





Each and Every Person Counts

Welcome to H-E-B!

From our beginning as a small grocery store in Kerrville, Texas, H-E-B has grown to be one of the largest independently owned food retailing companies in the United States. Since 1905, our team has grown to include more than 358 stores in Texas, H-E-B Mexico, Central Market, Mi Tienda, Joe V's, and other related companies. We are also proud of our warehousing, logistics, and manufacturing facilities, which are the absolute best. As a member of the H-E-B team, you are now part of one of the largest and fastest-growing retailers in the United States.

H-E-B employees are called “Partners” because you are important to us, and we believe your contributions are critical to the continued success and growth H-E-B enjoys.

We are proud of our colorful Texas history and the people who have helped our Company succeed. This Partner Guide will give you an idea about how H-E-B started, where we are going, and how you are a special part of building the Greatest Retailing Company!

Thank you for joining our team!

Charles Butt, Chairman of the Board
and Chief Executive Officer

Table of Contents



- Welcome to H-E-B** i
- Table of Contents** ii
- About This Guide** 1
- The History of H-E-B** 2
- H-E-B's Bold Promise** 6
- Because People Matter** 8
- Our Customers** 9
 - Great People and Best Service 9
 - Freshest, Safest Products 9
 - Great Products for Today and Tomorrow ... 9
 - Low Prices With Best Value 9
- Our Great People** 10
 - Acting with Integrity and Trust 10
 - Respecting Diversity 10
- Sales Growth** 11
- Our Communities** 11
- Open Door** 13
 - Performance Feedback 13
 - Because People Matter Survey 13
- Positive Partner Relations** 14
- Partner Rewards and Resources** 15
 - Partner Recognition 16
 - Pay 16
 - Benefits 16
 - Valued Partner Perks 17
 - Scholarships 17
 - Partner Guidance 17
 - H-E-B Federal Credit Union 18
 - Paid Time Off 18
 - Short-Term and Long-Term Disability Benefits 19
 - Lodges 19
 - Leave of Absence/Family Medical Leave Act (FMLA) 20
 - Non-Military Leave 20
 - Bereavement Days 23
 - Breaks and Lunches 23
 - Jury Duty 23

- Ensuring a Safe Work Environment** 24
 - Safety 25
 - Violence in the Workplace 25
 - Drug Use and Substance Abuse 25
 - Security 25
 - Flexible Environment 26
- Partner Guidelines** 27
 - H-E-B's Policy Against Discrimination, Harassment, and Unprofessional Conduct 28
 - Reporting Procedure 29
 - Criminal Conduct 30
 - Employment Application Forms 30
 - Partner Records 31
 - Outside Employment 31
 - Conflicts of Interest 31
 - Employment of Relatives and Personal Relationships 32
 - Attendance and Punctuality 33
 - Check Privileges 34
 - Personal Appearance and Hygiene Standards 34
 - No Solicitation and Distribution Rule 34
 - Time-Keeping Procedure 35
 - Accurate Time-Keeping 35
 - Confidential Information 36
 - Privacy 36
 - Personal, Family, and Friend Purchases ... 36
 - Political Candidacy 37
 - Partner Information Access 37
 - Competition Laws 37
 - Foreign Corrupt Practices Act 38
 - Electronic Media 38
- Partner Standards of Conduct** 41
- Partner Promises and Acknowledgment** 44

About This Guide

Thank you for joining our team of dedicated Partners! We're excited you're here and want you to be excited about working at H-E-B.

We hope the information in this Partner Guide answers many of the questions you may have as you begin your journey with us — about the benefits offered to you, our Standards of Conduct, and other areas of interest. In these pages, you'll also learn about the history of H-E-B, our Bold Promise, and the three words we live by — Because People Matter.

Ultimately, we ask that you rely on your good judgment in every situation and feel free to ask your Supervisor or Human Resources Manager any questions you have at any time. Your voice

and ideas are important to us! If you have any suggestions, comments, or concerns, we invite you to share them through our Open Door.

We hope you will keep this Partner Guide as an easy reference. If your position includes special responsibilities, such as cash handling or food handling, your Supervisor will also provide you with a copy of policies relevant to these special responsibilities. After you have read through this guide, please sign the Partner Promises and Acknowledgment form on the last page, and give it to your Supervisor.

Thank you for helping us Build the Greatest Retailing Company!

“ Relentless dissatisfaction with where we are. ”
— **Florence Butt**



The History of H-E-B

In 1905, Florence Butt opened the doors of a small family grocery store to friends and neighbors in Kerrville, Texas. In 1928, her son, Howard E. Butt, Sr., borrowed \$38,000 and moved to the Rio Grande Valley where he purchased three small grocery stores. Although the country was struggling through the Great Depression, H-E-B grew rapidly.

In 1937, the Company began manufacturing goods when the H-E-B-owned Harlingen Canning Company started producing “Texas-grown, Texas-packed goods.” Other manufacturing plants were later established.

In 1940, H-E-B’s Administrative Offices moved from Harlingen to Corpus Christi, and in 1985, to San Antonio, where we are currently housed at the historic United States Arsenal. It’s a restored 1859 U.S. Army post located on what is now the southern edge of downtown San Antonio.

Since 1971, when Howard’s son Charles became President, the number of H-E-B Partners has grown from 4,500 to more than 80,000. H-E-B’s operations have expanded from our standard Food/Drug formats to include our larger *plus!* Format, Central Market stores offering specialty and gourmet foods, Joe V’s Smart Shop featuring outrageously low prices, and Mi Tienda stores offering a fresh

experience with a variety of Latino products, as well as our Mexico Division stores.

H-E-B’s manufacturing, warehouse, transportation, and administrative facilities support the heart of our organization, which is our retail store operations. Our great Partners help our fleet of more than 420 tractors and 2,000 trailers operate out of terminals in San Antonio, Waco, Corpus Christi, Weslaco, Temple, Houston, and Harlingen to deliver merchandise to our stores seven days a week, 24 hours a day.

With the help of our great Partners, H-E-B is now the largest milk producer in Texas, with plants in San Antonio and Houston. Our manufacturing division operates 12 plants and two distribution facilities to manufacture more than 1,700 different products.

As you can see, over the years, H-E-B has successfully grown and changed in many ways to meet our Customer demands. With your help, H-E-B will continue to grow and provide great products for today and tomorrow. **Only with the help of Great People like you can we work together to Build the Greatest Retailing Company!**

“ Even as we grow, I’ll always think of H-E-B as a small company... store by store, town by town, person by person. This approach isn’t a constraint on growth. It’s a foundation for the future. ”

— **Charles Butt**, Chairman of the Board and Chief Executive Officer

The History of H-E-B

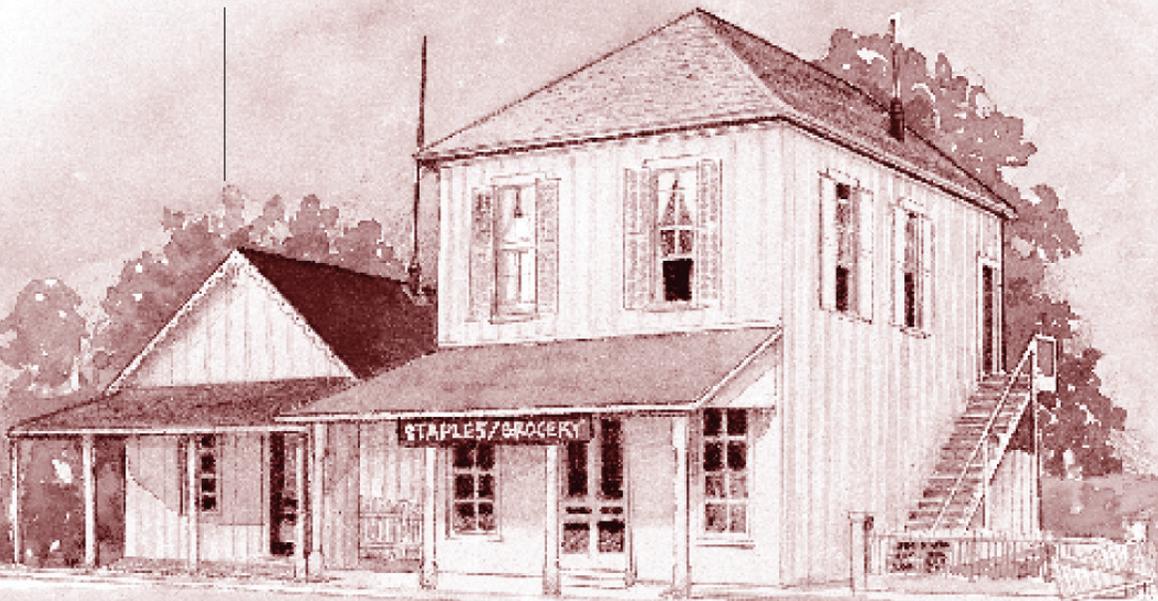


1905: Florence Butt opens the C.C. Butt Grocery Store in the bottom floor of their two-story home in Kerrville, Texas.



1919: After returning from service in the United States Navy during World War I, Florence's son, Howard E. Butt, Sr., takes over operations of the C.C. Butt Grocery Store.

1921: Howard E. Butt, Sr. ceases the store's credit delivery policy and changes to a cash and carry system. The company lowers prices for the first time.



1928: H-E-B moves its headquarters from Kerrville to Harlingen, Texas, and takes the name "The H.E. Butt Grocery Company."



1933: A major hurricane strikes the Rio Grande Valley and causes extensive damage throughout the region, destroying H-E-B's Harlingen warehouse. Immediately after the storm passes, the Harlingen store opens to provide food for those affected by the storm.

1940: H-E-B moves its headquarters, including offices and warehouses, to Corpus Christi, Texas.

1930: H-E-B owns 17 stores with annual sales exceeding the \$2 million mark as it celebrates 25 years.



1936: H-E-B purchases the Harlingen Canning Company and begins packaging "Texas grown, Texas packed goods." Its first product is grapefruit juice.

