



## **I. OPEN-DOOR POLICY**

Discount Tire/America's Tire ("Discount") recognizes that Employees will have suggestions for improving the workplace, and some may also have issues about the workplace. Discount encourages you to raise any problems, issues of concern, and suggestions. Communication is critical to Discount's success and to building good working relationships. While Discount provides you with this opportunity to communicate your views, please understand that not every suggestion or issue can be resolved to your satisfaction. Even so, Discount believes that open communication is essential to a successful work environment and all Employees should feel free to raise issues of concern without fear of reprisal.

## **II. EMPLOYMENT RELATIONSHIP**

### **A. EMPLOYMENT AT WILL**

Employment at Discount may be terminated for any reason, with or without cause or notice, at any time by the Employee or Discount. Nothing in this Employee Handbook or in any oral statement shall limit the right to terminate employment at will.

This policy of at-will employment may be revised, deleted, or superseded only by a written employment agreement signed by the Chief Executive Officer, Chief Operating Officer and Chief Corporate Officer that expressly revises, modifies, deletes, or supersedes the policy of at-will employment. Unless your employment is covered by a written employment agreement signed by the Chief Executive Officer, Chief Operating Officer and Chief Corporate Officer, this policy of at-will employment is the sole and entire agreement between you and Discount as to the duration of employment and the circumstances under which employment may be terminated.

With the exception of employment at will, terms and conditions of employment with Discount may be modified at the sole discretion of Discount with or without cause or notice at any time. No implied contract concerning any employment-related decision or term or condition of employment can be established by any other statement, conduct, policy, or practice. Examples of the types of terms and conditions of employment that are within the sole discretion of Discount include, but are not limited to, the following: promotion; demotion; transfers; hiring decisions; compensation; benefits; qualifications; discipline; layoff or recall; rules; hours and schedules; work assignments; job duties and responsibilities; production standards; reduction, cessation, or expansion of operations; sale, relocation, merger, or consolidation of operations; determinations concerning the use of equipment, methods, or facilities; or any other terms and conditions that Discount may determine to be necessary for the safe, efficient, and economic operation of its business.

### **B. EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER**

Discount is an equal employment opportunity employer and strives to comply with all applicable laws prohibiting discrimination based on race, color, religion, sex, age, national origin or ancestry, physical or mental disability, or veteran status, as well as any other category protected by federal,

state, or local laws. All persons involved in the operations of Discount are prohibited from engaging in unlawful discrimination of any kind.

In accordance with applicable federal, state and local law protecting qualified individuals with known disabilities, Discount will attempt to reasonably accommodate those individuals unless doing so would create an undue hardship on Discount. Any qualified applicant or Employee with a disability who requires an accommodation in order to perform the essential functions of the job should contact Assistant Vice President – Human Resources and request an accommodation.

You should report every instance of unlawful discrimination to one of the individuals listed in Part III below, regardless of whether you or someone else is the subject of the discrimination. Detailed reports--including names, descriptions, and actual events or statements made--will greatly enhance Discount's ability to adequately investigate claims of discrimination. Any documents supporting the allegations should also be submitted. Based on your report, Discount will conduct an investigation, as necessary. Discount prohibits any and all retaliation for submitting a report of unlawful discrimination and for cooperating in any investigation. Any Manager or Employee who retaliates against the accuser or those involved in the investigation will be disciplined, up to and including termination of employment.

If the investigation determines that prohibited discrimination or other conduct in violation of Discount's policies, practices or procedures has occurred, Discount will take disciplinary action, up to and including termination of employment, against those who engaged in the misconduct. Discount will also evaluate whether other employment practices should be added or modified in order to deter and prevent that conduct in the future. You will be informed of actions Discount takes to resolve and remedy the situation.

