

Code of Conduct Violation, Handling and Reporting Policy

Policy Updated: May, 2022

Purpose

This policy is designed to protect the Massage Envy brand by requiring franchisees and their employees to take proactive steps to appropriately handle reportable events that occur at their franchise location. Among other things, this policy is intended to assist franchisees in preventing inappropriate conduct and protecting the safety of Service Recipients and Service Providers at their franchised locations.

Related Form(s)

Automated Incident Reporting (“AIR”) Tool (found at <https://massageenvy.d3securityonline.com/VSOC/>)
Code of Conduct and Zero Tolerance Policy
Crisis Communication Guide
Media Inquiry Handling Policy (Crisis Situations)
Media Inquiry Handling Procedure (Crisis Situation)
Service Provider Standards of Practice
Terminating and Restricting a Franchisee Employee in Meevo Policy
Providing A Safe Environment For Your Total Body Care Brochure

Policy

1. The franchisee or a franchisee employee must submit an incident report utilizing the AIR Tool as soon as possible, but in no event later than the end of the business day that the franchisee becomes aware of the reportable event.
 - a. A reportable event is any natural or human-caused event that offers the possibility of:
 - i. Legal risk and/or violation of the law
 - ii. Personal injury
 - iii. Damage to the Massage Envy brand
 - iv. Damage to the location’s reputation in its community
 - v. A violation of the Massage Envy Code of Conduct
 - a. The AIR Tool can be found at <https://massageenvy.d3securityonline.com/VSOC/>.
 - b. All incident reports submitted through the AIR Tool will be copied to the legal department at Massage Envy Franchising, LLC for the purpose of monitoring the franchisee’s compliance with all applicable policies, determining whether the franchisee is in default of the franchisee’s Franchise Agreement, and monitoring the impact of the reportable event on the Massage Envy brand.
2. The franchisee must respond to all “tasks” generated through the AIR Tool within 24 hours of generation. The franchisee is required to monitor the AIR Tool while the incident report remains open so as to timely respond to all tasks.
3. To the extent the reportable event could reasonably be construed to include an allegation of a Code of Conduct Violation by Service Provider:
 - a. The franchisee must immediately remove the Service Provider from the schedule, including interrupting any services in progress.
 - b. The franchisee is required to retain Redirect, LLC and utilize its Rapid Response services.
 - i. As part of its Rapid Response services, Redirect, LLC will provide the franchisee with a Rapid Response Report.



- ii. The franchisee is required to upload the Rapid Response Report to the AIR Tool within 24 hours of receipt.
 - iii. If the Rapid Response Report states that there *is not* sufficient information to conclude that a Zero Tolerance Offense **did not occur**, the franchisee must (1) terminate the Service Provider; and (2) complete all steps necessary to restrict the Service Provider in Meevo. (See: Terminating and Restricting a Franchisee Employee in Meevo Policy for the steps required to ensure a Service Provider is properly restricted and inactivated.)
 - iv. If the Rapid Response Report states that there *is* sufficient information to conclude that a Zero Tolerance Offense **did not occur**, the franchisee has discretion with respect to the franchisee's continued employment of the Service Provider. In doing so, the franchisee may consider, among other things, mitigating circumstances and impose corrective action provided the franchisee acts in a manner consistent with Massage Envy's mandatory System Standards and the obligations under the franchisee's Franchise Agreement.
4. To the extent the reportable event may be or includes an allegation of sexual misconduct, the franchisee is required to make a reasonable effort to provide the Providing A Safe Environment For Your Total Body Care Brochure to the appropriate person(s) (including but not limited to the Service Recipient, the employee, or other person making the allegation).
 - a. The franchisee must specifically point out the contact information for local law enforcement and other resources listed on the back of the brochure.
 - b. If the person making the report is present at the franchise location, the franchisee must offer them a private room to contact local authorities or anyone else.
 5. Franchisees are responsible for understanding and complying with, and ensuring as required that their employees understand and comply with, all federal, state, and local statutes, regulations, and other laws pertaining to the reporting of reportable events to licensing authorities, law enforcement, or other entities, and are encouraged to consult with their own legal counsel on these issues.
 6. Franchisees should also be familiar with and/or consult with their own legal counsel concerning the ability to anonymously report to licensing authorities and/or law enforcement, and should consider whether submitting an anonymous report is appropriate under the circumstances. As requested by the Service Recipient, a franchisee employee must assist the Service Recipient in contacting licensing authorities and/or law enforcement.
 7. Franchisees must instruct Service Providers that in the event a Service Recipient engages in conduct that has the potential to compromise the safety or wellbeing of any employee, guest, or member during a session, the Service Provider must immediately end the session and report the conduct to management at the franchised location.
 8. Franchisees must empower Service Providers to end a session if the Service Provider feels uncomfortable with a Service Recipient's conduct at any time.
 9. Franchisees are encouraged to consult with legal counsel to determine how best to address any adverse or unusual conduct on the part of a Service Recipient that does not require a mandatory restriction.
 10. In the event the franchisee makes a determination that a Service Recipient engaged in conduct that had the potential to compromise the safety or wellbeing of any employee, guest, or member, including any conduct of a sexual nature, the franchisee must complete all steps necessary to restrict the Service Recipient in Meevo.
 - a. If a Service Recipient is restricted by a location other than the Home location, the location where the offending conduct occurred and Home location must cooperate, to ensure that the



Service Recipient is restricted in Meevo and, in the case of a member, that the member's Wellness Agreement is canceled.

Note: At their discretion, franchisees are encouraged to consult their own legal counsel regarding employment matters, the implementation of and actions taken with regard to this policy, and/or before taking any adverse action against any franchisee employee or Service Recipient that may result in potential legal liability.

