

Hairspray

Employee Handbook

Hairspray Employee Handbook

Welcome to Hairspray. As you begin building your future with us, you might have questions about your job. This handbook is designed to inform you about our organization and the opportunities available to you. We hope this information will help you feel comfortable and professionally satisfied and rewarded here at Hairspray.

This handbook should answer many of your questions about management's guidelines for working at Hairspray. We (management) reserve the right to change policies and guidelines described in this handbook when circumstances warrant. Please do not hesitate to ask questions about these guidelines or any topics that are not covered in this handbook.

You're Part of a Committed Team . . .

Every successful business is defined by its mission and culture. Hairspray is no exception.

Hairspray's mission is to provide high quality beauty care services in a stylish and enjoyable environment of superior guest service.

Hairspray is a premier provider of hair care services for men and women in the Indianapolis marketplace. Hairspray's primary business is that of a hair salon. However, in the extension of those services, Hairspray also recommends, markets and retails products to its guests that support its role and reputation as a hair salon.

Hairspray is part of the nation's "beauty and physical well-being business and marketplace." Hairspray *IS* its people and the services it offers. To meet its mission, each and every associate must provide and subscribe to the principles of excellence in services, provision of superior guest services, and the routine extension of uncommon courtesies to guests and associates (each other). On this basis, Hairspray will continue to grow and maintain its reputation in the Indianapolis community - and beyond - as one of the city's top salons and preferred destinations for salon services and consultation. Each associate is expected to be a caretaker of this reputation and to invest considerably in its growth and extension.

As a Hairspray team member, you will be expected to contribute your talents and energies to foster achievement of our mission and improvement the environment and quality of the company, as well as the company's services and reputation in the community. In return, you will be given opportunities to grow professionally and personally, and to advance in your career. We are committed:

1. To provide our guests with the highest quality services in the hair care and personal beauty care market and industry.
2. To provide you with wages and benefits comparable to others doing similar work within the industry and within the region.

The only things we require for employment, compensation, advancement, and benefits are professional excellence, a superior team attitude and drive to advance the mission and objectives of Hairspray. However, please know and understand that *all employment at Hairspray is "at will."* No one will be denied opportunities or benefits on the basis of age, sex, color, race, creed, national origin, religious persuasion, marital status, sexual orientation, political belief, or disability that does not prohibit performance of essential job functions; nor will anyone receive special treatment for those reasons.

Your Various Benefits with Hairspray

You may not have thought about it, but the value of your benefits amounts to a considerable sum each year in addition to the wages, salary and/or commissions you earn.

These are just some of the benefits Hairspray provides for eligible associates each year:

- Disability Leave Of Absence
- Education Assistance
- Associate Purchases (Discounts on Company Merchandise)
- Group Term Life Insurance
- Health Care / Hospitalization Insurance
- Paid Vacations
- Social Security
- Unemployment Compensation Insurance
- Workers' Compensation Insurance

Purpose of This Manual

This Manual has been prepared to inform you about Hairspray's history, philosophy, employment practices, and policies, as well as the benefits provided to you as a valued associate and the conduct expected from you.

No associate manual can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is in our person-to-person conversations that we can better know each other, express our views, and work together in a harmonious relationship.

We hope this Manual will help you feel comfortable with us. We depend on you — *your success is our success!* Please don't hesitate to ask questions. The Salon Manager will gladly answer them. We believe you will enjoy your work and your fellow associates here. We also believe you will find Hairspray a great place to work!

We ask that you read this Manual carefully, and refer to it whenever questions arise. We also suggest that you take it home so your family can become familiar with Hairspray and our policies.

Hairspray's policies, benefits and rules, as explained in this Manual, may be changed from time to time as business, employment legislation, and economic conditions dictate. If and when provisions are changed, you will be given replacement pages for those that have become outdated. A copy will also be placed on our bulletin board here at Hairspray.

Notice

The policies in this Manual are to be considered as guidelines. Hairspray, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Manual at any time without prior notice. Any such action shall apply to existing as well as future associates with continued employment being the consideration between the employer and associate. Associates may not accrue eligibility for monetary benefits (provided for in writing) that they have not earned through actual time spent at work. Associates shall not accrue eligibility for any benefits, rights, or privileges beyond the last day worked. No one other than the Owner of Hairspray may alter or modify any of the policies in this Manual. No statement or promise by a supervisor, manager, or department head may be interpreted as a change in policy nor will it constitute an agreement with an associate.

Should any provision in this Employee Manual be found to be unenforceable and invalid, such finding does not invalidate the entire Employee Manual, but only the subject provision.

Receipt & Acknowledgment of Hairspray Employee Manual

This Employee Manual is an important document intended to help you become acquainted with Hairspray. This Manual will serve as a guide; it is not the final word in all cases. Individual circumstances may call for individual attention.

Because the general business atmosphere of Hairspray and economic conditions are always changing, the contents of this Manual may be changed, modified or withdrawn at any time at the discretion of Hairspray with or without notifying me prior to the effective date of any change, modification, or withdrawal. No changes in any benefit, policy or rule will be made without due consideration of the mutual advantages, disadvantages, benefits and responsibilities such changes will have on you as an employee of Hairspray. Management generally will communicate any changes by formal notification and you agree, by accepting employment with Hairspray to accept responsibility for keeping informed of these changes.

Please read the following statements and sign below to indicate your receipt and acknowledgment of the Hairspray Employee Manual.

- I have received and read a copy of the Hairspray Employee Manual. I understand that the policies, rules and benefits described in it are subject to change at the sole discretion of Hairspray at any time.
- I further understand that my employment is terminable at will, either by myself or Hairspray, regardless of the length of my employment or the granting of benefits of any kind.
- I understand that no contract of employment other than "at will" has been expressed or implied, and that no circumstances arising out of my employment will alter my "at will" employment relationship unless expressed in writing, with the understanding specifically set forth and signed by myself and the Owner of Hairspray.
- I am aware that during the course of my employment confidential information will be made available to me, i.e., guest lists, pricing policies and other related information. I understand that this information is critical to the success of Hairspray and must not be disseminated or used outside of Hairspray's premises. In the event of termination of employment, whether voluntary or involuntary, I hereby agree not to utilize or exploit this information with any other individual or company.
- I understand that, should the content be changed in any way, Hairspray may require an additional signature from me to indicate that I am aware of and understand any new policies.
- I understand that my signature below indicates that I have read and understand the above statements and have received a copy of the Hairspray Employee Manual. I further acknowledge that management has discussed, to my understanding and satisfaction, the following topics with me:
 - Greeting guests and guests
 - Responding to guest and guest complaints
 - Maintaining professionalism on the job
 - My obligations concerning promotion of hair care products.

I agree, by accepting employment with this salon, to abide by the foregoing and all present and future personnel policies and procedures established by Hairspray.

Employee's Signature: _____

Employee's Printed Name: _____ Date: _____

The signed original copy of this agreement should be given to your manager — it will be filed in your personnel file.

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What You Can Expect From Hairspray

Hairspray's established associate relations policy is to:

1. Operate an economically successful business so that a consistent level of steady work is available.
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, sex, color, race, creed, national origin, religious persuasion, marital status, sexual orientation or preference, political belief, or disability that does not prohibit performance of essential job functions.
3. Compensate and promote all associates according to their ability, effort and contribution to the success of our business.
4. Review wages, associate benefits and working conditions constantly with the objective of providing maximum benefits in these areas, consistent with sound business practices.
5. Provide paid vacations and to all eligible associates.
6. Provide eligible associates with medical and other benefits.
7. Dedicate ourselves to Excellence and Superior Service in all areas.
8. Develop competent people who understand and meet our objectives, and who accept with open minds the ideas, suggestions and constructive criticisms of fellow associates.
9. Provide all associates with an annual and other periodic or needed performance reviews and evaluations.
10. Assure associates, after talking with their manager, an opportunity to discuss any problem with the Owner of Hairspray.
11. Make prompt and fair adjustment of any complaints which may arise in the everyday conduct of our business, to the extent that is practicable.
12. Respect individual rights, and treat all associates with uncommon courtesy and consideration.
13. Maintain mutual respect in our working relationship.
14. Provide a salon environment that is attractive, comfortable, orderly and safe.

15. Keep all associates informed of the progress of Hairspray, as well as the company's overall aims and objectives.
16. Do all these things in a spirit of professionalism, friendliness, cooperation and uncommon courtesy so that Hairspray will continue to be known as "a great place to work!"

What Hairspray Expects From You

The provision of hair and beauty services is a privilege extended to us by our guests. We expect you to help us earn the privilege and the appreciation, admiration and respect of our guests.

Your first responsibility is to be a professional and to know your own duties and how to do them promptly, correctly and pleasantly. Secondly, you are expected to cooperate with management and your fellow associates and associates and maintain a good team attitude. How you interact with fellow associates and those whom Hairspray serves is a key component to your success here. How you grow as a provider of superior guest service will be as equally regarded as how you grow in your skill and abilities as a professional. Each associate must understand and acknowledge that the performance of one can impact the entire service offered by and reputation of Hairspray. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability. The result will be better performance for the company overall, and personal satisfaction for you.

You are encouraged to grasp opportunities for professional and personal development that are offered to you. This Manual offers insight on how you can positively perform to the best of your ability to meet and exceed Hairspray's expectations.

We strongly believe you should have the right to make your own choices in matters that concern and control your life. We believe in direct access to management. We are dedicated to making Hairspray a company where you can approach your manager, or any member of management, or the Owner to discuss any problem or question. We expect you to voice *appropriately* your opinions and contribute your suggestions to improve the quality and reputation of Hairspray and its service providers. We're all human, so please communicate *professionally and respectfully* with each other and with management!

Remember, you help create the healthful, pleasant and safe working conditions that Hairspray intends for you. Your dignity and that of fellow associates, as well as that of our guests, is important. Hairspray needs your help in making each working day enjoyable and rewarding.