1991: Howard E. Butt, Sr. passes away. All stores are closed the day of his funeral in his honor. At this time, H-E-B includes 174 stores, 21 video stores, numerous production plants, 30,000 Partners, and over \$3 billion in sales.

1997: Spearheaded by Vice President of Mexico Development Howard E. Butt III, H-E-B expands into Mexico, opening its first store in Monterrey.

1994: Central Market opens in Austin, Texas, on North Lamar, featuring a European bakery, international meats and cheeses, a coffee mill, and a juice and ice cream bar.



1988: H-E-B enters the Houston and northeast Texas markets with the H-E-B Pantry Foods format. The stores are smaller than H-E-B supermarkets, featuring four basic departments (Grocery, Health and Beauty, Meat, and Produce). The format allows H-E-B to offer low prices in markets with firmly entrenched competitors without sacrificing quality or service.



2004: H-E-B introduces the first H-E-B plus! concept store in San Juan, Texas, with offerings including music, video, lawn and garden equipment, electronic and household items, an expanded baby department, and dedicated space for grills and grilling supplies.

2001: H-E-B opens its first new large-format Food/Drug store in the Houston market.

2000: H-E-B introduces a new mascot, H-E-Buddy, delighting children across Texas.



2002: H-E-B hosts its first "Excellence in Education Awards" in San Antonio, celebrating teachers, administrators, and schools throughout Texas.

2005: H-E-B celebrates its 100th Anniversary all year, with Celebration 100 promotions, events, contests, products, and celebrations.



2006: H-E-B opens Mi Tienda (Spanish for "my store") in Houston, Texas — a fresh, new shopping experience for Latino Customers.



1955: H-E-B develops a subsidiary, The Texas Gold Stamp Company, which produces stamps redeemable for various home items.



1964: H-E-B breaks ground on a new distribution center in San Antonio.

1949: The transition from grocery store to supermarket begins. H-E-B opens Corpus Christi #7, a 22,500-square-foot building with a drug department, cosmetic department, and lunch counter.



1980: H-E-B reaches \$1 billion in sales during its 75th anniversary and launches its first in-store Customer prize game — “Diamond Jubilee Bingo.”



1971: Charles C. Butt, a graduate of the University of Pennsylvania’s Wharton School of Finance and Commerce, succeeds his father Howard E. Butt, Sr. and becomes President and CEO of H.E. Butt Grocery Company. Howard E. Butt, Jr. becomes Vice Chairman of the Board. Howard E. Butt, Sr. remains active as Chairman of the Board.

1985: H-E-B moves its headquarters to the renovated U.S. Arsenal in San Antonio, Texas — an Army munitions and arms furnishing site dating back to 1859.

1976: H-E-B abandons its policy of keeping stores closed on Sunday and begins selling beer and wine in stores.

2008: H-E-B Mexico reaches \$1 billion in sales.

2011: H-E-B opens a second store in Kerrville, Texas, celebrating 106 years of service to Hill Country Customers.

2014: H-E-B has \$21 billion in global sales, 80,000 Partners, more than 360 stores, including 50 in Mexico and nine Central Markets, and produces over 17,400 Own Brand items.

2010: The first Joe V’s Smart Shop opens in Houston, a small concept store offering discount prices on a variety of groceries. Progressive Grocer names H-E-B Retailer of the Year. Craig Boyan is named President and COO of H-E-B, solidifying H-E-B’s senior leadership, which includes Charles C. Butt as Chairman and CEO, Howard Butt III as Head of the Mexico Division, and Stephen Butt as Head of the Central Market Division.



2013: H-E-B becomes the first company inducted into the Texas Business Hall of Fame.



H-E-B BOLD PROMISE

H-E-B Partners taking a stand together to build the greatest retailing company.

customers

Together we will provide each and every Customer a shopping experience that goes beyond their expectations through:

- Great Partners providing exceptional service.
- Freshest, safest products.
- Low prices with best value.
- Including Customers in our fun and celebration.

service

Think *like* the Customer, not *about* the Customer.

great people

Together we will attract, develop, and retain Great People by:

- Acting with integrity and trust.
- Respecting diversity of all types.
- Providing great pay and benefits.
- Encouraging healthy lifestyles and a safe work environment.
- Providing flexibility and support to care for ourselves and our families.
- Guaranteeing the freedom to communicate openly.

heart

Make everyday decisions that will improve the lives of our Partners.

sales growth

Together we will maximize Sales Growth through strategic innovation.

- Maximize each store's unique potential to win in the marketplace.
- Tailor our stores to our Customers' needs.
- Keep quality high and costs low.
- Turn our ideas into action quickly.
- Take smart risks to be cutting edge.
- Look forward to stay ahead of Customer trends.

drive and innovation

Be relentlessly dissatisfied with the present.

communities

Together we will make our Communities better by:

- Earning Community trust and respect through our individual and team efforts.
- Getting out of the store and into the neighborhood.
- Taking action in times of crisis.
- Helping those in need.

community

Give back to our Communities as our way of saying thanks.

©2010 HEB, 01-0000

Each and Every Person Counts

Because People Matter



H-E-B's Bold Promise

H-E-B's "Bold Promise" describes who we are and what we value. It says, "**H-E-B Partners taking a stand together to build the Greatest Retailing Company.**" We know that we can only accomplish this by having the very best Partners, like you, and energizing our Partners to take a stand to reach this vision of greatness. Reaching this goal requires constant improvement, breakthrough thinking, and sacrifice.

Key words to understand in our Bold Promise:

1. **Together:** We are in this together. We must promote teamwork to maximize our potential.
2. **Stand:** This will not be easy. We will have to constantly stand our ground and be mindful of the challenge of staying ahead in this competitive environment.
3. **Build:** We are still creating this vision on a daily basis. In order to be the Greatest Retailing Company, we will need to build and improve continuously.
4. **Greatest:** We are not just trying to be the best. Our vision is one of greatness. Together we will define and redefine greatness as we continue to build our great Company.
5. **Retailing:** Our expertise is in selling. We're not limiting our Company to groceries or drugs. We are about selling to our Customers' needs.

Our stand is simple but very important to us – "Each and Every Person Counts." This statement has become the foundation of our Bold Promise. "Person" in this statement includes Partners, Customers, and Suppliers. When Partners are asked what the Bold Promise means to them, we usually hear something like, "It means that we all count."

“ The essence of the Bold Promise has been a part of H-E-B since 1905 when Florence Butt opened her first store in Kerrville. ”

— **Winell Herron**, Group Vice President of Public Affairs, Diversity, and Environmental Affairs

Because People Matter

How do we describe H-E-B's culture of commitment to people in three words?

BECAUSE PEOPLE MATTER.

At our core, H-E-B is a company where people come first. This commitment to people – inside and outside the Company – is at the center of who we are and what we value. It is the fabric of our culture, wrapping around and weaving through every decision we make or action we take at work. It is a fundamental value that Partners experience every day.

In all of its simplicity, “Because People Matter” defines the heart of what makes the experience of working for H-E-B unique and different from other places. It represents how we work, what we believe, and who we are. For many Partners, this may not come as a surprise because making the lives of people better has been at the heart of our Company since we began selling groceries more than 100 years ago.

Because People Matter supports and expands upon our Bold Promise that “Each and Every Person Counts.”

At H-E-B, we are serious about this promise, about our commitment to people. When we all get behind this commitment to people, leaders manage better, evaluate options more carefully, and explain reasons for their decisions. It means Partners get the training they need for their jobs and the guidance and development opportunities they deserve to plan and advance their careers. It also means affordable benefits and easy access to tools and resources to help Partners take positive steps for their health and financial well-being.

And Because People Matter, H-E-B seriously considers how decisions about the business may affect our Partners, Customers, Suppliers, and the people in the Communities we serve. It is a touchstone and the answer to the question: Why are we doing this? (Whatever this may be.) Every decision we make and action we take should be true to H-E-B's culture of caring for people and demonstrate that people matter.

“ I joined H-E-B because the company really captured my heart. The spirit of H-E-B Partners and the passion with which people at H-E-B go about their jobs really sets it apart. ”

— **Craig Boyan**, President and Chief Operating Officer



Our Customers

Together we will provide each and every Customer a shopping experience that meets their individual expectations.

H-E-B Customers shop with us because they know we maintain high standards of service, product variety and freshness, cleanliness, and food safety. As we work together to reach these standards, our sales will continue to grow every day. Every H-E-B Partner is responsible for upholding these standards at all times. Your enthusiasm and commitment in contributing to these areas are among the most important aspects of your job at H-E-B.

Great People and Best Service

H-E-B stores have a friendly, helpful atmosphere because we hire Partners like you who genuinely care about people. Our Partners make a special effort to be courteous and sensitive to all Customer needs. Excellent service and friendliness are parts of everyone's job at H-E-B.

Best service happens when each and every Partner is committed to seeing that it happens every time a Customer visits our stores. H-E-B Partners show our Customers that they are important and that their business is appreciated. Every Customer should receive a friendly greeting and heartfelt thanks on every visit to H-E-B.

H-E-B offers a money-back guarantee to Customers on any merchandise that has disappointed them. We offer this guarantee cheerfully and with a smile.

Freshest, Safest Products

Cleanliness and food safety are critical to fulfill our Bold Promise to our Customers. H-E-B offers the finest-quality prepared foods, meats, produce, dairy products, frozen foods, breads and pastries, seasonal flowers, and plants. Your ongoing responsibility is to be fully informed and properly trained on food handling and management by signing up for the required, internally provided, state-approved courses. Standard Operating Procedures are in place to assist you in executing food safety and sanitation daily.

You are also responsible to ensure that all products are handled appropriately and refrigerated, heated, prepared, and stored properly, and delivered to our Customers in excellent condition. If you ever see or become aware of any condition or practice that may be damaging to the quality of goods or services, please report it immediately to your Supervisor or to Quality Assurance at (210) 938-6500.

Great Products for Today and Tomorrow

At H-E-B, we try to keep an eye on the future needs of our Customers. That is why we are always looking to bring our Customers new and improved products. When Customers shop with us, they know they will find the best products on the market. Since 1905, we have worked with our Partners and Vendors to keep up with the latest trends in grocery retailing and to provide a selection of products that meet our Customers' changing needs, demonstrated by our ever-growing line of H-E-B Own Brand products.