## **C. UNLAWFUL HARASSMENT, DISCRIMINATION AND RETALIATION**

In accordance with applicable law, Discount prohibits harassment and discrimination because of race, color, religious creed, sex, age, national origin or ancestry, physical or mental disability, medical condition, genetic information, marital status, gender identity, gender expression, sexual orientation, or veteran status, as well as any other basis protected by federal, state, or local law. All such harassment and discrimination is unlawful and will not be tolerated.

### **1. Sexual Harassment Defined**

Applicable state and federal law defines sexual harassment as unwanted sexual advances, requests for sexual favors, or visual, verbal, or physical conduct of a sexual nature when: (1) submission to the conduct is made a term or condition of employment; or (2) submission to or rejection of the conduct is used as basis for employment decisions affecting the individual; or (3) the conduct has the purpose or effect of unreasonably interfering with the Employee's work performance or creating an intimidating, hostile, or offensive working environment. This definition includes many forms of offensive and inappropriate behavior. The following is a partial list:

- a. Unwanted sexual advances;
- b. Offering employment benefits in exchange for sexual favors;

- c. Making or threatening reprisals after a negative response to sexual advances;
- d. Visual conduct such as leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons, or posters;
- e. Verbal conduct such as making or using derogatory comments, slurs, or sexually explicit jokes or comments about any Employee's body or dress;
- f. Verbal sexual advances or propositions;
- g. Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, or suggestive or obscene letters, notes, or invitations;
- h. Physical conduct such as touching, assault, or impeding or blocking movement; and
- i. Retaliation for reporting harassment or threatening to report harassment.

It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females. Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by a Manager, or by persons doing business with or for Discount.

## **2. Other Types Of Harassment**

Prohibited harassment on the basis of race, color, religious creed, age, national origin or ancestry, physical or mental disability, medical condition, genetic information, marital status, gender identity, gender expression, sexual orientation, or veteran status, as well as any other basis protected by federal, state, or local law includes behavior similar to sexual harassment, such as:

- a. Verbal conduct such as threats, derogatory comments, or slurs;
- b. Visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures;
- c. Physical conduct such as assault, unwanted touching, or blocking normal movement; and
- d. Retaliation for reporting harassment or threatening to report harassment.

## **3. Discount's Complaint Procedure**

Discount's complaint procedure provides for a prompt and objective investigation of any claim of prohibited harassment, appropriate disciplinary action against one found to have engaged in prohibited harassment, and appropriate remedies for any victim of

harassment, discrimination or retaliation. A claim of harassment, discrimination or retaliation may exist even if the Employee has not lost a job or some economic benefit.

If you believe you have been harassed, discriminated against or retaliated against on the job, or if you are aware of the harassment, discrimination or retaliation of others, you should provide a written or verbal complaint to one of the persons identified in Part III below as soon as possible. Your complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, et cetera). Confidentiality will be kept to the extent possible, however, investigations often cannot be kept completely confidential.

Applicable law also prohibits retaliation against any Employee by another Employee or by Discount for using this complaint procedure or for filing, testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing conducted by a governmental enforcement agency. Discount will not knowingly permit any retaliation against any Employee who complains of prohibited harassment or who participates in an investigation.

All incidents of prohibited harassment that are reported will be investigated as necessary. Discount will promptly undertake or direct an objective investigation of the allegations. The investigation will be completed and a determination regarding the reported allegations will be made and communicated to the Employee who complained and to the accused wrongdoer.

If Discount determines that prohibited harassment, discrimination or retaliation has occurred, Discount will take effective remedial action commensurate with the circumstances to stop the behavior. If a complaint of prohibited harassment is substantiated, appropriate disciplinary action, up to and including discharge, will be taken. The results of the investigation and the action taken by Discount will be communicated to the Employee who complained.

#### **4. Liability For Harassment, Discrimination and Retaliation**

Any Employee of Discount, whether a coworker or Manager, who is found to have engaged in prohibited harassment, discrimination or retaliation is subject to disciplinary action, up to and including termination from employment. Any Employee who engages in prohibited harassment, discrimination or retaliation including any Manager who knew about the behavior but took no action to stop it violates Discount's policy. Discount does not consider conduct in violation of this policy to be within the course and scope of employment or the direct consequence of the discharge of one's duties. Accordingly, to the extent permitted by law, Discount reserves the right not to provide a defense or pay damages assessed against any Employees for conduct in violation of this policy.