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Personnel Administration

The task of handling personnel records and related personnel administration functions at Hairspray has been assigned to the Salon Manager. Questions regarding insurance, wages, and interpretation of policies may be directed to the Salon Manager.

Your Personnel File

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. If you have a change in any of the following items, please be sure to notify the Salon Manager as soon as possible:

1. Legal name
2. Home address
3. Home telephone number
4. Person to call in case of emergency
5. Number of dependents
6. Marital status
7. Change of beneficiary
8. Exemptions on your W-4 tax form

Coverage or benefits that you and your family may receive under Hairspray's benefits package could be negatively affected if the information in your personnel file is incorrect.

Since Hairspray refers to your performance and personnel file when we need to make decisions in connection with promotions and compensation, it is to your benefit to be sure your personnel file includes information about completion of educational or training courses, outside civic activities, and areas of interest and skills that may not be part of your current position here.

You may see information which is kept in your own personnel file if you wish, and you may request and receive copies of all documents you have signed. Please ask your manager to make arrangements for you with the SALON MANAGER.

Employment Classifications

At the time you are hired, you are classified as full-time, part-time or temporary. Unless otherwise specified, the benefits described in this Manual apply only to full-time associates. All other policies described in this Manual and communicated by Hairspray apply to all associates, with the exception of certain wage, salary and time off limitations applying only to “non-exempt” (see the definition that follows) associates. If you are unsure of which job classification your position fits into, please ask the Salon Manager.

Full-Time Associates

An associate who has successfully completed the Introductory Period (see the Employment Policies section for definition) of employment and who works at least thirty-six (36) hours per week is considered a full-time associate.

If you were a full-time associate and have been on an approved leave of absence, upon return you will be considered a full-time associate, provided you return to work as agreed in the provisions of your leave.

Part-Time Associates

An associate who works less than a regular thirty (30) hour workweek is considered a part-time associate. If you are a part-time associate, please understand that you are not eligible for benefits described in this Manual, except as granted on occasion, or to the extent required by provision of state and federal laws.

Temporary Associates

From time to time, Hairspray may hire associates for specific periods of time or for the completion of a specific project. An associate hired under these conditions will be considered a temporary associate. The job assignment, work schedule and duration of the position will be determined on an individual basis.

Normally, a temporary position will not exceed six (6) months in duration, unless specifically extended by a written agreement. Summer associates are considered temporary associates.

If you are a temporary associate, please understand that you are not eligible for benefits described in this Manual, except as granted on occasion, or to the extent required by provision of state and federal laws.

“Non-Exempt” And “Exempt” Associates

At the time you are hired, all associates are classified as either “exempt” or “non-exempt.” This is necessary because, by law, associates in certain types of jobs are entitled to overtime pay for hours worked in excess of eight (8) hours per day or forty hours (40) per work week. These associates are referred to as “non-exempt” in this Manual. This means that they are not exempt from (and therefore should receive) overtime pay.

Note: See “Wage & Salary Policies” in the “Compensation & Performance” section of this Manual for a full description of overtime payment policies.

Exempt associates are managers, executives, supervisors, professional staff, technical staff, professional stylists, make-up artists, outside sales representatives, officers, directors, owners and others whose duties and responsibilities allow them to be “exempt” from overtime pay provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. For the most part all associates who are stylists are exempt associates and not entitled to overtime. Unless otherwise specified, all full time HAIRSPRAY staff are considered exempt associate.

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Employment Policies

One of the first things you should do is carefully read this Manual. It is designed to answer many of your questions about the practices and policies of Hairspray, what you can expect from Hairspray, and what Hairspray expects from you. Your fellow associates, especially your manager, want to help you get off to a good start. Feel free to ask them for help concerning anything you don't understand.

Anniversary Date

The first day you report to work is your "official" anniversary date. Your anniversary date is used to compute various conditions and benefits described in this Manual.

Aptitude, Ability and Skill Tests

Professional aptitude, ability and skill are at the core of our business and the basis for our reputation and success. As such, job-related tests may be given to help determine your aptitude, ability and skill to perform your job and your

compensation. Such tests may be given to candidates for job changes and promotions, as well as to new applicants. Test results will be confidential.

At Will Employment

All employment and compensation with Hairspray is “at will” in that they can be terminated with or without cause, and with or without notice, at any time, at the option of either Hairspray or yourself, except as otherwise provided by law.

Business Hours

Our regular operating hours are 9:00 A.M. to 8 P.M. Tuesday through Friday, and from 9:00 A.M. to 4:00 P.M. on Saturdays.

Most associates are assigned schedules that consist of a forty (40) hour work week. Non-exempt and exempt associates are entitled to a lunch period of ½ hour, plus two additional breaks of 10 minutes each. Lunch periods and breaks will be determined and assigned by your manager. Please understand that without the express permission of your manager, you may not “work through lunch or breaks” in order to arrive late or to leave early or to work extra time.

Confidential Information

Our guests and suppliers entrust Hairspray with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, Hairspray earns the respect and further trust of our guests and suppliers.

Your employment with Hairspray assumes an obligation to maintain confidentiality, even after you leave our employ.

Any violation of confidentiality seriously injures Hairspray’s reputation and effectiveness. Therefore, please do not discuss Hairspray business with anyone who does not work for us, and never discuss business transactions with anyone who does not have a direct association with the transaction. Even casual remarks can be misinterpreted and repeated, so develop the personal discipline necessary to maintain confidentiality. If you hear, see or become aware of anyone else breaking this trust, consider what they might do with information they get from you.

If you are questioned by someone outside the company or your department and you are concerned about the appropriateness of giving them certain information, remember that you are not required to answer, and that we do not wish you to do so. Instead, as politely as possible, refer the request to the Salon Manager or the Owner.

No one is permitted to remove or make copies of any Hairspray records, reports or documents without prior management approval.

Because of its seriousness, disclosure of confidential information could lead to dismissal.

Credit Investigation

Following the requirements imposed by the Federal-Truth-In-Lending and the Fair Credit Reporting Acts, Hairspray conducts a pre-employment credit check on all applicants who are offered and who accept an offer of employment. Your employment with us may be conditional upon our review of the information in the credit check. Hairspray reserves the right to conduct this credit check at any time after you have been employed. Remember, you have certain legal rights to discover and to dispute or explain any information prepared by the credit checking company.

Equal Employment Opportunity

Hairspray provides equal employment opportunity for everyone regardless of age, sex, color, race, creed, national origin, religious persuasion, marital status, sexual orientation or preference, political belief, or disability that does not prohibit performance of essential job functions. In addition, laws regarding veterans' status are observed. This is reflected in all Hairspray practices and policies regarding hiring, training, promotions, transfers, rates of pay, layoff, and other forms of compensation. All matters relating to employment are based upon ability to perform the job, as well as dependability and reliability once hired.

Note: Throughout this Employee Manual, masculine pronouns such as he, his, or him shall be construed so as to include both sexes.

Harassment

Hairspray intends to provide a work environment that is pleasant, healthful, comfortable, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort — verbal, physical, visual — will not be tolerated.

What Is Harassment?

Harassment can take many forms. It may be, but is not limited to: words, signs, jokes, pranks, intimidation, physical contact, or violence. Harassment is not necessarily sexual in nature.

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, other verbal or physical contact of a sexual nature when such conduct creates an intimidating environment, prevents an individual from effectively performing the duties of their position, or when such conduct is made a condition of employment or compensation, either implicitly or explicitly.

Responsibility

As a Hairspray associate, you are responsible for keeping our work environment free of harassment. Any associate who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to the Salon Manager or any officer of Hairspray with whom you feel comfortable. When Hairspray becomes aware that harassment might exist, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the company to do so.

Reporting

If you feel that you have experienced harassment, report the incident immediately to The Salon Manager. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any associate found to have harassed a fellow associate or subordinate will be subject to severe disciplinary action or possible discharge. Hairspray will also take any additional action necessary to appropriately correct the situation. Hairspray will not retaliate against any associate who makes a good faith report of alleged harassment, even if the associate was in error.

Hairspray accepts no liability for harassment of one associate by another associate. The individual who makes unwelcome advances, threatens or in any way harasses another associate is personally liable for such actions and their consequences. Hairspray will not provide legal, financial or any other assistance to an individual accused of harassment if a legal complaint is filed.

How You Were Selected

We carefully select our associates through written application, personal interview, skills test (as appropriate) and reference checks. After all available information was carefully considered and evaluated, you were selected to become a member of our team.

This careful selection process helps Hairspray to find and employ people who are concerned with their own personal success and the success of Hairspray; people who want to do a job well and who can carry on their work with skill and ability; and people who are comfortable with Hairspray and who can work well with our team.

Introductory Period

Your first ninety (90) days of employment at Hairspray are considered an Introductory Period. This Introductory Period will be a time for getting to know your fellow associates, your manager and the tasks involved in your job position, as well as becoming familiar with Hairspray's products and services. Your manager will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a try-out time for both you, as an associate, and Hairspray, as an employer. During this Introductory Period, Hairspray will evaluate your suitability for employment, and you can evaluate Hairspray as well. At any time during this first ninety (90) days, you may resign without any detriment to your record. If, during this period, your work habits, attitude, attendance or performance do not measure up to our standards, we may release you. If you take approved time off in excess of five workdays during the Introductory Period, the Introductory Period may be extended by that length of time.

At the end of the Introductory Period, your manager will discuss your job performance with you. This review will be much the same as the normal job performance review that is held for regular full-time or part-time associates on an annual basis. During the course of the discussion, you are encouraged to give your comments and ideas as well.

Please understand that completion of the Introductory Period does not guarantee continued employment for any specified period of time, nor does it require that an associate be discharged only for "cause."

A former associate who has been rehired after a separation from Hairspray of more than one (1) year is considered an introductory associate during their first sixty (60) days following rehire.

Applicable to Stylists: Associates that are hired as stylists typically will be placed in a status and period of compensated training and evaluation. Typically, this training status will last for a period of one year. During this time, Hairspray management will work with you to ensure that you develop the necessary skills and experience to perform as a stylist in good standing at Hairspray. Hairspray makes no promise of continued employment during or after this period of training and evaluation. Employment of the associate continues to be "at will."