Low Prices With Best Value

Our Customers count on us to offer quality products at affordable prices and we deliver. At H-E-B, value and quality are more than just words – they are promises! We constantly look for ways to reduce the price of products for our Customers. This allows us to continue to grow our sales, provide more products for our Customers at lower prices, and offer great pay and benefits to our Partners.

Our Great People

Together we will attract, develop, and retain Great People.

At H-E-B, we are committed to providing an enjoyable work environment where our Partners are part of the team and receive the tools and training to be successful.

We accomplish this by hiring great people, providing opportunities to grow, encouraging long-term employment, working together, and keeping our Bold Promise. The following sections will provide valuable information to you and will answer many questions you may have about your job and career with H-E-B.

Acting with Integrity and Trust

Integrity and trust are integral components of our operating philosophy. Our philosophy is simple – be honest and trustworthy in our dealings with each other, our Customers and Vendors, and our Community.

Respecting Diversity

We are all different in one way or another. We have different styles, cultures, and opinions and that's good. Regardless of our differences, we all deserve to be treated with dignity and respect.

At H-E-B, our commitment to diversity is backed by the strength of our Diversity Program. This commitment to diversity is emphasized in our Bold Promise statement that Each and Every Person Counts. We believe this commitment must promote respect and dignity for everyone and the ability of each person to express his or her own individuality.

That's why H-E-B is dedicated to fair and equitable treatment of all individuals. All employment decisions, including hiring, training, compensation, evaluations, discipline, and promotions, are made without regard to race, ethnicity, color, religion, sex, gender, age, national origin, disability, sexual orientation, genetic information, or any other basis unrelated to performance or job requirements. H-E-B will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This guideline applies to all aspects of your employment, including hiring, job duties, work schedules, and training. If you require an accommodation, please inform your Supervisor that there is a need for an adjustment or change at work for a reason related to a disability. We will do all we reasonably can to accommodate the needs of our disabled Partners.

H-E-B believes that providing equal opportunities for all Partners is both a moral responsibility and a good business practice. Our Diversity Guiding Principles define our culture and guide us in how we conduct business. They are the foundation upon which we build relationships with our Partners, Customers, Vendors, and the Communities in which we operate.

So in every aspect of your work, please act according to the following principles:

1. Respect individual, social, and cultural differences such as race, gender, ethnicity, age, national origin, religion, sexual orientation, language, physical capability, or organizational role.
2. Treat all individuals with dignity and respect.
3. Serve as a positive leader for change by eliminating stereotypical, derogatory, and unprofessional comments and behavior from the workplace and create an atmosphere of zero tolerance for any person or organization that seeks to discriminate against others.

If you feel these principles are not being followed at H-E-B, please tell your Supervisor or use the Reporting Procedure described in this Partner Guide.

Sales Growth

Together we will maximize sales growth while meeting profit goals.

In order to grow and thrive in today's competitive marketplace, we promise to turn our ideas into action quickly. As we expand into new areas and serve Customers from diverse cultures, we promise to maximize each store's unique potential and to leverage diversity in all parts of our business. At H-E-B, our ability to maximize sales growth has contributed to our continued success and the ability to offer our Partners great career opportunities. When you see H-E-B's Bold Promise in your workplace, always remember – H-E-B Partners Taking a Stand Together to Build the Greatest Retailing Company!

Our Communities

Together we will make our Communities better.

At H-E-B, our Communities are important to us. Together, we make our Communities better by earning trust and respect through our individual and collective efforts. Since 1905, H-E-B's commitment and involvement in the community is recognized as an important part of the way we do business. This commitment goes beyond providing a great line of retail merchandise and groceries. We strive each day to earn, build, and maintain a positive relationship of trust with the community. H-E-B and our Partners have established a tradition of caring for each other and our neighbors that has come to be known as H-E-B's Spirit of Giving.

Since the 1930s, this Spirit of Giving has been evident in H-E-B's contribution of five percent of our pre-tax earnings to public and charitable programs. H-E-B is one of the few companies in the nation to give at this level. Additionally, H-E-B has established and supports other community initiatives including:



“ Some companies claim to achieve extraordinary results with ordinary people. At H-E-B, we achieve extraordinary results with extraordinary people — OUR PARTNERS! ”

— **Bob McCullough**, Senior Vice President of Manufacturing

The H-E-B Excellence in Education Awards

At H-E-B, we understand and appreciate that the future of our great country depends on the minds of our children. Our Excellence in Education Awards honor outstanding public school teachers, principals, and school districts for their dedication and commitment to education. Awarding more than \$600,000 in cash grants each year to educators across the state, we pay tribute to those educators who go the extra mile each and every day to serve their students and their communities. H-E-B also supports many other educational programs throughout the state.

The H-E-B Food Bank Assistance Program

The H-E-B Food Bank Assistance Program supports 21 food banks, located throughout Texas and Mexico, in their fight against hunger and malnutrition. These food banks service more than 8,000 organizations. Since 1982, H-E-B has delivered 12,000 truckloads of food, non-foods, and other necessities to participating food banks.

In 2012 alone, H-E-B donated more than 25 million pounds of product, valued at more than \$41 million. The H-E-B Food Bank Assistance Program is nationally recognized as one of the strongest and most committed food bank assistance programs in the United States and Mexico.

Feast of Sharing Holiday Dinners

The holiday dinners began in Laredo and Corpus Christi in 1989. H-E-B now serves free hot holiday meals to more than 250,000 hungry and needy people in 31 communities throughout Texas and Mexico.

Spirit of H-E-B Trailer

The Spirit of H-E-B trailer was presented to Charles Butt in 1987. The trailer was purchased through the generous contributions of the Partners in the Transportation Department. The trailer plays an essential role in H-E-B's relief efforts, and is deployed to assist communities thrown into crisis or in the wake of natural disasters. The H-E-B Eddie Garcia Mobile Kitchen often joins the trailer. The mobile unit named for Eddie Garcia, the 45-year Partner who launched H-E-B's Feast of Sharing Holiday Dinners, provides on-site food preparation at the holiday dinners and during natural disaster relief efforts.

The United Way

Since the late 1970s, H-E-B has continued our involvement in United Way through corporate giving and store campaigns to raise funds for nonprofit organizations. H-E-B encourages our Partners to become actively involved by making contributions and volunteering their time and energy.

It is through programs such as these that H-E-B and our Partners bring help and hope to so many across our Community—the young or elderly, families, schools, and shelters. It is part of H-E-B's philosophy that service to our neighbors does not only occur inside the four walls of our stores, but also throughout our Communities – H-E-B and our great Partners Helping Everybody!



“ H-E-B has a sincere commitment and desire to help people have a better life. ”

— **Suzanne Wade**, President,
H-E-B San Antonio Food/Drug

Open Door

Because “Each and Every Partner’s Voice Counts!” we encourage you and all Partners to express your opinions, concerns, or complaints. Keeping the lines of communication open and maintaining an Open Door is one way that we ensure that your needs are being met and that we create a positive working relationship among all of our Partners. Our Open Door philosophy is based on the assurance that you can communicate openly without fear of reprisal. If you have any concern, complaint, opinion, or suggestion, we encourage you to use our Open Door to call or talk with your Supervisor, a Management Partner, Operations Director, or the Human Resources Manager responsible for your work location. If you do not feel the matter can be addressed by or do not feel comfortable contacting these individuals, H-E-B encourages you to report the concern to the Director of Human Resources responsible for your work location, or you may confidentially call the H-E-B Compliance & Ethics Helpline at 1-866-208-8167 (toll-free, 24 hours a day, seven days a week).

If you do not feel the issue has been addressed or resolved by any of the above individuals, we encourage you to call and/or present your concern, complaint, or issue in writing to:

- The Vice President of Operations in your area.
- If the issue has not been resolved successfully, you may call and/or present the issue in writing to the Vice President of Human Resources in your division for consideration.
- If the issue is still unresolved, you may call and/or present the issue in writing to H-E-B’s Chief Operating Officer for review.

The review will be conducted in a timely fashion. Use of this procedure will not be held against you. We want you to know that we are always available for you should you ever have any issue or concern.

Performance Feedback

Successful performance on the job is important to you and everyone at H-E-B. We are all Partners and this partnership extends to every level of H-E-B, including the relationship you have with your Supervisor. To help you be successful, H-E-B encourages skill development, personal growth, and learning. This is provided to Partners through various training programs, as well as performance feedback. Performance feedback provides valuable and constructive information to you about your progress and achievements. Your Supervisor will provide performance feedback to you at least once a year and will inform you when your review is to be scheduled. In addition to a yearly review, you and your Supervisor are encouraged to have ongoing discussions regarding your performance progress and development goals. If you ever have questions, just ask your Supervisor.

Because People Matter Survey

People matter at H-E-B, and the Because People Matter Survey is a chance to make your voice heard! H-E-B wants to know what matters to you and what you think about your experience working for the Company. We believe in teamwork and in sharing ideas. In addition to encouraging you to notify us of any concerns or suggestions you may have, H-E-B may periodically ask you and other Partners to complete questionnaires about working at H-E-B or ask you to participate in various committees to get your thoughts and suggestions. H-E-B will ask you to give your honest opinions about many subjects, including working conditions, management, communication, pay, benefits, and Customer service. Your responses help H-E-B make informed decisions about policies, procedures, and programs at H-E-B to make us an even greater place to work and will help us communicate with each other.



Positive Partner Relations

Each and Every Partner's Voice Counts!

We believe in individual recognition and open communication with all our Partners. H-E-B is committed to maintaining a Partner relations climate that promotes maximum personal development and achievement and encourages everyone to express their ideas, suggestions, or concerns. We are dedicated to treating you and all H-E-B Partners fairly, providing good working conditions, competitive wages and benefits, and above all, the respect and dignity that you and every Partner deserve!