### III. REPORTING

If you are aware of unlawful harassment, discrimination or retaliation on the job, regardless of whether you or someone else is the subject of it, you should provide a written or verbal complaint to one of the following individuals:

#### **CENTRAL CALIFORNIA REGION**

<b>If You Work at the Corporate Office</b>	<b>If You Work at a Store or Regional Office</b>
Your Department Manager	Your Manager
HR Generalists	Your Regional AVP(s) Brian McMahon Dustin Deloney Travis Ott
SVP – People Care Lori Governale	Your Regional VP Clint Gunnison
	HR Generalists
	SVP – People Care Lori Governale

<b>If You Work at a Store Maintenance Facility, Store Warehouse or Mobile Unit</b>	
Your Regional AVP(s) Brian McMahon Dustin Deloney Travis Ott	
Your Regional VP Clint Gunnison	
HR Generalists	
SVP – People Care Lori Governale	

## NORTHERN CALIFORNIA REGION

<b>If You Work at the Corporate Office</b>	<b>If You Work at a Store or Regional Office</b>
Your Department Manager	Your Manager
HR Generalists	Your Regional AVP(s) Jacob Huntington Jeremy Sprenger Michael Dufrene Raul Jordan Tracy Stevens
SVP – People Care Lori Governale	Your Regional VP Brandon Bostrom
	HR Generalists
	SVP – People Care Lori Governale

<b>If You Work at a Store Maintenance Facility, Store Warehouse or Mobile Unit</b>	
Your Regional AVP(s) Jacob Huntington Jeremy Sprenger Michael Dufrene Raul Jordan Tracy Stevens	
Your Regional VP Brandon Bostrom	
HR Generalists	
SVP – People Care Lori Governale	

## SAN DIEGO REGION

<b>If You Work at the Corporate Office</b>	<b>If You Work at a Store or Regional Office</b>
Your Department Manager	Your Manager
HR Generalists	Your Regional AVP(s) Cory Ferguson Joseph McKissick Sean Rodmel
SVP – People Care Lori Governale	Your Regional VP Todd Meerschaert
	HR Generalists

	SVP – People Care Lori Governale
<b>If You Work at a Store Maintenance Facility, Store Warehouse or Mobile Unit</b>	
Your Regional AVP(s) Cory Ferguson Joseph McKissick Sean Rodmel	
Your Regional VP Todd Meerschaert	
HR Generalists	
SVP – People Care Lori Governale	

If after you report an incident of harassment, discrimination or retaliation you are not satisfied with the response you receive, then you should immediately notify the Assistant Vice President - Human Resources, or the Senior Vice President - People Care, of your concern.

Discount does not have a formal progressive discipline policy requiring a set number of warnings or counseling sessions. Instead, each case is considered based on its own facts. In the case of misconduct or violation of Discount's policies, practices or procedures, immediate termination may be appropriate depending on the facts. Discount may also exercise its discretion to utilize forms of discipline that are less severe than termination. Examples of less severe forms of discipline include verbal warnings, written warnings, demotions and suspensions.

In addition to Discount's internal complaint procedure, the federal Equal Employment Opportunity Commission (EEOC) and the California Department of Fair Employment and Housing (DFEH) investigate and prosecute complaints of unlawful harassment in employment. Employees who believe that they have been unlawfully harassed may file a complaint with either of these agencies. The EEOC and the DFEH serve as neutral fact finders and attempt to help the parties voluntarily resolve disputes. For more information, you may contact the nearest office of the EEOC or the DFEH, as listed in the local telephone directory or online.

This statement of prohibited conduct does not alter or limit Discount's policy of employment at will. Either you or Discount may terminate the employment relationship at any time for any reason, with or without cause or notice.