Job Descriptions

We maintain a job description for each position in Hairspray. When your duties and responsibilities are changed, your job description will be updated. If you wish to see your job description, please ask the Salon Manager.

Knowledge of Hairspray

After having learned to competently perform your own duties, your next step is to familiarize yourself with other Hairspray activities. This can prove valuable to you, our guests and Hairspray as well. Hairspray may provide additional "cross-training."

Knowledge of the services and products of Hairspray will help you avoid the "I don't know" syndrome. Our guests' confidence in you increases as you are able to answer their basic questions. However, please don't pretend you know the answer or try to guess the answer when you are uncertain. If you are unsure of the correct information, refer the inquiry to your manager, or to a person more qualified to respond.

Non-Compete Agreement

Certain associates may be required to sign a Non-Compete Agreement prepared by our attorneys as a condition of employment.

Outside Employment

What you do on your free time is your own business. However, if you are employed by Hairspray in a full-time position, Hairspray will expect that your position here is your primary employment. Any outside activity must not interfere with your ability to properly perform your job duties at Hairspray.

If you are thinking of taking on a second job, it would be wise to notify the Salon Manager immediately. He or she will thoroughly discuss this opportunity with you to make sure that it will not interfere with your job at Hairspray nor pose a conflict of interest.

Proof of U.S. Citizenship and/or Right to Work

Federal regulations require that 1) before becoming employed, all applicants must complete and sign Federal Form I-9, Employment Eligibility Verification Form; and 2) all applicants who are hired need to present documents of identity and eligibility to work in the U. S.

Relatives

Members of your immediate family will not be hired as a full time associate by Hairspray. For purposes of this section, your immediate family includes your spouse, your children, your siblings, your parents, your grandparents, and your spouse's children, siblings, parents and grandparents.

Should two present associates marry or otherwise become closely related, they may not work in the same department.

Security Checks

Hairspray will exercise its right to inspect all packages and parcels entering and leaving our premises.

Spouse Accepts Employment from a Competitor

Should your significant other accept employment with a competitor firm, Hairspray reserves the right to terminate your employment with us.

Spouse Works for a Competitor

Should your significant other be employed with a competitor firm, Hairspray reserves the right not to hire you or to terminate your employment with us.

We Need Your Ideas

Ask any of our associates who have worked with us for a long time and they will probably tell you of the many changes and improvements that have come about in their departments since they first joined us. We believe the person doing a job is in the best position to think of ways of doing it more easily, more efficiently, and more effectively. If you think of a better way of doing your job or the job of a fellow associate, discuss it with your manager, who will welcome your suggestions and ideas.

Note: See “Grievances & Suggestions” in the “Other Policies” section of this Manual for specific instructions on submitting suggestions.

Remember, there may be areas in Hairspray’s operation that can be improved. These could be in service, production methods, equipment, communications, safety, ways to reduce costs, losses, and/or waste, or other improvements you may see a need for. Please give us the benefit of your unique experience and thoughts. Also, make sure to document your innovations and money-saving efforts and have them placed in your personnel file (include dates, detailed descriptions of your contributions, estimates from the accounting department regarding cost savings or profits generated, etc.) — these may favorably affect your wage, salary or promotion reviews.

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Standards of Conduct

Whenever people gather together to achieve goals, some rules of conduct are needed to help everyone work together efficiently, effectively, and harmoniously. Some people have problems with “rules” and “authority figures,” and past experience may have justified these thoughts and feelings; however, at Hairspray, we hold ourselves to a high standard of quality where the rules and authority figures simply assure that quality is maintained.

By accepting employment with us, you have a responsibility to Hairspray and to your fellow associates to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend upon fellow workers to follow the rules of conduct, then our organization will be a better place to work for everyone.

Guest Services Standards

Our guests are our most important assets. Our success depends on making our guests look *and feel* good. We can make guests feel good by providing superior guest service.

Before your start working at Hairspray, management will review the following topics with you to help assure that you provide understand and are trained provide the level of guest service required to be provided by Hairspray associates, including but not limited to:

- Procedures and standards for greeting guests.
- Appropriate responses to guest concerns and complaints.
- Standards and expectations for professionalism of associates on the job.
- Standards and expectations concerning the promotion and provision of professional services.
- Standards and expectations concerning the promotion and marketing of Hairspray’s products.

See the Hairspray Operating Appendices to this Employee Handbook for more information on our Guest Services Standards.

Attendance and Punctuality

For the salon to be successful, you and your fellow associates must be at work on time every day. If you are unable to work, contact management at least one hour, and preferably two hours, before you are due at work, and explain why you will be absent and when you will return to work. Do not rely on friends, relatives, or fellow associates to relay a message for you. If you are absent for two (3) consecutive working days without notice to management, you will be considered to have voluntarily terminated your employment.

Punctuality is as important as attendance. You are expected to arrive at least fifteen (15) minutes before your first guest is scheduled. After arrival, you are expected to be ready to perform and render services to your guest at or before the scheduled time. Absenteeism and tardiness can result in discipline up to and including termination.

Drug-Free Workplace

Hairspray is committed to providing its associates with a safe workplace and an atmosphere that allows them to provide superior guest and guest services and to protect inventory and other assets placed in their care. Hairspray associates should not be subject to any safety threats from fellow workers. You are expected to be in suitable mental and physical condition while at work, allowing you to perform your job effectively and safely.

Whenever use of abuse of any mood altering substance (such as alcohol or other drugs) interferes with the superior public persona we expect, or a safe and productive workplace, appropriate action will be taken. Hairspray has no desire to intrude into its associates' personal lives. However, both on-the-job and off-the-job involvement with any mood altering substances can have an impact on our workplace and on Hairspray's ability to achieve its objectives of public recognition for excellence and workplace safety and security. Therefore, you are expected to report to the workplace with no mood altering substances in your body. While you may make your own lifestyle choices, Hairspray cannot accept the risk in the workplace which substance use or abuse can create. The possession, sale or use of mood altering substances at the workplace, or coming to work under the influence of such substances shall be a violation of safe work practices and will be subject to disciplinary action, including possible dismissal.

Unacceptable Activities

Generally speaking, we expect each person to act in a mature and responsible way at all times. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. Your avoidance of these activities will be to your benefit as well as the benefit of Hairspray. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please see your manager for an explanation.

Occurrences of any of the following violations, because of their seriousness, may result in immediate dismissal without warning:

- Willful violation of any company rule; any deliberate action that is extreme in nature and is obviously detrimental to Hairspray's efforts to operate profitably.
- Willful violation of security or safety rules or failure to observe safety rules or Hairspray safety practices; tampering with Hairspray equipment or safety equipment.
- Negligence or any careless action which endangers the life or safety of another person.
- Being intoxicated or under the influence of controlled substance drugs while at work; use or possession or sale of controlled substance drugs in any quantity while on company premises except medications prescribed by a physician that do not impair work performance.
- Unauthorized possession of dangerous or illegal firearms, weapons or explosives on company property or while on duty.
- Engaging in criminal conduct or acts of violence, or making threats of violence toward anyone on company premises or when representing Hairspray.
- Insubordination or refusing to obey instructions properly issued by your manager pertaining to your work; refusal to help out on a special assignment.
- Threatening, intimidating or coercing fellow associates on or off the premises — at any time, for any purpose.
- Engaging in an act of sabotage; willfully or with gross negligence causing the destruction or damage of company property, or the property of fellow associates, guests, suppliers, or visitors in any manner.
- Theft of company property or the property of fellow associates; unauthorized possession or removal of any company property, including documents, from the premises without prior permission from management; unauthorized use of company equipment or property for personal reasons; using company equipment for profit.

- Dishonesty; willful falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by Hairspray; alteration of company records or other company documents.
- Violating the non-disclosure agreement; giving confidential or proprietary Hairspray information to competitors or other organizations or to unauthorized Hairspray associates; working for a competing business while a Hairspray associate; breach of confidentiality of personnel information.
- Malicious gossip and/or spreading rumors; engaging in behavior designed to create discord and lack of harmony; interfering with another associate on the job; willfully restricting work output or encouraging others to do the same.
- Immoral conduct or indecency on company property.

Occurrences of any of the following activities, as well as violations of any Hairspray rules or policies, may be subject to disciplinary action, including possible immediate dismissal. This list is not all-inclusive and, notwithstanding this list, all associates remain employed “at will.”

- Unsatisfactory or careless work; failure to meet retail sales standards and other production or quality standards as explained to you by the Salon Manager; mistakes due to carelessness or failure to get necessary instructions.
- Any act of harassment, sexual, racial or other; telling sexist, sexual orientation, or racial-type jokes; making racial or ethnic slurs.
- Leaving work before the end of a workday or not being ready to work at the start of a workday without approval of the Salon Manager; stopping work before time specified for such purposes.
- Sleeping on the job; loitering or loafing during working hours.
- Excessive use of company telephone for personal calls.
- Excessive use of personal telephone or other communication devices for personal calls or business during work periods.
- Smoking in the salon.
- Posting, removing or altering notices on any Hairspray bulletin board or salon property without permission of the salon manager.
- Failure to report an absence or late arrival; excessive absence or lateness.

- Buying company merchandise for resale.
- Obscene or abusive language toward any manager, associate or guest; indifference or rudeness towards a guest or fellow associate; any disorderly/antagonistic conduct on company premises.
- Failure to immediately report damage to, or an accident involving company equipment.
- Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another associate on Hairspray's premises.
- Failure to maintain a neat and clean appearance in terms of the standards established by the salon manager; any departure from accepted modes of dress or personal grooming; wearing improper or unsafe clothing.

Disciplinary Actions

Unacceptable behavior which does not lead to immediate dismissal may be dealt with in the following manner:

Verbal Warning
First Written Warning
Dismissal

Written warnings will include the reasons for the salon manager's dissatisfaction and any supporting evidence. You will have an opportunity to defend your actions and rebut the opinion of your manager at the time the warning is issued. Disciplinary actions may also include fines, suspensions or other measures deemed appropriate to the circumstances.