Because we believe in maintaining an environment where our Partners can communicate openly with us through our Open Door, we firmly believe that the best interests of our Partners are better served through direct communication rather than through a third-party such as a union. It is our position that every Partner can speak for him/herself and be heard without having to pay his or her hard-earned money to an outside organization. We greatly value our ability to work with you and our Partners individually without you being subjected to third-party/union costs or dues, fines, complicated rules, strikes, or costly work stoppages.

We believe that open communication with our Partners is the most satisfactory method of deciding matters that affect you and our Partners. As a result, H-E-B will continue our efforts to ensure that Each and Every Partner's Voice Counts!

“ Our Partners are the heartbeat and personality of H-E-B. Partners define who we are to ourselves, our Suppliers, our Customers, and our Communities. Partners make it all happen. ”

— **Stephen Butt**, Senior Vice President, Central Market

Partner Rewards and Resources

Partner Communications

Because People Matter at H-E-B, we work very hard to keep our Partners informed about what is going on within the Company. We do this in several ways.

Inside H-E-B is a six-page newsletter, published six times a year (bimonthly) for H-E-B Partners. Partners can pick up a copy at their work location or read it online on PartnerNet. *Inside H-E-B* strives to be informative about Company strategy, new business initiatives, products and promotions, Partner benefits, career opportunities, and more, while also featuring Partner pictures, inspiring Partner stories, and compelling community service stories.

My H-E-B Weekly is a one-page newsletter distributed every Friday via email to all Partners who have an H-E-B email address and all Partners who have provided a personal email address when registering their Valued Partner Perks Card. It is also available online. *My H-E-B Weekly* provides just-in-time information about company initiatives, Partner Perks, Partner recognition programs, health and wellness events, Partner benefits, and more.

PartnerNet is your online resource for all things H-E-B. When you login to PartnerNet, your home page features information customized to you based on your role and work location. You can read the latest Partner, company, or department news, watch videos, search job openings, view Partner discounts, review company information, such as H-E-B history, look for Partner phone numbers, view store rosters and area maps, and even review your paycheck and other personal information. Best of all, you can login to your PartnerNet page from work or from home.

Partners can also sign up on PartnerNet to receive Partner Text Alerts. Partners can sign up to receive their weekly schedule, career opportunities, H-E-B news, health and wellness information, Valued Partner Perks discounts, and volunteer call information, all via text.

Each H-E-B work location also features a Partner Communication Board with posters highlighting current company events or initiatives.

And twice a year, each work location hosts Because People Matter meetings to share the latest news, company information and initiatives, and celebrate successes with Partners.



Partner Recognition

Our Partners take great pride in working at H-E-B and continuously go above and beyond their responsibilities to help other Partners, Customers, and our Communities. As an H-E-B Partner, you have countless opportunities to succeed. That's why at H-E-B we recognize our Partners' contributions and acknowledge certain milestones in every Partner's career, not just for their years of dedication to H-E-B, but also for all the wonderful things our Partners do for others. For example, at your five-, 10-, and 15-year anniversaries, you will receive a special gift. At your 20-year anniversary and subsequent five-year anniversaries, you will be invited to celebrate your career at a company-sponsored banquet. We also recognize outstanding accomplishment through the Because People Matter Awards, in which we recognize Partners who have gone above and beyond in living our Bold Promise and our Core Values of Caring for People, Customer Service, Leadership, Innovation, Community Service, and Diversity. You will see posters in your work location during the nomination time each year.

Additionally, H-E-B sponsors or supports other activities throughout the year to recognize and acknowledge our Partners' contributions, such as the High Five gift card program and Partner points. H-E-B Drivers can participate in H-E-B-sponsored driving championships in which they can also qualify for regional or state championships and may become eligible to participate in national competitions.

Pay

H-E-B is committed to providing opportunities for great pay and benefits that allow us to attract and retain great Partners. We regularly survey other companies in our communities to ensure our pay ranges are among the best in our industry. We periodically review your pay to make sure you are fairly paid for all your hard work, responsibilities, and contributions.

All Partners are paid weekly. Unless otherwise designated in your area, the payroll week is Monday through Sunday midnight. Checks are normally delivered Thursday of the following week. If you are an hourly Partner, or not exempt from overtime regulations, you are eligible for premium pay (overtime) at the rate of one and one-half your normal hourly rate for all hours more than 40 worked in a workweek.

Benefits

H-E-B is proud to offer our Partners the opportunity for great pay AND benefits. While our competitors or others might offer benefits, some will even say at no cost, we think you'll find our benefits are much better! For example, the benefits package offered to our eligible Partners includes:

- Group health medical plan with prescription and mental health coverage
- Dental coverage, including preventative and orthodontia coverage
- Life insurance protection
- Voluntary life insurance, including dependents
- Company paid life insurance
- Voluntary vision
- Voluntary accidental death
- Long-term disability insurance
- Short-term disability insurance
- Supplemental cancer coverage
- Flexible spending accounts
- Medical leave/disability protection
- Vacation lodges
- MedBank
- Partner holidays
- Partner Guidance (Employee Assistance Program-EAP)
- Retirement benefits
- 401k/retirement plan
- Paid vacation
- Personal leave
- Medical leave
- Bereavement/funeral days
- Partner assistance funds
- Scholarships
- Special discounts on select H-E-B products
- H-E-B Federal Credit Union privileges and many other benefits and programs

A full description of most of these benefits, including enrollment dates and information, can be located on PartnerNet under My Pay & Benefits. If you should ever have any questions about your benefits or benefit eligibility, please just ask your Supervisor or call the Partner Service Center at 1-800-597-0653 or (210) 938-7555.

Partner Rewards and Resources

Valued Partner Perks

We are proud to offer our Partners our Valued Partner Perks program. It offers our Partners a 10 percent savings on all Own Brand and H-E-B Exclusive products. The program also offers the opportunity for another member of the Partner's household to enjoy the same benefits. Along with the 10 percent savings, Partners can take advantage of limited-time free and discounted offers made available through their Valued Partner Perks card.

Scholarships

One of the many ways H-E-B supports your continuous development and growth is through a generous scholarship program. Your education doesn't just stop with the training you get at H-E-B. Competitive scholarships are available to select H-E-B Partners seeking a college degree at the undergraduate or graduate level.

- My H-E-B Scholarship – Pays \$1,100 per semester (total of \$2,200 per academic year) and is renewable up to three years.
- My H-E-B Scholarship Plus! – Pays 100 percent of tuition and mandatory fees up to \$2,625 per semester (total of \$5,250 per academic year) and is renewable up to five years.

Ask your Supervisor for additional information or visit My Company & Career, then My Learning webpage on PartnerNet.

Partner Guidance

Being together. It's what life is all about. Whatever inspires you, Partner Guidance can help. Partner Guidance offers advice, support, practical solutions, and online resources. Whether you need help with everyday life situations, finances, family, marriage, work, or mental health and substance abuse, Partner Guidance is there for you. No question is too small, no issue is too big. The service is free and confidential for all our Partners. And because you never know when you'll need help, Partner Guidance is available 24 hours a day, seven days a week.

Either call 1-888-EAP-4HEB (888-327-4432) or visit www.guidanceresources.com
Company ID: HEBGROCERY

“The cornerstone of H-E-B's success is based upon our sincere belief of dignity and respect for each and every person.”

— **Todd Piland**, Executive Vice President of Real Estate, Facility Alliance, and Petroleum Marketing

H-E-B Federal Credit Union

The H-E-B Federal Credit Union has been helping Partners with their financial needs for more than 40 years. Membership in the Credit Union is one of the great benefits you have as a Partner of H-E-B, and this benefit is available to your immediate family members, too. The Credit Union is a full-service institution that can help you make the most of every dollar you earn. In addition to great loan and deposit products, the H-E-B Federal Credit Union can make it easier than ever for you to manage your money with convenient services including home banking, direct deposit, ATM cards, and 24-hour touch-tone access to your accounts. We invite you to become part of the HEBFCU family and take advantage of all the benefits membership brings you. To join, call the Financial Service Center at 1-800-765-3256 or (210) 938-7850. You can also visit a Branch Office in San Antonio, Corpus Christi, or McAllen, or apply through the website at www.hebfcu.org. You may also visit our shared branches (Texas Credit Union Service Centers) in Houston and Austin.

Paid Time Off

H-E-B is committed to ensuring you receive great benefits, including paid time off. Paid time off benefits include Vacation, Partner and Company Paid Holidays, and MedBank. All full-time eligible Partners receive vacation hours at the start of each calendar year based on their years of service and actual hours worked during the previous year. Due to Customer demands and because we are so busy during the holidays, we request that Partners attempt to avoid scheduling vacation during the Thanksgiving/Christmas/Holiday Season. Supervisor approval is required for all vacation requests.

Full-Time Partners—Vacation

A regular full-time Partner is a Partner who is hired or promoted into a full-time position. Regular full-time Partners typically work about 40 hours each week. Normally, when a regular full-time position becomes available, regular part-time Partners with excellent work records are given first consideration for available promotions. Regular full-time Partners also receive vacation as follows:

<u>Full-time Service</u>	<u>Hours credited based on full-time hours worked the previous year</u>
1 year (hourly)	1 hour for every 52 hours worked up to 40 hours (1 week)
2 – 7 years <i>(1 – 7 for salaried)</i>	2 hours for every 52 hours worked up to 80 hours (2 weeks)
8 – 14 years	3 hours for every 52 hours worked up to 120 hours (3 weeks)
15 – 24 years	4 hours for every 52 hours worked up to 160 hours (4 weeks)
25 – 34 years	5 hours for every 52 hours worked up to 200 hours (5 weeks)
35 years and over	6 hours for every 52 hours worked up to 240 hours (6 weeks)



Partner Rewards and Resources

Part-Time Partners—Vacation

A regular part-time Partner typically works a flexible schedule. Of course, H-E-B will try to accommodate individual requests for working certain days and hours. However, due to business requirements, approval of these requests is required.

Additionally, once a part-time Partner has worked 1,500 hours in a rolling 52 consecutive-week period and has become eligible for vacation, two hours for every 52 hours worked will be credited to her/his vacation bank. Part-time Partners may receive up to 160 vacation hours.

