, the process is as follows although some steps may be skipped if appropriate:

- 1) **Verbal warning** - a discussion of the problem and review of the acceptable standards of behavior

- 2) **Written warning** - a detailed written statement of the problem and needed improvement
- 3) **Final Written warning** - a detailed written statement stating employment may be terminated if immediate improvement isn't made
- 4) **Probation** - a stated time period within which the employee is expected to raise his/her performance and/or behavior to a satisfactory level and maintain this level permanently. Privileges may be deferred during this stage. The employee may be terminated immediately if sufficient progress is not made
5. **Termination** - the cessation of all benefits and privileges of employment and the termination of employment status

The Company reserves the right to terminate the employment of any employee without the benefit of any of the preceding steps if the employee's actions deem it necessary.

If an employee's actions seriously disrupt department operations or if the problem calls for immediate action, the employee may be suspended without pay while the matter is investigated.

DISCRIMINATION and HARASSMENT POLICY

The Company expressly prohibits discrimination, harassment and retaliation based on race, color, sex, religion, national origin, disability or perceived disability, veteran status, age, or any other protected category. Improper interference with the ability of The Company's employees to perform their expected job duties is also prohibited. The Company will not tolerate any actual or attempted reprisals or retaliation against an employee who raises a sincere and valid concern that this policy has been violated. The Company takes all allegations of discrimination, harassment and retaliation very seriously and is firmly committed to ensuring a workplace free of those discriminatory activities. Anyone engaging in discrimination, harassment, or retaliation is subject to corrective, disciplinary action, up to and including termination of employment.

Harassment Prohibited - Definition

As used in this policy, the term “harassment” refers to conduct relating to a person’s race, color, religion, sex, age, national origin, veteran status, disability or perceived disability, which fails to respect the dignity and feelings of the individual. Harassment that is forbidden by this policy can take several forms, including but not limited to:

Sexual Harassment

This includes unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature where the individual is made to feel as having to agree to the request or submit to the advance in order to get favorable treatment at work. Sexual harassment also includes sexually oriented conduct and communications that unreasonably interfere with an employee's work performance or create an intimidating, hostile, or offensive environment. This policy protects and covers the conduct of all employees. In other words, unwarranted sexual advances violate this policy even if directed at a co-worker or supervisor. While not exhaustive, the following is a list of some examples of sexual harassment:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual harassment.
- Visual conduct such as leering, making sexual gestures, displaying or distributing sexually suggestive objects or pictures, cartoons or posters.
- Verbal conduct such as making sexually derogatory comments, epithets, slurs, or jokes.
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations.
- Physical conduct such as touching (fear of unwanted touching), assault, or impeding or blocking movements.
- The use of computers and the e-mail system in ways which are disruptive, offensive to others, or harmful to morale.
- Displaying, downloading, or e-mailing sexually explicit images, messages and cartoons. Other examples of unacceptable computer usage include (but

are not limited to) ethnic slurs, racial comments, off-color jokes, or anything that may be seen by another person as harassment or disrespectful.

- The use of cell phones in texting, sending and/or displaying sexually explicit/suggestive images and/or messages is prohibited.

Racial, Color, Religious, National Origin, Disability, Veteran Status or Age Harassment

Harassment based on race, color, religion, national origin, veteran status, disability, or age includes, but is not limited to, any verbal, written, or physical act in which race, color, religion, national origin, veteran status, physical, mental or perceived disability, or age in which an employee feels uncomfortable or interferes with an employee's ability to perform his/her job.

For example, The Company will not tolerate:

- Jokes that refer to race, color, religion, sex, national origin, age, disability or veteran status.
- Posting or distributing cartoons, drawings, or any other material that negatively reflects a person's race, color, religion, sex, national origin, age, disability or veteran status.
- The use of slurs or other offensive language.
- Practical jokes, horseplay, or teasing that makes fun of or insults a person's race, color, creed, religion, sex, national origin, age, disability or veteran status.

Reporting Discrimination, Harassment and Retaliation

Anyone who believes he or she is being subjected to discrimination, harassment, or retaliation or who has witnessed such conduct must report the conduct as provided in the following procedure.

- Any discriminatory, harassing, or retaliatory behavior experienced or witnessed should be reported to the management immediately.
- If the problem persists, the management is involved, or the employee feels uncomfortable speaking to the management then the employee should contact HR1.
- A thorough investigation will be conducted by HR1 and there will be no retaliation against victims or witnesses for participating in the investigation.

Confidentiality

In cases involving a report of harassment or discrimination, all reasonable efforts will be made to protect the privacy of the individuals involved. In many cases, however, The Company's duty to investigate and remedy harassment makes absolute confidentiality impossible. The Company will try to limit confidential information to those employees with a "need to know." Employees who assist in an investigation are required to keep confidential all information they learn or provide.

EMERGENCY PROCEDURES

Accident/Illness

In the event of threatening illness or accident on the job, co-workers/management should immediately call for an emergency unit if needed. Management should be notified immediately.

PERSONS WITH THREATENING INJURIES SHOULD NOT BE MOVED UNTIL PROFESSIONAL HELP ARRIVES.

Individual care and safety consciousness should be exercised by all employees. All employees are expected to maintain neat and orderly working areas and or vehicles. Unsafe conditions appearing to be unsafe as well as malfunctioning office equipment should be reported immediately.

If an employee receives an injury on the job, the employee must immediately notify the management and obtain a Worker's Compensation (WC-1) form. This form is to be completed and returned the same day of the injury if possible. The management may assist the employee in filling out the WC-1 form and reporting to the Worker's Compensation carrier if need be.

Traffic Accidents

All traffic accidents must be reported to the management from the scene regardless of severity. A police report must be filed unless management determines and approves that no police report is needed. Any and all injuries must be reported immediately to the management. Failure to report injuries immediately may result in loss of worker's compensation. See page 21.