All pertinent facts will be carefully reviewed, and the associate will be given a full opportunity to explain his or her conduct before any decision is reached. The Owner will give a second opinion concerning the unacceptable behavior before dismissal occurs.

Dismissal

Employment and compensation with Hairspray is "at will" in that they can be terminated with or without cause, and with or without notice, at any time, at the option of either Hairspray or yourself, except as otherwise provided by law.

If your performance is unsatisfactory due to lack of ability, failure to abide by Hairspray rules or failure to fulfill the requirements of your job, you will be

notified of the problem. If satisfactory change does not occur, you may be dismissed. Some incidents may result in immediate dismissal.

4. Compensation & Performance

Wage & Salary Policies

Compensation for Stylists

Commission Structure for Services

Commission Structure for Retail Sales

Compensation for Manicurists

Commission Structure for Retail Sales

Tips

Final Paychecks

Pay Days and Payroll Deductions

Errors in Pay

Wage Assignments (Garnishments)

Personnel Records

Confidentiality of Information

Jury Duty

Safety

Wage & Salary Policies

Hairspray has developed policies to ensure wages and commissions comparable to those offered at other salons in metro Indianapolis. Our wage and commission policy is designed to attract and retain the best-qualified people available.

To carry out this policy, we periodically compare our wage and commission policy with community rates for similar positions using appropriate published information from sources reasonably and readily available to us.

You are employed by Hairspray and will be carried directly on our payroll. No person may be paid directly out of petty cash or any other such fund for work performed. The only exception to this policy is where a contract relationship exists with a bona fide contractor.

Compensation for Stylists

Hairspray recognizes and designated only four levels of hair stylists:

- Junior Stylist
- Senior Stylist
- Master Stylist
- Master Stylist with Assistant.

A stylist's level is determined by experience, training, and the evaluation of management. To be promoted, a performance appraisal is required. In addition a stylist must be at least eighty percent (80%) booked at his or her current level before he or she is eligible to move to the next level.

Each level of stylist has its own price list for services. Prices increase as the level increases.

Commission Structure for Services

Hairspray's Commission Structure for services will be disclosed to you prior to your hire. The Commission Structure and payments made are based on actual receipts for services credited to the stylist. The Commission Structure may change from time to time at the sole discretion of management, provided however that any such change shall be accompanied by a minimum of two (2) weeks notice prior to implementation. Commissions for hair care services are only available to associates designated as Stylists.

Commission Structure for Retail Sales

Hairspray's Commission Structure for retail sales will be disclosed to you prior to your hire. The Commission Structure and payments made are based on actual receipts for services credited to the stylist. The Commission Structure may change from time to time at the sole discretion of management, provided however that any such change shall be accompanied by a minimum of two (2) weeks notice prior to implementation. Commissions for retail sales are only available to associates designated as Stylists, Manicurists or other full-time employees.

Compensation for Manicurists

A manicurist's price list is determined by management. A manicurist must be at least 80% booked before he or she is eligible to move to a higher price list.

Tips

Each associate is solely responsible for reporting his or her tips on their federal and state income tax forms each year that they are employed by Hairspray. Hairspray is not responsible for recording or reporting taxes on tips received by the individual associate. In the event Hairspray shall be deemed liable or accountable for tips earned and received by an associate, Hairspray reserves the right to withhold any associate taxes paid by it from future earnings and/or to seek reimbursement of the same by any legal means.

Failure of an associate to account for tips received as provided in this policy and under federal and other applicable law are grounds for discipline up to and including termination.

Final Paychecks

Final Paychecks will be held for a month after the last workday. If any of the associate's services result in a problem that has to be rectified by another associate or management, or if there are damages of any type caused by the associate, those costs will be deducted from the final paycheck.

Pay Days and Payroll Deductions

The payroll week begins on Tuesday and ends on Saturday. You are paid for any given pay period on the following Wednesday. Your first payday is the second Wednesday after you begin employment. When you are hired, management will explain how paychecks are distributed.

Payroll deductions for federal income tax and Social Security/Medicare will be made as required by law. Any state and city deductions also will be withheld as required by law. We will not handle any deductions to cover payments to outside organizations, such as finance companies. Forms for reporting tips for tax purposes are available from the salon management.

If an associate requests management to reissue a payroll check because the check is lost, stolen, misplaced, or missing for whatever reason, the associate will be required to reimburse the salon for the expense associated with stopping payment on and reissuing the missing check. The associate also will be required to provide written authorization to have the cost deducted from the associate's wages.

Errors in Pay

Every effort is made to avoid errors in your paycheck. If you believe an error has been made, tell your manager immediately. He or she will take the necessary steps to research the problem and to assure that any necessary correction is made properly and promptly.

Any accrued but unused vacation time will be paid at the time of employment termination, as specified under "Vacations" in the "Benefits" section of this Manual.

Wage Assignments (Garnishments)

We hope you will manage your financial affairs so that we will not be obligated to execute any court-ordered wage assignment or garnishment against your wages. However, whenever court-ordered deductions are to be taken from your paycheck, you will be notified.

According to the Federal Wage Garnishment Act, three (3) or more garnishments may be cause for dismissal.

Personnel Records

Associate personnel records are maintained by management. To keep your personnel records up to date, please report changes in any of the following information to management:

- name
- address
- telephone number
- number of dependents
- marital status
- person to notify in case of an emergency
- training
- skills development.

Confidentiality of Information

In order to protect the salon's trade secrets and confidential information, no associate shall copy or remove from the salon premises, or disclose to another person or business, any of the salon's confidential or business information including, but not limited to, following materials:

- guest cards, guests lists, or other guest information
- personnel manuals

- operating manuals
- training manuals
- business records, such as: sales records, payroll data; inventory, inventory tracking, accounting data; and so forth.

Jury Duty

You will not be compensated for time spent on jury duty. However, your job is protected and will be held open for you.

Safety

Safety is everyone's business. Hairspray does not permit carelessness, recklessness, or horseplay on the job.

If you notice an unsafe condition or practice in the workplace, report it immediately to management. If you are in doubt about whether a practice or procedure is unsafe, consult with management.

Become familiar with the locations and operations of:

- fire alarms
- fire extinguishers
- fire escape routes
- first aid kits
- mall security phone number.

If you have an accident or injury at work, immediately report it to management. We will take action to make sure that you receive prompt medical assistance, if required. We carry workers' compensation insurance in accordance with Indiana state law. This insurance provides coverage for medical and hospital expenses resulting from a work-related accident or injury. Failure to report an accident to management within 24 hours after the accident could result in discipline up to and including termination.

If an accident involving a guest occurs, inform management immediately. If you witnessed the accident, obtain an accident report form from management and make notes describing exactly what happened. Record the name and address of the injured party, as well as the names of any witnesses.

5. Additional Policies and Guidelines

Access to Management

Down Time

Loss Prevention

Phone Calls

In-Salon Classes

Parking

Snow or Other Emergencies

Work Schedule

Record of Absence or Lateness

Additional Policies and Guidelines

Access to Management

You are encouraged to discuss your job with management at any time. If you have a problem, please do not hesitate to discuss it with management.

Down Time

The appearance and atmosphere of the salon affect the guest's first impression of the salon. Since the salon is busy, it is easy for it to become untidy. We expect all associates to use down time to sweep the floor, wash and fold towels, pick up magazines and trash, and so forth. We all expect each associate to keep his or her station neat and to keep the shampoo and color areas clean.

Loss Prevention

Every associate is responsible for loss prevention. Your attentiveness to the activity going on around you is essential to prevent situations that might result in lost revenues, lost time, or personal injury to associates or guests.

Be aware of the activity in both the salon and the area outside the salon. Immediately report any suspicious behavior in the parking lot, such as strangers loitering around the salon, to management.

Any suspicious behavior, including but not limited to dishonesty, falsifying appointment books, failing to ring up sales, creating hazardous conditions, and careless actions, should be reported immediately to management. Also, immediately report any mistakes that might result in unsatisfied guests or guests, or lost revenues for Hairspray. Be sure to provide all pertinent information so

appropriate action can be taken immediately. These reports will be kept confidential.

No one except the receptionist and management should ever be behind the front desk.

Phone Calls

The phone lines at Hairspray are the lifelines of our business. Because of the large volume of salon business transacted by telephone, we regulate the use of salon phones for personal matters. Personal phone calls on salon phones are generally inappropriate and should be avoided. In addition, no long distance calls (without authorization from management) are permitted on salon phones.

In-Salon Classes

All associates are required to attend in-salon classes. No excuses will be accepted other than illness, death in the family, or a planned vacation or leave approved by management.

Classes generally last three (3) hours and are held once each month on a Monday. The dates for these classes are posted on the planner in the supply room. Generally, dates are posted at least two (2) months in advance. Please watch and monitor the posting on the planner and mark class dates on your personal calendar so that you will remember.

Parking

Always park your car in the designated associate parking area. Failure to do so might result in your car being towed at your expense. Because our focus and priority is on our guests and guests, you should avoid parking your personal vehicle in spaces immediately adjacent to the salon entry.

Snow or Other Emergencies

In the event of severe snowfall or any other emergency, management will call you if the salon will not open or will open late.

Work Schedule

The normal workweek consists of five (5) days, eight (8) hours long, Monday through Friday. You will be notified promptly whenever a change is necessary. Should you have any questions concerning your work schedule, please ask your manager.

Record of Absence or Lateness

If you are absent because of illness for three (3) or more successive days, your manager may request that you submit written documentation from your doctor. If you are absent five (5) or more days because of illness, you may be required to provide written documentation from a doctor that you are able to resume normal work duties before you will be allowed to return to work. You will be responsible for any charges made by your doctor for this documentation.

Your manager will make a note of any absence or lateness, and the reason, in your personnel file. Your attendance record will be considered when evaluating requests for leaves of absence, and approved time off.