Paid Partner and Company Holidays

We certainly understand that from time to time you may need some additional time off, whether to celebrate a day that is important to you or handle personal matters during times when you might otherwise be scheduled to work. That's why if your full-time date is on or after July 1 of the previous year, two Partner holidays (16 hours) will be provided to you the beginning of the next calendar year. Three Partner holidays (24 hours) are provided every calendar year thereafter.

You must, however, be actively at work and have full-time status at the beginning of the calendar year in order to receive vacation hours and Partner holidays.

H-E-B also provides paid days for New Year's Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. Additionally, H-E-B is closed on Christmas Day and Easter Day so that our Partners will have the opportunity to spend time with their families. If you are scheduled to and do work a holiday, and are an eligible full-time Partner, or hired prior to May 15, 1988, you are eligible to take another day off with pay, and are encouraged to do so within five weeks following the week in which the holiday falls. Non-exempt Partners who work the designated holiday are eligible to receive one and one-half times their regular rate of pay for each hour worked. To receive holiday pay, you must have been employed for three weeks prior to the holiday and have worked your last scheduled shift before and your first scheduled shift after the holiday.

MedBank

To allow you or an immediate family member time to recover during a time of illness or injury and still receive your pay, full-time Partners who have completed certain eligibility requirements also qualify for pay during periods of illness. Partners receive up to a maximum of 40 available hours per calendar year or a prorated amount based upon their hire date during the calendar year. A maximum of 40 MedBank hours will be provided every calendar year thereafter. MedBank hours can be used for absence due to personal or immediate family member illness or injury. Medical verification may be requested. Immediate family, for the purpose of MedBank, is defined as a Partner's spouse, parent, child, stepparent, stepchild, brother, sister, parent-in-law, son-in-law, or daughter-in-law.

Short-Term and Long-Term Disability Benefits

Full-time Partners may also qualify for benefits due to a short-term or long-term disability. Specific information on disability benefits is available from your Supervisor, the Partner Service Center at (210) 938-7555 or 1-800-597-0653, Liberty Mutual at 1-800-896-5266, or on PartnerNet by clicking on My Pay and Benefits – Benefits – MedBank & Disability.

Lodges

We all need time to relax and enjoy time away from our busy schedules. As a special benefit for our Partners, H-E-B offers the use of H-E-B lodges for no cost; only a small deposit is required for a reservation. The lodges are located in Kerrville (the heart of the beautiful Texas Hill Country) and in Rockport (on the Texas Coast). For reservations, call (830) 257-5202 for Kerrville and (361) 729-7108 for Rockport. We encourage you to use these facilities as often as possible. They are there for you!

Leave of Absence/Family Medical Leave Act (FMLA)

Eligibility

H-E-B recognizes that there are times when a Partner may need to take a leave of absence. There are generally two kinds of leaves of absence at H-E-B: military leave and non-military leave. Non-military leave includes personal leave, leave under the Family and Medical Leave Act (FMLA), including the birth of a child/pregnancy, or for the adoption of a child. A Partner is eligible for non-military leave if the Partner has been employed for 12 months and has worked a minimum of 1,250 hours during the 12 months immediately preceding the leave. It's our intent that all our policies, including those involving leaves of absence, meet all requirements of the law.

Military Leave

Many of our Partners choose to serve in our Armed Forces. H-E-B recognizes the commitment of all our Partners and provides for military leave. As a result, any Partner who volunteers or is called to active duty with any branch of the Armed Forces of the United States, or uniformed services, will be given leave and re-employment rights. Partners wishing to take military leave must provide notice of the request. H-E-B requests that Partners submit a copy of their enlistment papers, induction papers, or reserve duty orders to their Supervisor. Military Leave is calculated and granted according to applicable law. Additional benefits, including special pay for up to six months, are available to recognize our Partners for their service and to help our Partners while they are on Military Leave. Partners will continue to accrue vacation hours while on Military Leave. If you have any questions or need additional details, just ask your Supervisor or Human Resources Manager.

Non-Military Leave

Primary Leave of Absence

Partners requesting non-military leave may be granted, with appropriate approval from their Supervisor, an initial leave of absence. Subject to applicable law, the total length of the initial leave of absence, with approved extensions, shall not exceed 12 weeks in a 12-month period (or 26 weeks in the case of Service Member Family Leave under the FMLA). If applicable, leave under the FMLA will run concurrently with the initial and/or extended leave. Partners who need leave for pregnancy or pregnancy-related conditions and who do not meet FMLA eligibility can also request an initial leave of absence.

Extended Leave

In rare instances of hardship, a Partner may make a written request to the Director of Human Resources for a leave extension. In order to make the necessary arrangements in your work area, your written request for extended leave and supporting documentation must be received by the Director of Human Resources in your region/department at least five days prior to your scheduled return date from the initial leave.



Partner Rewards and Resources

Family and Medical Leave

Under the FMLA, eligible Partners may take up to a total of 12 weeks of unpaid leave for any of the following reasons:

- Birth and care of a child of the Partner.
- Placement of a child into the Partner's family by adoption or by a foster care arrangement.
- To care for the Partner's spouse, child, or parent who has a serious health condition.
- A serious health condition that renders the Partner unable to perform the functions of the Partner's position; or
- Because of any qualifying exigency due to the Partner's spouse, child, or parent being on active duty (or notified of an impending call or order to active duty) in the Armed Forces (including National Guard or Reserves) in support of a contingency operation.

Under Service Member Family Leave, eligible Partners may take up to a total of 26 weeks of unpaid leave to care for a spouse, child, parent, or next of kin (Service Member Family Leave) who is either a current member of the Armed Forces (including National Guard or Reserves) and undergoing medical treatment (including outpatient status or on the temporary disability retired list) for a serious illness/injury, or a veteran with a serious illness/injury, who was a member of the Armed Forces at some point in the five years prior to medical treatment.

The total of all leave taken under the FMLA may not exceed 12 weeks (or 26 weeks as noted above) in a 12-month period. This period is measured backward from the date the Partner's first FMLA begins. Certain limitations apply if both spouses are employed by H-E-B, in that the spouses are permitted a combined total of 12 weeks in a 12-month period (or 26 weeks in a single 12-month period for Service Member Leave), not 12 weeks per spouse unless the leave is taken because of a serious health condition of the Partner or the Partner's child. To file an FMLA claim, contact Liberty Mutual at 1-800-896-5266 or online at www.MyLibertyConnection.com. For more information or general questions, contact Partner Service Center at 1-800-597-0653 or (210) 938-7555.

FMLA Intermittent Leave

Intermittent leave or a reduced work schedule under the FMLA (e.g., recurring leave in short increments due to treatment for a serious medical condition, such as chemotherapy or dialysis) may be available in certain situations. Intermittent leave or a reduced work schedule under the FMLA for a serious health condition is provided when medically necessary. When the FMLA leave is for the birth, adoption, or foster care placement of a child, intermittent leave or a reduced work schedule is subject to H-E-B's approval. In certain cases where intermittent leave or a reduced work schedule is foreseeable, H-E-B may temporarily transfer the Partner to another job with equivalent pay and benefits that better accommodates that type of leave.

Notice of Leave Time

If you know or believe you may need to take a leave of absence (i.e., leave is foreseeable), you must give H-E-B 30 days' notice so we can consider your request for a leave of absence. If 30 days' notice is not practical or if the need for leave is not foreseeable because you don't know approximately when leave will be required to begin, you have a change in circumstances, or you have a medical emergency, notice must be given as soon as practical. If applicable, you should provide H-E-B with the appropriate medical certification to support your request for a leave of absence.

Continuation of Health Insurance and Benefits

- Group Insurance Benefits — During a leave of absence, H-E-B will maintain an eligible Partner's health, dental, life, accidental death and dismemberment, and voluntary insurance coverage under the same terms and conditions that would have been provided had the Partner been continuously employed during the entire leave period. That is, H-E-B will continue to pay its portion of your insurance premiums, while you will continue to pay your share of the premium. It's important to pay your share of the health insurance premium because if you don't, you may be subject to losing your coverage.
- Savings and Retirement — Participation in H-E-B's Investment and 401k plan will continue during leave. If you desire to continue making your own contribution to the plan, please make sure to contact the Savings & Retirement Department.

- Merit/Performance Reviews — Subject to FMLA requirements, time spent on leave of absence will not be counted as hours worked in the calculation of PartnerShare or in the determination of merit increases.
- Credit Union — If you have exercised one of your many Credit Union privileges, such as taking out a loan, you should contact the Credit Union to make arrangements to continue your payments while on leave.

Partners on unpaid leave do not accrue benefits such as vacation, sick, or holiday pay. However, for our Partner's benefit, previously unused and accrued benefits will be maintained and accrual will resume when the Partner returns from leave.

Either the Partner or H-E-B may substitute accrued paid vacation or personal leave for unpaid leave. However, the remainder of the leave, if any, is unpaid.

Returning From a Leave of Absence

While we cannot guarantee a Partner his/her former position during a leave of absence, H-E-B will make an effort to, and under FMLA leave H-E-B will, see that Partners returning from such absence will return to their previous position or an equivalent position with equivalent benefits, pay, and terms and conditions of employment. However, subject to the FMLA, a Partner has no greater right to reinstatement than if the Partner had been continuously employed rather than on leave. Reinstatement rights for Partners on military leave will be determined by applicable law.

A Partner returning to work from a leave for his/her own serious health condition must provide a physician's verification of his/her fitness to return to work. If a qualified Partner returning from a leave requires a reasonable accommodation to perform the essential functions of his/her job, the Partner should engage in an interactive process with the Partner's Supervisor and inform H-E-B of the need for accommodation.

In some cases, Partners are unable to, or choose not to, return to work after the leave expires. A Partner will be considered to have voluntarily resigned if the Partner, during his/her leave, fails to maintain contact with the Partner's Supervisor as required, or if H-E-B obtains any other information indicating that a Partner does not intend to comply with this guideline or return to work after the expiration of the Partner's leave.

To further promote assistance to our Partners and their families, an initial leave of absence is also available for a variety of other reasons, including pregnancy or pregnancy-related conditions and/or for Partners who do not meet FMLA eligibility. Please check with your Supervisor or Human Resources Manager to see if a leave of absence is available for you or to receive additional information.

Consistent with the FMLA, other conditions or rights may exist. Leaves of absence are offered to assist you, so please make sure to contact your Supervisor, your Human Resources Manager, or the FMLA administrator for additional details or if you have any questions regarding a leave of absence.

“ Each and Every Person Counts —
our culture puts people first. ”

— **Tina James**, Senior Vice President of Human Resources

Partner Rewards and Resources

Expiration of Leave of Absence

Subject to applicable law, the total maximum amount of time usually available under a leave of absence, regardless of the basis of the leave, is one year. If you need additional unpaid leave beyond one year, as a reasonable accommodation that would allow you to return to work and perform your essential job duties, please contact your Human Resources Manager. Otherwise, after one year, due to the legitimate work requirements of H-E-B, a Partner's employment will be administratively terminated. However, unless otherwise notified by H-E-B, any person who desires to return to work with H-E-B may appeal the administrative termination to his/her Human Resources Manager, and/or is encouraged to reapply for any position for which he/she is qualified with or without reasonable accommodation. Due regard will be given to the Partner's prior employment with H-E-B.

Bereavement Days

Partners may take as many as three regularly scheduled and consecutive days with pay to arrange for or attend the funeral of an immediate family member. Immediate family, for the purposes of funeral leave, means spouse/domestic partner, parent, stepparent, child, stepchild, brother, sister, parent-in-law, son-in-law, and daughter-in-law.

Partners may take one day with pay to attend the funeral of a relative outside the immediate family. Such relatives are grandparent, grandchild, aunt, uncle, brother-in-law, sister-in-law, and spouse's grandparent.

Bereavement days are not included in the computation of overtime. Bereavement pay does not accrue while a Partner is on vacation, a personal or legal holiday, or is not scheduled to work.

Breaks and Lunches

We recognize the importance of breaks for all Partners, and your Supervisor will make every effort to provide you with breaks. Generally, if you are scheduled four hours, you are eligible for one 15-minute break. If you are scheduled more than six hours, you should receive a lunch period of at least 30 minutes and two breaks. In peak periods or in unforeseen circumstances, we ask that you remain flexible for break time. Your break time is important. So if you regularly miss scheduled breaks or lunch periods, you should bring this matter to the attention of your Supervisor or the Human Resources Manager for your business unit. At H-E-B, break time is paid time, and we ask that you stay on the premises. Lunch periods are off the clock, and you may certainly leave the premises if you choose.

Jury Duty

H-E-B encourages Partners to fulfill their civic obligations. If you are asked to serve on a jury, H-E-B will pay for the hours you would have normally been scheduled to work. Your Supervisor must be notified in advance of your absence. Upon completion of jury duty, you must provide a certificate or verification, in a form acceptable to H-E-B, of your jury service. If you are able to work part of the day, you must report to work unless you and your Supervisor have made other arrangements. Jury duty hours are not counted in the calculation of overtime. Jury duty pay does not accrue while a Partner is on vacation, personal holiday, legal holiday, or is not scheduled to work.

“Resources and commitment to Partners that are second to none.”

— **Martin Otto**, Chief Merchant
and Chief Financial Officer

Ensuring a Safe Work Environment

“ Our Partners are the best — great people with great hearts! ”

— **Abel Martinez**, Group Vice President of Partner Relations, Risk Solutions, and Governmental Affairs



Ensuring A Safe Work Environment

Safety

The safety of all our Partners is of foremost concern to us. That's why every Partner is required to follow established safety guidelines to maintain a safe place to work and shop. For your own safety, if you are injured at work, you must seek appropriate medical attention, if necessary, and immediately notify your Supervisor or the person in charge of your department. If you are injured during the evening or night hours, follow standard medical emergency procedures posted in each work area. For safety reasons, Partners who are not yet 18 years of age are authorized to perform work only in the Central Checkout Department in non-safety sensitive positions, such as Customer Service Assistants, Checkers, and Business Center Partners. If you see or hear of any safety issues or have any concerns, please report them to your Supervisor or Operations Manager, or call the Risk Solutions Department at 1-800-432-6334 or the H-E-B Compliance and Ethics Helpline at 1-866-208-8167.

Violence in the Workplace

It's H-E-B's goal to provide a safe environment for you, our Partners, and our visitors. Thus, H-E-B strictly prohibits violence in the workplace. Except where allowed by law, H-E-B prohibits the possession or storage of any weapons, firearms, or harmful devices on H-E-B premises or in any area or building owned, operated, or leased by H-E-B, including company-owned vehicles, and all other areas where a Partner is conducting H-E-B business or engaged in H-E-B activities or functions, and/or in personal vehicles in H-E-B parking areas. We have zero tolerance for any acts or threats of violence or bodily harm. H-E-B will take appropriate action, including separating a Partner's employment, for violation or suspicion of a violation of this policy, or if H-E-B believes that violence or harm may occur.

Drug Use and Substance Abuse

H-E-B strives to provide you and all our Partners with a safe, healthy, and productive work environment. Drugs and alcohol can have a harmful effect upon all of us. H-E-B is proud to provide a Drug-Free Workplace. Therefore, it is a violation of company policy to use, solicit, transfer, possess, or be under the influence of alcohol, illegal drugs, or any other intoxicants while in the course and scope of your employment, including qualifying company-sponsored events, while on premises used, owned, or leased by H-E-B, or in H-E-B-owned or -rented vehicles. Every Partner may be asked to undergo post-offer/pre-employment, random, and reasonable cause drug testing. Refusal or failure to submit to a drug and/or alcohol test within the time specified by your Supervisor or within two hours following notification to test and receipt of paperwork will result in you losing your job. Partners are encouraged to seek help to deal with substance abuse voluntarily before their employment is jeopardized. Partners who need help should contact the Drug-Free Workplace Administrator at (210) 938-7265, or their Supervisor, and then call Partner Guidance (EAP Program) at 1-888-EAP-4HEB. For further details, please refer to the Drug-Free Workplace website on PartnerNet.

Security

Like all successful retailers, H-E-B must take precautions to address loss prevention issues that are critical to every retail company. These expenses, known as shrink, can be controlled through proper work practices and careful attention to detail. By controlling shrink, we can continue to sell merchandise to our Customers while maintaining Low Prices Every Day!

H-E-B Partners must appropriately secure all H-E-B property at all times. This includes appropriate use and handling of H-E-B property for business purposes, such as correctly recording and reporting merchandise ordered, purchased, received, distributed, and/or sold. To protect H-E-B, our Partners, and our Customers, and for legitimate business purposes, H-E-B reserves the right to check/inspect and will

check/inspect all company property at any time or anything located on company property. This is to protect everyone's interests.

An important part of your individual contribution to our success is your willingness to support and follow all established security procedures. Be alert to unusual situations and please report them to your Supervisor. With your help, we can maintain our status as an industry leader in our approaches to controlling shrink and maintain safe work practices through our security efforts.

Flexible Environment

At H-E-B, we recognize the need for balance between your personal life and your professional life. We strongly rely upon, and take into account your availability for, the days and hours you noted on your application. While the operating requirements of a retail environment make approval of special requests or a request for a specific number of scheduled hours impossible to guarantee, we make it a priority to create flexible schedules to meet your needs and the needs of H-E-B. If there's ever a change in your availability, let your Supervisor know, and a request for a different schedule will be evaluated according to the requirements of your work location. Your Supervisor or the Director of Human Resources may approve an alternative work schedule. However, even if a schedule is approved, please remain flexible to meet business needs. A Partner returning to work from a leave for his/her own serious health condition must provide a physician's verification of his/her fitness to return to work. If a qualified Partner returning from a leave requires a reasonable accommodation to perform the essential functions of his/her job, the Partner should engage in an interactive process with the Partner's supervisor and inform H-E-B of the need for accommodation.

In some cases, Partners are unable to, or choose not to, return to work after the leave expires. A Partner will be considered to have voluntarily resigned if the Partner, during his/her leave, fails to maintain contact with the Partner's Supervisor as required, or if H-E-B obtains any other information indicating that a Partner does not intend to comply with this guideline or return to work after the expiration of the Partner's leave.

Consistent with the FMLA, other conditions or rights may exist. Leaves of absence are offered to assist you, so please make sure to contact your supervisor, your Human Resources Manager, or the FMLA Administrator for additional details or if you have any questions regarding a leave of absence.



Partner Guidelines



H-E-B's Policy Against Discrimination, Harassment, and Unprofessional Conduct

You and every H-E-B Partner must have a positive and respectful work environment in order to fulfill our Bold Promise to build the Greatest Retailing Company. H-E-B is firmly committed to taking all necessary steps to eliminate discrimination, harassment, retaliation, and other unprofessional conduct from the workplace.

H-E-B strictly prohibits any conduct that constitutes harassment, discrimination, or retaliation. Also, unprofessional conduct, which may not rise to such a level, is prohibited. H-E-B will take appropriate disciplinary action, up to and including termination of employment, even upon the first offense against any Partner who exhibits or engages in this type of behavior. H-E-B will also promptly respond should a Customer, Supplier, Contractor, or other person or entity doing business with H-E-B engage in unlawful or unprofessional conduct.

Harassment, discrimination, or retaliation can include demeaning, insulting, embarrassing, or intimidating behavior directed at any Partner because of his or her gender, sex, race, color, national origin, ancestry, religion, physical or mental disability, age, sexual orientation, or any other basis protected by law. If harassment, discrimination, retaliation, or other unprofessional conduct is discovered at H-E-B, whether or not there is a complaint, H-E-B will take prompt corrective measures in an effort to stop this conduct.