6. Benefits

The Benefits Package

Eligibility For Benefits

Holidays

Recognized Holidays

Holiday Policies

Vacation Policies

Accumulation Rights

Payment in Lieu of Vacation

Termination

Leaves of Absence

Funeral (Bereavement) Leave

Jury Duty

Personal Leave

Sick Leave

Insurance Coverage

Group Insurance

Health Insurance

Life Insurance

Termination Of Insurance

Government Required Coverage

Workers' Compensation

Unemployment Compensation

Social Security

Other Benefits

Education / Training (Attending Seminars / Training Sessions)

Associate Purchases

The Benefits Package

In addition to receiving an equitable salary and having an equal opportunity for professional development and advancement, you may be eligible to enjoy other benefits which will enhance your job satisfaction. We are certain that you will agree that the benefits program described in this Manual represents a very large investment by Hairspray, and we trust that you will avoid abusing any of the program's benefits.

A good benefits program is a solid investment in Hairspray and its associates. It not only insures the loyalty of long-time capable associates, it also helps to attract talented newcomers who can help Hairspray grow. Hairspray will periodically review the benefits program and will make modifications as appropriate to the company's condition.

Eligibility For Benefits

If you are a full-time associate, you will enjoy all of the benefits described in this manual as soon as you meet the eligibility requirements for each particular benefit.

If you are a part-time associate, you will enjoy only those benefits which are required by law to be afforded to you, provided that you meet the minimum requirements set forth by law and in the benefit plan(s).

Benefits are available to you during your Introductory Period as stated in the "Employment" section of this manual.

Note: See "Introductory Period" in the "Employment" section of this Manual for further information.

Temporary associates are not eligible for benefits.

Holidays

Only full-time associates are eligible for holiday pay.

You are not eligible to receive holiday pay if you are a part-time associate or a temporary associate.

Recognized Holidays

The following holidays are recognized by Hairspray as paid holidays:

Christmas Eve (1/2 day)
Christmas Day
Independence Day
Labor Day
Memorial Day
New Year's Day
Thanksgiving Day

Holiday Policies

You may take time off to observe your religious holidays. If available, a full day of unused (sick / personal) leave or a vacation day may be used for this purpose, otherwise the time off is without pay. You must notify your manager at least ten business days in advance.

We schedule all national holidays on the day designated by common business practice.

If a holiday occurs during your scheduled vacation, you are permitted to take an extra day of vacation.

Policy Effective as of May 15, 2004

In order to qualify for holiday pay, you must work the scheduled workday immediately before and after the holiday. Only excused absences will be considered exceptions to this policy.

You are not eligible to receive holiday pay when you are on a leave of absence.

Vacation Policies

Vacations are important to each associate's health and morale, and are intended as a time for rest and relaxation. Paid vacations are based on each associate's continuous length of service. An associate's anniversary date is the date of employment or re-employment with the salon, whichever is later. Associates will begin to accrue (earn) vacation from the date of employment. During the first year of employment, associates will accrue vacation time at the rate of one week (with pay) per year. Such vacation earned may be taken the next anniversary year of the associate's employment. After completing one year of service, each full-time associate (working at least 36 hours per week) will begin accrue vacation at the rate of two (2) weeks (with pay) per year. Such earned vacation may be taken in the subsequent year. As such, earned vacation, in all cases is earned in one year, and then may be taken/used in subsequent years.

You usually can take vacations at your convenience, provided that the dates are requested in writing and approved by management at least one month in advance and no more than two (2) associates are on vacation at the same time.

Vacation pay will be computed on the basis of receipts for services only (not sales). Vacation pay for commission sales employees that are full time is calculated on the basis of one-half of one percent (.5%) of the associate's gross receipts for services (not sales) during the year in which the vacation pay is earned for each week of earned vacation pay and time in that year. *For example, if an associate's annual gross sales were \$80,000, the earned vacation pay for one week of vacation would be \$400.00. If such associate was entitled to two weeks vacation, such amount would be \$800.00.*

Vacation days must be scheduled at the approval of your immediate supervisor and generally require at least 4 weeks written notice for requests of more than 2 days and 2 weeks written notice for requests of less than 2 days. You may take your vacation in weekly blocks or as individual days as you and your supervisor agree. Single day vacation requests are subject to the same request criteria and written notice requirements mentioned above.

Every effort will be made to grant your vacation at the time you desire. Vacations, however, can not interfere with your department's operation or with the operation of the company as a whole. If vacation requests of multiple associates create such a conflict, the associate with the most seniority will be given preference in approving the requested vacation.

If a company paid holiday occurs during an otherwise scheduled vacation period, such holiday will not be charged to the associate as a vacation day.

If you are on an approved leave of absence of 30 days or less, your vacation eligibility will not be affected. If an approved leave of absence extends beyond 30 days, vacation time will not continue to accrue.

Accumulation Rights

Vacation time that may be taken in one year may not be carried over and accumulated in subsequent calendar years. Exceptions to this policy may be made in unusual circumstances; each case will be decided the Salon Manager.

Payment In Lieu Of Vacation

The purpose of vacation time is to provide you with a time to rest, relax, or pursue special interest and you are encouraged to use the time for these purposes; therefore no additional wages or salary will be paid to you in lieu of vacation time you do not use. Advance written approval of management is required for any exceptions. If payment in lieu of vacation is approved, one week of vacation pay is the equivalent of one-half of one percent (.5%) of the associate's gross sales receipts for services for the previous year of service.

In all cases and interpretations of policy relating to vacation pay and vacation pay compensation, calculations shall accrue and be earned on the basis of the associates anniversary date of employment.

Termination

Vacation days that have been earned but not taken will be paid upon your termination. In the case of termination earned but unused vacation pay shall be calculated on the basis of one week of vacation pay is the equivalent of one-half of one percent (.5%) of the associate's gross sales receipts for services for the previous year of service.

Any vacation pay due upon termination will be paid with the associate's final paycheck on the regular payroll schedule of the company.

Leaves of Absence

Management must approve all leaves of absence in advance. Management will provide written notification if the absence is approved.

To request a leave of absence, you must submit a written request in advance to management, including:

- the reason for the absence;
- the expected duration of the absence (No leave of absence may exceed one month in duration.);
- the expected dates of the absence.

If the absence is approved, management will provide written notification. Any request to extend an absence beyond the original date must be made in writing.

Failure to report to work promptly after the expiration of an approved absence will be considered voluntary termination of employment.

All leaves of absence shall be without compensation.

Funeral (Bereavement) Leave

You are entitled to take up to five (5) workdays without pay to attend the funeral and take care of personal matters related to the death of a member of your immediate family. (A parent, spouse, spouse's parent, child, spouse's child by a former marriage, brother or sister.) Three (3) day of unpaid funeral leave will be granted in the case of the death of a grandparent, your spouse's grandparent or sibling, or any member of your extended family living in your home. Only regular full-time associates are eligible for paid funeral leave.

With your manager's approval, you may take up to one full day without pay to attend funerals of other relatives and friends. If you prefer, unused personal leave or a day of earned vacation may be used for this purpose.

An excused absence for family death may not be retroactive, postponed or split.

All bereavement leaves of absence shall be without compensation.

Jury Duty

It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, we will permit you to take the necessary time off.

You must notify your manager within forty-eight (48) hours of receipt of the jury summons. On any day or half-day you are not required to serve, you will be expected to return to work.

Personal Leave

All full time associates are eligible for personal leave once they have completed their introductory period. This time may be used for illness or personal business. Associates are eligible for 2 days of paid personal leave during each calendar year. You may use your personal leave in increments of no less than 2 hours at a time or in full days. Personal leave is intended to be used to accomplish personal business that can not be accomplished during time other than your normal business hours. This personal leave policy is effective as of January 1, 2005.

An associate earns a pro-rated two days between the end of their introductory period and December 31st of that same year. As of the next January 1st, the associate is entitled to 2 personal days per calendar year.

All personal time must be requested from your manager in advance and is subject to his or her approval. Personal time must be requested as such. If you do not specify a particular day off as a personal day, it will be presumed to be a vacation day; or a sick day if you are ill.

Sick Leave

The company does not offer sick leave. However, full time associates may use personal days accumulated above for personal illnesses.

Insurance Coverage

Group Insurance

Hairspray is interested in your health and well-being. While we cannot offer all the benefits of many large companies, we desire and try to offer a comprehensive health and life insurance program to its full-time associates. We provide group insurance underwritten by a national insurance carrier. After completion of your Introductory Period, you become eligible for coverage. At that time, you may choose to accept the insurance coverages, or not.

The following benefits are provided, as defined and limited in the literature provided by our insurance company:

- Group Term Life Insurance
- Major Medical and Surgical Coverage
- Medical Health Care Coverage

When you choose insurance coverage, our insurance company provides a booklet describing your benefits; a copy of this will be given to you when you join the program.

We pay 50% of the premiums for insurance coverage on you. You pay 50% of the insurance premiums for your own coverage. Our plan also allows you to add health insurance coverage for your family. You must pay 100% of the premiums for insurance coverage of your eligible dependents through payroll deduction if you elect this option.

In the event of your termination of employment with Hairspray or loss of eligibility to remain covered under our group health insurance program, you and your eligible dependents may have the right to continued coverage under our health insurance program under COBRA for 18 months at your own expense. (This does not affect the conversion privilege as stated in the insurance policy.) Full payment for insurance premiums must be made to Hairspray prior to the first of each month. Consult the Salon Manager for details.

Health Insurance

Today's many health insurance plans and options can be confusing and complicated. That is why Hairspray has taken the time to carefully review the coverages and plans available. We have selected the plan we feel provides the best coverage for our associates. Refer to the literature provided by our insurance company for details on your health coverage.

Life Insurance

If you are a regular full-time associate of Hairspray, you are covered by our Group Life Insurance. This insurance is payable in the event of your death from any cause, at any time or place, while you are insured. Payment will be made in a lump-sum or in installments to the beneficiary, as designated by you. You may change your beneficiary whenever you wish by submitting the appropriate documents to The Associate Executive Director. Refer to the literature provided by our insurance company for details on your life insurance coverage.