Sexual Harassment

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and any other unwelcome verbal, visual, or physical conduct of a sexual nature (including sexual, obscene, or suggestive remarks, questions, jokes, pictures, unwanted physical touching, staring, attire with obscene or sexually graphic words or images, etc.). A Partner is being sexually harassed when submission to or rejection of this unwelcome conduct is implicitly or explicitly a condition of employment and/or such conduct enters into employment decisions or is used as a basis for employment decisions, such as promotions, job assignments, or salary increases. Sexual harassment also occurs when unwelcome conduct creates an offensive, intimidating, or hostile work environment for a Partner and/or unreasonably interferes with the performance of his or her duties at H-E-B. If you feel you are the subject of any harassment, discrimination, retaliation, or other unprofessional conduct, please follow the Reporting Procedure within this Partner Guide.

Examples of Unacceptable Conduct

Illegal harassment, discrimination, or retaliation may take the form of verbal abuse, leering, gestures, pictures, and more subtle advances and pressures. With sexual harassment, inviting activity of a sexual nature or such other activity may also be included. Of course, unwelcome physical conduct would also be recognized as conduct constituting discrimination, retaliation, and/or harassment, including sexual harassment. While we can't list them all, the following are just a few examples of behavior that may also be considered prohibited conduct, discrimination, or harassment:

- Sexual, racial, or derogatory comments, conduct, or gestures, including racially or sexually oriented jokes or kidding.
- Physical conduct of a sexual nature, including assault, the blocking of normal movements or interference with work because of sex or other protected status.
- Sexual advances or propositions.
- Any display of discriminatory, harassing, or sexually suggestive drawings, documents, pictures, emails, cartoons, posters, and/or graffiti.
- A pattern of verbally abusive, threatening, crude, harassing, impolite, and unprofessional conduct, including the use of profanity.
- Other verbal or physical conduct such as epithets, derogatory comments, slurs, or unwanted sexual advances, invitations, or comments, including racial or ethnic slurs or other verbal or physical conduct directed toward any racial, ethnic, or religious group or any other protected group (i.e., conduct based upon a person's gender, sex, disability, age, race, color, national origin, ethnicity, religion, ancestry, sexual orientation, or other protected status).

Partner Guidelines

- Threats or demands to engage in unwelcome sexual conduct in order to maintain employment or to avoid some other employment loss and offers of job benefits in return for sexual favors.
- Harassing or otherwise discriminating against an individual based upon an individual's affiliation with a particular religious or ethnic group, or association with a person or organization of a particular religion or ethnicity.
- Harassing or otherwise discriminating against an individual based upon physical, cultural, or linguistic characteristics, such as language, accent, or dress associated with a particular religion, ethnicity, or country of origin.
- Harassing or otherwise discriminating against an individual based upon a perception or belief that a person is a member of a particular racial, national origin, religious, or other protected group, whether that perception is correct or not.

This conduct is prohibited through all forms of conduct or action, including the use of email, the Internet or PartnerNet, voice mail, and other technology in the workplace. Remember, what one person may consider “harmless teasing” or a “practical joke” may be offensive or demeaning to another.

Responsibility

All H-E-B Partners, including Supervisors, Managers, Directors, and Corporate Officers, are responsible for promoting a workplace free from any form of harassment, discrimination, retaliation, or other unprofessional conduct, for complying with H-E-B's Policy Against Discrimination, Harassment, or other Unprofessional Conduct, and for reporting violations or possible violations of this Guideline.

Reporting Procedure

H-E-B strongly encourages every Partner who has a concern or complaint, or believes he or she has witnessed or experienced harassment, discrimination, retaliation, or other unprofessional conduct, to use the Open Door process immediately, or as soon as possible, and notify your Supervisor, a Management Partner, Operations Director, or the Human Resources Manager responsible for the work location. If you do not feel the matter can be addressed by or do not feel comfortable contacting these individuals, H-E-B encourages you to report the concern to the Director of Human Resources responsible for the work location, or you may confidentially call the H-E-B Compliance and Ethics Helpline at 1-866-208-8167, available 24/7, or directly to the Ethics Office at (210) 938-4883.

- If you do not feel the issue has been addressed or resolved by any of the above individuals, we encourage you to call and/or present your concern, complaint, or issue in writing to the Vice President of Operations in your area.
- If the issue has not been resolved successfully, you may call and/or present the issue in writing to the Vice President of Human Resources in your division for consideration.
- If the issue is still unresolved, you may present the issue in writing to H-E-B's Chief Operating Officer for review.

The review will be conducted in a timely fashion. Use of this procedure will not be held against you. If warranted, H-E-B will promptly undertake an investigation of the allegations or concerns. Efforts will be made so that only persons with a legitimate need to know will be made aware of the investigation and the underlying facts or allegations that prompted it. All violations of this Policy will result in



disciplinary action. Please remember that your Supervisor and the Human Resources Manager in your area are available for you to discuss your concern.

Retaliation

H-E-B strictly prohibits retaliation in any form against any Partner who uses this internal complaint procedure, reports discrimination/harassment, exercises his/her rights under the law, participates in a related investigation, or otherwise demonstrates support of and compliance with H-E-B's Policy Against Discrimination, Harassment, and Unprofessional Conduct. If you believe you are the subject of retaliation, please follow the Reporting Procedure outlined in this Partner Guide.

Partner Responsibilities

Along with the right of all Partners to work in a pleasant work environment and one that is free from unlawful discrimination, harassment, retaliation, or other unprofessional conduct comes certain Partner responsibilities. Such responsibilities include:

- Behaving in a manner that promotes a pleasant work environment.
- Immediately, or as soon as possible, reporting concerns about inappropriate behavior or a violation of company policies or rules, including but not limited to, harassment, discrimination, or retaliation. The prompt reporting of these concerns is essential so that we can respond quickly.
- Cooperating in an investigation of complaints of workplace misconduct.
- Always telling the truth, keeping in mind that harassment, discrimination, or retaliation in any form is a serious matter.

Criminal Conduct

We strive to maintain a safe workplace for our Partners, Customers, and Suppliers. We also want to maintain our strong relationship with our Communities. As a result, a criminal background check may be conducted before and/or after a Partner is hired. A criminal history will not necessarily exclude an applicant or Partner from employment. However, the existence of certain criminal misconduct, depending on the nature and the Partner's job duties, may result in the loss of the Partner's job.

Any Partner arrested, charged, or convicted of a criminal offense, or who has allegations of criminal conduct while employed with H-E-B, is required to notify his or her Supervisor as soon as possible, but in no event more than three days after such circumstance. After a review of the matter and depending upon the circumstances, any Partner charged with criminal conduct or allegations of criminal conduct may be placed on leave without pay pending resolution of the charges or acquittal. However, H-E-B's Attendance and Punctuality Policy applies during any period of incarceration. If felony or work-related misdemeanor charges are resolved through a plea of guilty or no contest, or result in a finding of guilt, probation, deferred adjudication, pre-trial diversion, or conviction, the Partner's employment may be separated. For non-work-related misdemeanor matters, the Human Resources Department will investigate the facts and circumstances of the offense and take appropriate action including leave without pay, suspension, or separation of employment.

Employment Application Forms

The employment application forms that you completed before you began at H-E-B are important in the employment process. They become part of your permanent personnel record. H-E-B may, at any time, check some or all of the information supplied. You may lose your job if there is any misstatement, false statement, omission, or incomplete response on the application forms, or if made during the selection process, including interviews, tests, etc.

Partner Records

The information in your Partner file is valuable to you and H-E-B. It is extremely important that you ensure the information you provide to us, including your phone number, mailing address, and emergency contact, is correct and current at all times. When you move, change your name, address, or phone number, or if you need to update your benefit information, be sure to notify your Supervisor so your records may be updated, or go online. We will direct important work-related communications to the address or phone number on file.

As all H-E-B records, including Partner records, are H-E-B business property, you should notify your Supervisor or contact Human Resources if you would like to review your Partner file. While employed with H-E-B, you may review your personnel file with your Supervisor, but you may not make copies of personnel records.

To protect your information, if you would like information about your employment to be supplied to another agency, you can direct that company to The Work Number:

- Access the Work Number via www.theworknumber.com or 1-800-367-2884
- Client Service Center
- 1-800-996-7566 (Voice) or
- 1-800-424-0253 (TTY-Deaf)
- Monday–Friday, 7:00 a.m.–8:00 p.m. (CST)
- Pin Number: 13054

Outside Employment

Because we offer flexible schedules for our Partners, we recognize that many of our Partners will have employment opportunities outside of their jobs at H-E-B. As a result, H-E-B does not prohibit Partners from taking another job in addition to working with the Company as long as it is authorized by your Supervisor and your outside employment does not:

- Negatively affect performance in your job at H-E-B, such as being too tired to perform effectively.
- Create a conflict in your work schedule.
- Compete with H-E-B. Working in any capacity, including self-employment, for any competitor, or Supplier of H-E-B is prohibited.
- Result in an actual or perceived conflict of interest, including working for a Company Supplier when you may be in the position to influence the purchase of goods or services.

Your Supervisor can give you additional details if an activity or other job competes with or otherwise would violate this or other H-E-B guidelines.

Conflicts of Interest

A conflict of interest occurs in any situation where your personal interests conflict with your duties to H-E-B. As an H-E-B Partner, your work decisions should be based on what is in the best interest of H-E-B. A conflict of interest can make it difficult for you to perform your job responsibilities and hinder decision-making ability. At the very least, they can lead to the appearance of impropriety. They can also violate the law. Typical areas where conflicts of interest can arise include relationships with Suppliers, competitors, or any third party who does business in any form with H-E-B, outside employment, employment of relatives, and personal relationships.

It is imperative that dealings with fellow Partners, Suppliers, and others outside of H-E-B are above reproach and void of any real or perceived conflict of interest. Accordingly, while the following list is not exhaustive, it highlights some possible conflicts of interest that are prohibited:

- A Partner may not, directly or indirectly, participate in any arrangement, investment, or other activity with any Supplier, or other party doing business with H-E-B which has resulted or could result in personal benefit to the H-E-B Partner.
- A Partner may not, directly or indirectly, be the recipient of any commission, compensation, fee, salary, kickback or other payment, or loan or gift or any kind, any free service or discount, or other form of benefit from or on behalf of any person, company, organization,

consultant or broker engaged in any transaction with H-E-B. A Partner may not engage in activities indirectly through other persons or entities that he or she would be prohibited from engaging in directly.