Termination of Insurance

Your insurance will terminate when the insurance policy terminates, when you fail to make an agreed contribution to premium when due, when you cease to be eligible for coverage under the terms of our group insurance program, or when you cease to be employed as a regular full-time associate eligible for the insurance. Hairspray may, by continuing to pay the premium, keep your insurance in effect for a brief period if you cease to be an eligible associate for any reason other than resignation, dismissal, or failure to meet the terms of eligibility of our group insurance program.

Government Required Coverage

Workers' Compensation

What Is Workers' Compensation?

Workers' compensation is a system of benefits provided by law to most workers who have job-related injuries or diseases. These benefits are paid regardless of fault. The amount of the benefits is limited by law.

Who Is Covered?

Almost every Hairspray associate who is hired, injured or whose employment is localized in the state of Indiana is protected by Workers' Compensation. Associates are covered from the moment they begin their jobs.

What Is Covered?

In most instances, workers' compensation benefits are paid for accidental injuries that are caused, in whole or in part, by the associate's work. Workers may also be compensated for aggravation of a pre-existing condition.

Injuries are accidental if they happen unexpectedly, without plan or design. This includes injuries brought on by the repetitive use of a part of the body as well as strokes, heart attacks or any other physical problem caused by work.

Injuries suffered in employer-sponsored recreational program (e.g., athletic events, parties, picnics) are not covered unless the associate is ordered by the employer to participate. Accidental injuries incurred while participating as a patient in a drug or alcohol rehabilitation program are not covered.

When Am I Covered?

Coverage begins the first minute you're on the job and continues anytime you're working for Hairspray. You don't have to work a certain length of time, and there's no need to earn any minimum amount of wages before you're protected.

What Are The Benefits?

A. Medical care benefits

The injured associate is entitled to receive all necessary first aid, medical, surgical and hospital services reasonably required to cure or relieve the effects of the injury or disease. Where necessary, the associate is also entitled to receive appropriate physical, mental or vocational rehabilitation.

B. Temporary total disability benefits

Associates who must lose time from work in order to recover from the injury or disease are entitled to receive weekly payments until they are able to return to work that is reasonable available to them.

No compensation is payable for the first three working days, unless the lost time continues for 14 or more calendar days from the date of injury.

If temporary total disability benefits are not paid within 14 days, and the employer cannot justify the delay in payment, the employer may be required to pay a penalty to the associate.

C. Permanent disability, disfigurement and death benefits

When the associate has sustained an injury or disease that results in permanent disability, scarring or other disfigurement, additional benefits are provided to the associate as required by state law and benefit policy.

How Do I Get The Benefits?

The associate must inform the employer promptly, orally or in writing. Any delay in the notice to the employer can delay the payment of benefits; a delay of more than 45 days may result in the loss of all benefits. Notice to a fellow worker who is not a part of management is not considered notice to the employer.

The law requires the associate to notify the employer of the date and place of the accident, if known.

To avoid possible delays, it is recommended that the notice to the employer also include the associate's name, address, telephone number and Social Security number, and a brief description of the injury, accident or disease.

For occupational diseases, the associate must notify the employer as soon as practicable after he or she becomes aware of the condition.

How Much Are The Cash Payments?

The state of Indiana provides for a minimum payment depending on the classification of the disability: temporary total disability, permanent partial disability and permanent total disability.

When Are The Cash Payments Made?

Depending on the type of disability an associate incurs, payments may be made at different times.

What If There's A Problem?

Fortunately, most claims — better than 9 out of 10 — are handled routinely. After all, Workers' Compensation benefits are automatic and the amounts are set by the

Legislature. But mistakes and misunderstandings do happen. If you think you haven't received all benefits due you, please contact the Salon Manager.

If you're not satisfied with the Salon Manager's explanation, get advice from the appropriate agency of the State of Indiana and follow that agency's program for review and appeal of claims.

Other Benefits

If the injury is very serious — one where you won't be able to work for a year or more — you may be eligible for additional benefits from Social Security. For information contact the nearest office of the Social Security Administration, or discuss your situation with the claims representative of Hairspray's Workers' Compensation Insurance carrier.

Associates returning to work after being absent due to an injury must report to the Salon Manager prior to beginning work, and must bring a doctor's clearance for returning to duty.

Unemployment Compensation

Hairspray pays a percentage of its payroll to the Unemployment Compensation Fund according to Hairspray's employment history. If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible you must have earned a certain amount and be willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible.

Hairspray pays the entire cost of this insurance.

Social Security

The United States Government operates a system of contributory insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which benefits are paid. As your employer, Hairspray is required to deduct this amount from each paycheck you receive. In addition, Hairspray matches your contribution dollar for dollar, thereby paying one-half of the cost of your Social Security benefits.

Other Benefits

Education / Training (Attending Seminars / Training Sessions)

From time to time, Hairspray may arrange to have both formal and informal training programs to enable you to progress in your technical knowledge of our

business. Such training includes “in salon” workshops and programs as well as programs offered by others outside the salon. Associates are required to attend all “in salon” workshops and training sessions.

From time to time, associates are selected to attend workshops, or training programs outside the salon offered by third parties. All or a portion of the expenses for off-premises training will be paid for by Hairspray depending on the nature of the course. Check with the Salon Manager for details and approval to attend such training. The Salon Manger’s prior approval is required for the absence form work and for any expense reimbursement offered.

From time to time, associates may, of their own volition, desire to attend workshops or training programs outside the salon. Associates are required to obtain the approval of the Salon Manager to attend any workshop or program that would require absence from regularly assigned work.

If you become aware of a particular seminar that you believe is appropriate for enhancing your skills (and/or those of other associates), please bring it to the attention of the Salon Manager. Since these seminars are usually offered only at specified times in a geographical area, please be sure to notify the Salon Manager as far in advance as possible. This way, he or she can attempt to schedule workloads to accommodate your (and/or other associates’) desire to attend the seminar.

Associates are required to maintain their state licensing for the performance of their assigned duties. The payment for such continuing education or certification requirements is the sole responsibility of the associate. Hairspray, when necessary and appropriate, will adjust an associate’s work schedule to accommodate for his/her required continuing education and certification work.

During any slow periods of work associates should use the time to learn more about Hairspray, its services and products. You may progress as you become more knowledgeable about your job and the jobs of the people around you. You are encouraged to ask questions about any aspect of Hairspray that is of interest or unclear.

Associate Purchases

As an associate of Hairspray, you are entitled to purchase merchandise at a forty percent (40%) discount off Hairspray’s regular retail sales price, plus tax. What you buy must be for your own personal use or that of your immediate family and not for resale or use by others.

You can also order products at cost from suppliers on your own. Please check with management as to the proper procedure for making a personal purchase.

You can always order products at cost from suppliers on your own. Please check with management as to the proper procedure for making a personal purchase.

Stylists are not permitted to sell merchandise from their personal inventory. Stylists may sell only salon merchandise.

Someone other than yourself must check out merchandise, and you must have an invoice or sales receipt for all packages before leaving the salon. The purchase may be paid for by check or cash only. Non-stock items must be paid for in advance and are not returnable or exchangeable.

Note: See “Discounting” in the “Other Policies” section of this Manual for further information.

7. Other Policies

Bulletin Boards

Community Activities

Company and Departmental Meetings

Conversion Privileges

Employee Referral

Exit Interviews

Expense Reimbursement

First Aid

Gifts

Grievances & Suggestions

Inspection Of Packages

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Resignation / Return Of Company Property

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Smoking

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Theft

Violations Of Policies

Other Policies

Bulletin Boards

Bulletins and bulletin board(s) are our “official” way of keeping everyone informed about new policies, changes in procedures and special events. Information of general interest is posted regularly on the bulletin board(s). Please form the habit of reading the bulletin board(s) regularly so that you will be familiar with the information posted on it.

Only authorized personnel are permitted to post, remove or alter any notice on the bulletin board(s). If you want to have notices posted on Hairspray bulletin board(s), see the Salon Manager for instructions.

Community Activities

Hairspray recognizes the importance of community participation. Our business is dependent upon the community for associates and for customers, and the community is dependent on our business for employment opportunities and for our [products/services].

Company and Departmental Meetings

On occasion, we may request that you attend a company sponsored meeting. Your attendance is required.

From time to time, your manager will schedule department meetings before, during, or after work. It's to your advantage to be at these meetings. They give you and your fellow workers a chance to receive information on Hairspray events, to review problems and possible solutions, and to make suggestions about your department or your job.

If your attendance at Department Meetings is mandatory, you will be informed in writing. Failure to attend may involve a penalty.

Conversion Privileges

At your exit interview or upon dismissal, you will learn how you can continue your insurance coverage and any other benefits you currently enjoy as an associate that are eligible for continuation.

Employee Referral

Open positions will be posted on our bulletin board. You are encouraged to recommend and refer qualified candidates for employment with Hairspray. If you know of someone who would like to work here, we will be glad to consider them for appropriate openings. Notify the Salon Manager and be sure the individual mentions your name when contacting Hairspray.

Exit Interviews

In instances where an associate voluntarily leaves our employ, Hairspray management would like to discuss your reasons for leaving and any other impressions that you may have about Hairspray. If you decide to leave, you will be asked to grant us the privilege of an exit interview. During the exit interview, you can express yourself freely. It is hoped that this exit interview will help us part friends, as well as provide insights into possible improvements. All information

will be kept strictly confidential and will in no way affect any reference information that Hairspray management will provide another employer about you.

Expense Reimbursement

You must have written authorization (requisition / purchase order, etc.) of the Salon Manager or Owner prior to incurring an expense on behalf of Hairspray. To be reimbursed for all authorized expenses, you must submit an expense report / voucher accompanied by receipts and approved by the Salon Manager or Owner. Please submit your expense report / voucher each week, as you incur authorized reimbursable expenses.

If you are asked to conduct company business using your personal vehicle, you will be reimbursed at the rate of .36 (mileage reimbursement rate) per mile. Please submit this expense on your weekly expense report / voucher. No associate should or is authorized to conduct company business in a personal vehicle without the express consent or direction of the Salon Manager or Owner.

Company credit cards will be issued to associates whose position would require their use. These cards are to be used for official company business only. Charges made with a company credit card require your receipt to be submitted each week with an explanation of expenses incurred. If any personal business expense is charged, your check of reimbursement must accompany the receipt or be paid prior to the end of the card's billing cycle. If any personal charges are not paid, they will be withheld from your next paycheck. Company credit cards are not to be utilized for personal vehicle gas consumption without prior approval from the Owner.

First Aid

Federal law ("OSHA") requires that we keep records of all illnesses and accidents which occur during the workday. The Indiana state Workers' Compensation Act also requires that you report any illness or injury on the job, no matter how slight. If you hurt yourself or become ill, please contact your manager for assistance. If you fail to report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits. OSHA also provides for your right to know about any health hazards which might be present on the job. Should you have any questions or concerns, contact the AED for more information.

Grievances & Suggestions

An efficient, successful operation and satisfied associates go hand in hand. Associate grievances/suggestions are of concern to Hairspray, regardless of whether the problems or ideas are large or small.

In order to provide for prompt and efficient evaluation of and response to grievances/suggestions, Hairspray has established a formal Grievance/Suggestion Procedure for all associates. It will always be Hairspray's policy to give full

consideration to every associate's opinion. There will be no discrimination against or toward anyone for his or her part in presenting grievances/suggestions.

Under this policy, a grievance is defined as any event, condition, rule, or practice which the associate believes violates his or her civil rights, treats him or her unfairly, or causes him or her any degree of unpleasantness or unhappiness on the job. This covers a wide range of circumstances, everything from the workplace, the environment, and other working conditions to policies or practices which interfere with or hinder his or her performance. A grievance may also deal with an attitude, a statement, or an opinion held by a manager or a fellow associate.

Talking things over usually helps. When you have a grievance or other problem, the person you report to is the person to see first. If this does not settle the matter, you are entitled to go to his or her immediate supervisor to see what can be done. Please, never leave your work area without notifying your manager first.

The Grievance/Suggestion Procedure is as follows:

1. See the Salon Manager First.

If there is anything bothering you, or if you have a suggestion, we would like to hear about it. If you feel that any working condition, policy, practice, or action by Hairspray or by any member of management is unjust, you should tell the Salon Manager about it and discuss the matter confidentially and in private with him or her. If you decide to do this, please stay in your workplace and contact the Salon Manager before leaving. Establish with the Salon Manager an appropriate time and place to discuss your concern. If for some reason the Salon Manager fails to offer you the opportunity to discuss the matter, or if the discussion does not lead to a satisfactory conclusion, then proceed to the next step.

2. Put It In Writing.

It makes a difference when you put your grievance/suggestion in writing — understanding the situation and what you think the ideal condition should be, as well as some ideas for achieving your desired condition, will help the Salon Manager to work for you. Explain the present situation, the desired condition, and your proposed solution/suggestion. Submit this suggestion to the Salon Manager.

If, after discussion with the Salon Manager, the situation remains unsettled, the matter should be referred to the Owner. You may need to elaborate your complaint or proposed solution. Further describe the situation or problem, name any witnesses if applicable, and be sure to mention any times, dates, and places. Also, include a summary of your communications with your manager on the subject. You will receive consideration and a response. The Owner's response and decision will be binding on all.

The sole purpose of this Grievance/Suggestion Procedure is to give each associate and Hairspray a chance to clear up any problem, complaint, friction, or grievance

and to evaluate associate suggestions. In order for this policy to work, each associate and each member of management must want it to work, and be willing to do whatever it takes to make it work.

Inspection Of Packages

Hairspray reserves the right to inspect all packages or closed containers brought into or taken out of the work area.

Salon Manager

The Salon Manager is the person on the management team who is closest to you and your work. He or she is responsible for the efficient operation of the salon. The Salon Manager has authority to assign work, recommend pay increases, and to maintain order and discipline.

Remember, the Salon Manager knows most of the answers, and, if not, knows where to get them regarding operation of the salon and its business. The Salon Manager wants you to succeed. Please get to know the Salon Manager, and when you need help or have questions, complaints, problems or suggestions, go to them. He or she is interested in your success, the success of every associate, and the overall success of Hairspray.

Your Salon Manager is human, has many responsibilities, and needs your cooperation, assistance, and loyalty. He or she wants to help you — that's their job — so please ask, and please be willing to meet your manager half way. If he or she cannot help you or answer your question, your question will be referred to someone who can. You can expect to be treated fairly and with respect. Like Hairspray, the Salon Manager has a direct interest in you. He or she wants you to consider him or her as your advisor, friend and mentor. Go to your manager for information about your job, your pay, or other matters of company and salon policy.

Open Door Policy & Counseling

Normally, you will be expected to use the Grievances/Suggestions Procedure outlined earlier in this Manual to resolve a problem. However, if the problem or complaint is of a personal nature, or a very delicate matter, you may meet with the Salon Manager or the Owner to discuss it.

Outside Activities

No associate may take an outside job, either for pay or as a donation of his or her personal time, with a competitor of Hairspray; nor may they do work on their own if it competes in any way with the sales of products or services we provide our customers. If your financial situation requires you to hold a second job, part-time or full-time, or if you intend to engage in a business enterprise of your own, we would like to know about it. Before accepting any outside employment it would be a good idea to discuss the matter with your manager.

Parking Lot

You are encouraged to use the parking areas in the lot in front of the salon. Please keep in mind that the parking spaces immediately adjacent to or in front of our

building(s) are for customers and visitors only. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will avoid accidents, personal injuries, damage to your vehicle and to the vehicles of other associates. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to the Salon Manager.

Hairspray does not assume any liability for any loss or damages you may sustain.

Payroll Advances

Hairspray rarely advances or loans money to associates. In the event you must borrow against your paycheck, you must first discuss your situation with your manager. If he or she feels that your request is justified, an "Employee I.O.U" form will be provided for you to fill out and sign.

Property & Equipment Care

It is your responsibility to understand the machines you need to use to perform your duties. Good care of any machine or tool that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and Hairspray. If you find that a machine or equipment is not working properly or in any way appears unsafe, please notify your manager immediately so that repairs or adjustments may be made. Under no circumstances should you start or operate a machine you deem unsafe, nor should you adjust or modify the safeguards provided.

Resignation / Return of Company Property

While we hope both you and Hairspray will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your job with Hairspray. Any Hairspray property issued to you, such as product samples, tools or uniforms, must be returned to Hairspray at the time of your dismissal or resignation, or whenever your manager or a member of management requests it. You are responsible to pay for any lost or damaged items. The value of any property issued and not returned may be deducted from your paycheck.

Safety Rules

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all Hairspray activities. We want to protect you against industrial injury and illness, as well as minimize the potential loss of production.

Please report all injuries (no matter how slight) to your manager immediately, as well as anything that needs repair or is a safety hazard. Below are some general safety rules. Your manager or department head may post other safety procedures in your department or work area:

- Avoid overloading electrical outlets with too many appliances or machines.
- Use flammable items, such as cleaning fluids, with caution.
- Walk — don't run.
- Report to your manager if you or a co-worker becomes ill or is injured.
- Ask for assistance when lifting heavy objects or moving heavy furniture.
- Keep cabinet doors and file and desk drawers closed when not in use.
- Sit firmly and squarely in chairs that roll or tilt.
- Avoid "horseplay" or practical jokes.
- Keep your work area clean and orderly, and the aisles clear.
- Stack materials only to safe heights.
- Watch out for the safety of fellow associates.

Remember, failure to adhere to these rules will be considered serious infractions of safety rules and will result in disciplinary actions.

Security

Maintaining the security of Hairspray buildings and vehicles is every associate's responsibility. Develop habits that insure security as a matter of course. For example:

- Always keep cash properly secured. If you are aware that cash is insecurely stored, immediately inform the person responsible.
- Know the location of all alarms and fire extinguishers, and familiarize yourself with the proper procedure for using them, should the need arise.
- When you leave Hairspray's premises make sure that all entrances are properly locked and secured.

Seniority

Many of your benefits, like vacations, are determined by seniority. Also, seniority is one of the factors recognized when making promotions. Therefore, seniority is very important to you as an associate.

You must complete an Introductory Period when you are hired. During this period, you carry no seniority rights. If you are retained after the Introductory Period, you will be credited with seniority. Your seniority will reflect your length of employment beginning on the date on which you began work (Anniversary Date).

Smoking

Hairspray is a smoke free environment. Smoking is not permitted anywhere on the Company's premises. Associates should also take care to ensure the clothing and personal hygiene does not emit objections odors related to smoking or other causes.

Solicitations & Distributions

Solicitation for any cause during working time and in working areas is not permitted. You are not permitted to distribute non-company literature in work areas at any time during working time. Working time is defined as the time assigned for the performance of your job and does not apply to break periods and meal times. Working areas do not include the lunch room or the parking areas. Solicitation during authorized meal and break periods is permitted so long as it is not conducted in working areas. However, associates are not permitted to sell chances, merchandise or otherwise solicit money or contributions without management approval.

Persons not employed by Hairspray are prohibited from soliciting or distributing literature on company property.

Theft

Although taking small items of Hairspray property may seem inconsequential, the cumulative effect can be very large. Stealing from the company is like stealing from yourself. Losses from theft immediately affect our ability to increase compensation and can jeopardize the profitability of the company.

Property theft of any type will not be tolerated by Hairspray. We consider property theft to be the unauthorized use of company services or facilities or the taking of any company property for personal use. No item purchased or supplied by Hairspray should ever be removed from company premises without express authorization of the Salon Manager and the proper paper work associated with the situation. This rule applies to all company property including computers and hair care supplies.

Penalty Clause

Unauthorized possession or removal of company property is a very serious offense. Associates violating this policy will be subjected to discipline up to and including possible dismissal and prosecution. Hairspray will consider the dollar value of the item(s) taken, the associate's seniority, and the associate's past work record in setting penalties. If you are dismissed because of unauthorized possession or removal of company property, the reason for your dismissal will be provided to any future employer that contacts Hairspray. Referrals to criminal authorities will be made on a case-by-case basis.

Violations of Policies

You are expected to abide by the policies in this Manual. Failure to do so will lead to appropriate disciplinary action. A written record of all policy violations is maintained in each individual's personnel file.

A partial list of causes for possible disciplinary action ("Unacceptable Activities") is presented under "Standards Of Conduct" in the "Employment" section of this Manual. This list is not to be considered all-inclusive.

Hairspray

OPERATING APPENDICES

Guest Relations

Superior Guest Services Standards

Promoting Hair Care Products

Salon Appearance and Cleanliness

Miscellaneous

Business Hours and On-time Standards

Check Acceptance Policies and Procedures

Computer Software (Unauthorized Copying)

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Guest Relations

The success of Hairspray depends upon the quality of the relationships between Hairspray, our associates, our guests, our suppliers and the general public. Our guests' impression of Hairspray and their interest and willingness to purchase a service from us is greatly formed by the people who serve them. In a sense, regardless of your position, you are Hairspray's ambassador. The more goodwill you promote, the more our guests will respect and appreciate you, Hairspray, and Hairspray's products and services.

Here are several things you can do to help give guests a good impression of Hairspray:

1. Act competently and deal with guests in a courteous and respectful manner.
2. Communicate pleasantly and respectfully with other associates at all times.
3. Follow up on orders and questions promptly, provide businesslike replies to inquiries and requests, and perform all duties in an orderly manner.
4. Take great pride in your work and enjoy doing your very best.

Following are the minimum standards for providing superior guest relations at Hairspray.

Superior Guest Service Standards

Greeting Guests

Our guests are our most important assets. Our success depends on making our guests look *and feel* good. We can make guests feel good by providing superior guest service.

Here are some suggestions for making guests feel important:

- Greet each guest with a pleasant and friendly greeting. Give guests your complete attention and acknowledge that by making and maintaining appropriate and attentive eye contact.
- When talking with a guest, use his or her name when possible.
- Acknowledge waiting guests with, "I'll be right with you." Guests will be more comfortable waiting for you if they know you're aware of their presence.
- Close your discussion or sale with a warm and friendly "thank you" and be sure to *invite them* back! You want the guest's last impression to be positive so he or she will want to return.
- When talking with guests on the phone, be as courteous and considerate as you are in person.
- **Do not gossip about anyone to associates or guests.** This is a fundamental part of Hairspray's culture.

Responding to Guest Complaints

Guest and guest complaints generally fall into two categories – complaints about service and complaints about merchandise. When responding to guest complaints, remember that guests usually are sincere and believe their complaint is justified. Also, remember that the guest sees you as a representative of Hairspray, not as an individual. *Regardless of the circumstances*, apologize graciously to the guest, as a matter of policy, courtesy, and superior guest service.

When dealing with an angry or upset guest, stay calm and poised. Move your conversation to a private location. If circumstances are beyond your control, try not to take the complaint personally. Try to reassure the guest that you are

interested in helping him or her with the problem. If the guest resists your efforts to satisfy him or her, suggest a meeting with management.

Maintaining Professionalism on the Job (including attire)

Hairspray intends to promote a professional and orderly atmosphere *at all times*. To maintain this atmosphere, no associate may remain on salon premises to visit with fellow associates or guests, or for other purposes not related to performing his or her job. To promote Hairspray's professional atmosphere, associates are required to dress in a professional manner.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and groomed during working hours or when representing Hairspray. A good clean appearance bolsters your own poise and self-confidence and greatly enhances our company image. When working at an event site, please wear appropriate staff clothing.

Hairspray's general standards for acceptable working attire include:

- All black (tops and bottoms); black bottoms and black and white tops (that décor of the salon) are the official and acceptable attire. On Saturday's only, denim bottoms may be worn when accompanied by an all black top. Clean black shoes are always required. Always unacceptable are:
 - Shorts
 - Flip flops
- Appropriate and attractive personal grooming including hair and make-up
- Appropriate fits and lengths for clothing that are appropriate for the associate's body construction and physique and that suggest upscale trends and general decency.

Personal appearance should be a matter of concern for each associate. If the Salon Manager feels your attire is out of place, you may be asked to leave your workplace until you are properly attired. You will not be paid for the time you are off the job for this purpose. The Salon Manager and Owner have the sole authorization to determine an appropriate dress code, and anyone who violates this standard will be subject to appropriate disciplinary action.

Promoting Hair Care Products

- Promotion and retail sale of beauty care products are essential to the success of Hairspray and its associates.

- Associates that are stylists should actively engage in the promotion and sale of Hairspray retail products. Associate beauty care product sales should minimally equal 12% of their service dollars. Associate commendation and billing rates are dependent, in part, on the Associate's success and percentage rates for retail sale of Hairspray retail products.

Salon Appearance and Cleanliness

Aside from your performance as a stylist or other professional, the appearance of Hairspray is one of the business' most valuable assets. The salon must, at all times, be a clean, well stocked, and attractive setting. As such ALL associates are expected to:

- Pick up litter.
- Pick up and keep trash off the floor and counter tops.
- Keep the floor as hair free as possible. At a minimum, stylists should sweep (and remove of hair and other debris) their respective and open areas after each appointment or provision of service.
- Keep the lavatories, shampoo bowls, sinks and other areas clean and well stocked, including but not limited to:
 - Ensuring that the lavatories have sufficient paper, soap and other products stocked and accessible to guests and other associates.
 - Cleaning the shampoo bowls after each use by wiping it down and removing and placing in the trash all hair.
 - Wiping down the lavatory toilet, sink bowl and countertops (as needed) after each and every use by an associate.
- Placement and restacking of magazines and other salon literature in appropriate places. This is a routine duty expected of every associate of Hairspray.
- During downtime or other unassigned duty times, perform visual inspections of the salon (including all the foregoing) to ensure that the salon environment is safe, clean and attractive.

The foregoing are the building blocks for your and Hairspray's continued success. Thank you for adding your support.

Miscellaneous

Business Hours and On-time Standards

We must be responsible stewards of our own time and that of guests. Being "on-time," prompt and efficient are characteristics expected of all Hairspray associates.

Our regular operating hours are 9:00 A.M. to 7 P.M. Tuesday through Friday, and from 9:00 A.M. to 3:00 P.M. on Saturdays.

Associates are expected to arrive “early.” That means that associates should be at their station ready to perform services for guests at the appointed time. This means that associates should be at the salon fifteen (15) minutes prior to any schedule appointment. These fifteen (15) minutes should be used to prepare for your guest’s arrival, so that services can begin promptly at the appointed time, if not before.

Guests have the right to expect that their appointments will commence at the appointed time.

It is imperative that associates stay on schedule. Back to back appointments require you use your time efficiently. A subsequent guest is not responsible for you prior delays.

From time to time, guests ask for additional services that would require an extension of the time allocated. Such circumstances require an associates “top” customer skills. Associates must balance the needs and wishes of that guest versus the reasonable expectations of the next guest. Tool in your arsenal of “superior customer service” should include:

- Asking the guest to reschedule the additional services.
- Asking another associate to assist in delivering the requested services during the appointment.
- Asking the guest for his/her understanding and flexibility to allow you to keep your commitments to the next guest (by taking a secondary position, if you can work with both clients at the same time).

Check Acceptance Policies and Procedures

Hairspray gladly accepts the personal checks of its guests. However we require associates to exercise certain procedures with accepting the personal checks of guests. Associates are required to follow the guidelines below when accepting checks for either services or products. These guidelines are designed to help protect both you and the salon. When providing “excellence in guest service” a need to make an exception to these policies and procedures, please refer the matter for consideration, action and decision by the assigned manager on duty or senior associate present.

We require that Hairspray associates place their initials in the upper – left corner on all checks that are accepted *and* to:

- Ensure that the guest provides proper identification and document the same by writing the guest’s license number and state of licensing or major credit card number on the back of the presented check.

- Not accept checks from guests who have previously provided checks that that were not honored by their bank. As list of such persons is maintained at the reception area.
- Accept checks dated only for the date services are performed.
- Accept checks that are imprinted by the guests back with check numbers higher than 500. Please do not accept band “counter checks.”
- Accept checks only from banks located within the state of Indiana.
- Not accept third party checks.

Hairspray will attach an extra charge to guests whose checks are returned or otherwise not honored by their bank, and penalty and handling charge. This fee may change from time to time. At the present time, this fee is \$35.00.

Computer Software (Unauthorized Copying)

Hairspray does not condone the illegal duplication of software. The copyright law is clear. The copyright holder is given certain exclusive rights, including the right to make and distribute copies. Title 17 of the U.S. Code states that “it is illegal to make or distribute copies of copyrighted material without authorization” (Section 106). The only exception is the users’ right to make a backup copy for archival purposes (Section 117).

The law protects the exclusive rights of the copyright holder and does not give users the right to copy software unless the manufacturer does not provide a backup copy. Unauthorized duplication of software is a Federal crime. Penalties include fines of as much as \$100,000, and jail terms of up to five years.

Even the users of unlawful copies suffer from their own illegal actions. They receive no documentation, no customer support and no information about product updates.

1. Hairspray licenses the use of computer software from a variety of outside companies. Hairspray does not own this software or its related documentation and, unless authorized by the software manufacturer, does not have the right to reproduce it.
2. With regard to use on local area networks or on multiple machines, Hairspray associates shall use the software only in accordance with the license agreement.
3. Hairspray associates learning of any misuse of software or related documentation within the company shall notify the department manager or Hairspray legal counsel.
4. According to the U.S. Copyright Law, illegal reproduction of software can be subject to civil damages and criminal penalties, including fines and imprisonment. Hairspray associates who make, acquire or use unauthorized

copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include dismissal.