- Any form of ownership or lending relationship with a Supplier to H-E-B, competitor of H-E-B, or broker or other third party who does business in any form with H-E-B, except a Partner may own up to 1% of any publicly traded stock issued by Suppliers.

H-E-B seeks business dealings with its Suppliers of merchandise, equipment, services, and supplies that are lawful, fair, and above board. Strict restrictions on what H-E-B Partners may accept from Suppliers are consistent with this priority. Good business relationships are the result of Suppliers putting their financial efforts into lowering our cost of goods and services. Our best Supplier-related decisions are those made without the possible influence of Supplier gifts and premiums that do not directly lower H-E-B's costs. Therefore, H-E-B Partners and members of their immediate families may not accept the following from Suppliers:

- Money, loans, or anything of value that is not directly applied to the cost of goods or services purchased by H-E-B.
- Tickets to sporting, entertainment, or other events (supplied or sold for less than face value).
- Trip-related expenses or lodging for personal use.
- Meals or refreshments to individual Partners and product contributions to personal or H-E-B functions.
- Access to recreational facilities.
- Services such as repairs, or the use of equipment, etc., or discounts for services or products for personal use not generally available to all H-E-B Partners.

However, the following are examples of acceptable Supplier-related activities that reduce H-E-B's cost:

- The services of a Supplier as a speaker.
- Merchandise samples for the sole purpose of H-E-B's evaluation of a product or service and delivered only to those Partners charged with the sampling of the product or service as part of their responsibilities.
- Merchandise, money, facilities, trip expenses, tickets, or anything else that is directly for the benefit of a specially identified H-E-B sponsored, charitable cause and does not benefit an H-E-B Partner.
- Trip and meal expenses provided to any H-E-B Partner that are associated with educational or industry events attended for H-E-B's benefit, but excluding expenses associated with the personal days before or after the business portion of the trip.
- Meals and refreshments (excluding alcoholic beverages) that are part of a group meeting attended for a benefit sought by H-E-B and where the meeting length extends through a mealtime. If the meeting is at H-E-B, we will incur the expense. Suppliers may cover the expense if the meeting is held at their location.
- Token gifts of work-related items that have a value of not more than \$25.00 and are used solely for work activities. Such gifts include calendars, notepads, case cutters, pens, plaques, pocket protectors, etc.
- Inexpensive (less than \$25.00) door prizes at industry events in that all participants are equally eligible to win. Prizes in excess of \$25.00 will be remitted to the Vice President of Procurement for use by H-E-B.

If you have any questions regarding this policy, please contact your Supervisor or contact your area Vice President for approval.

Employment of Relatives and Personal Relationships

H-E-B is a great place for our Partners, and we are very fortunate to hire so many great people. It's no wonder many of our Partners have encouraged family and friends to work at H-E-B. In many cases, we have two or more relatives working for H-E-B. However, to avoid any real or perceived conflict of interest, a Partner cannot report to a relative. "Relative" means wife, husband, domestic partner, child or stepchild, parent or stepparent, grandparent, step grandparent, brother, stepbrother, sister, stepsister, in-law, aunt, uncle, niece, nephew, or cousin. Sometimes H-E-B may need to reassign or transfer a Partner, or deny a transfer or reassignment, when a family relationship or other personal relationship gives rise or may give rise to an actual or perceived bias, conflict of interest, favoritism, or other disruptive force in the workplace, even if a reporting relationship is not present. Neither a Partner nor a Partner's family member may enter into a business or financial relationship or arrangement with the Partner's subordinate or a Supplier.

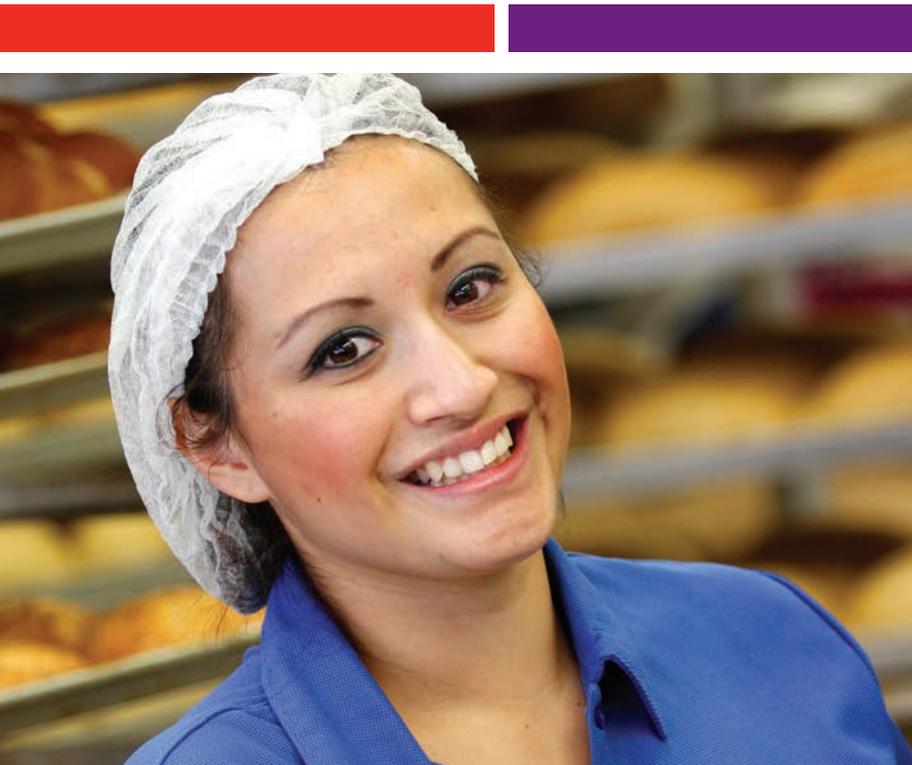
Partner Guidelines

At H-E-B, Supervisors and Managers have a higher responsibility to conduct themselves in a way that avoids any appearance of bias, favoritism, or unprofessional conduct. When a Supervisor dates someone he or she supervises, it could present special challenges. Supervisors are responsible for writing reviews, schedules, raises, and coaching. If there is a significant relationship, or the perception of a significant relationship, personal feelings may affect the Supervisor's action. It's a no-win situation. As a result, an H-E-B Supervisor or Manager may not date or maintain a personal or romantic relationship with a Partner under his/her supervision. In the event a Supervisor is considering a personal or romantic relationship with a Partner under his/her supervision, the Partners involved are required to immediately notify their next level Supervisor and the Human Resources Manager before a personal or romantic relationship begins so that a voluntary transfer to remove any real or perceived conflict of interest can be arranged. If a transfer cannot be arranged or is not practical, one of the Partners may be subject to separation of employment or such other action as may be appropriate.

Attendance and Punctuality

H-E-B operations continue 24 hours a day, seven days a week. Regular and prompt attendance is essential for you to properly perform in your job and meet your responsibilities to H-E-B and your fellow Partners. When Partners are absent or tardy, this places a burden on other Partners and prevents H-E-B from providing Customers with the service they expect and deserve. We realize there may be times when you might be late or won't be able to come in because of an illness or emergency. While it may still count as an occurrence, we ask that you please call. Just let your Supervisor know at least two hours in advance of your scheduled starting time so we can make the necessary arrangements to cover your duties. This requires that you keep your Supervisor informed on a daily basis for each tardy or absence.

Absences of two or more consecutive days for the same reason and with your Supervisor's approval will be treated as a single absence, except in the case of incarceration or misconduct, in which case each day's absence or tardy will count as an occurrence. If you are absent for two consecutive scheduled working days without notifying your Supervisor, H-E-B will consider you to have separated from employment. Your Supervisor may require you to bring a physician's release to duty after any absence due to injury, illness, or accident. Please check your work location for additional information regarding H-E-B's Attendance and Punctuality policy.



Check Privileges

Partners may cash personal checks at our stores using the approved guidelines and procedures for Partner checks.

<u>Check Amount</u>	<u>Required Approval</u>
• Up to \$25.00	H-E-B Partner
• \$25.01 to \$100.00	Manager in Charge
• Over \$100.00	Not allowed

Checks received by H-E-B from H-E-B Partners that are returned unpaid will be processed through standard check collection procedures. Partners who do not promptly pay the amount of the returned check and associated fees may be subject to corrective action, including the loss of their job.

Personal Appearance and Hygiene Standards

A pleasant smile is an important part of our uniform. It's also the basis of good Customer relations. Wear a smile at all times. Because of our great Partners, our Customers expect to shop in a clean store and to be served by professional, clean, neat, and well-groomed Partners. In order to maintain a consistent, professional image, Partners may not wear hats or other items that are not provided by H-E-B. To present this polished image, all Partners may only wear Company-provided or approved uniforms. Your uniform is the first impression a Customer, Supplier, or others may have of H-E-B. It's important that you keep it clean and orderly. Your Supervisor may have additional dress code requirements and can provide you with a copy of them for your business unit.

Your Supervisor will advise you if your appearance is not in keeping with H-E-B standards, and you could be asked to go home on your own time to correct the situation. You may also be subject to corrective action for refusal to comply with the dress code.

Excellent service includes a friendly greeting, Customer interaction, and a heartfelt thanks to every Customer who visits H-E-B. Therefore, to avoid distractions and disruptions, Partners may not use their cell/smart phones (including text, camera, or other mobile apps) during work time for non-work reasons, without Supervisor approval. If you expect an emergency call or an emergency situation arises, please speak with your Supervisor.

No Solicitation and Distribution Rule

Partners: To provide Partners freedom from distractions, pressures, embarrassment, and work interruptions, solicitation by a Partner is prohibited while either the Partner soliciting or the Partner being solicited is on working time. Distribution of literature (including handbills or other printed or written materials) is prohibited while either the Partner distributing the materials or the Partner receiving the materials is on working time. Furthermore, in the interest of employee safety and well-being, the distribution of such literature shall not be permitted in working areas at any time.

With the exception of store operations and company-sponsored events, Partners are not permitted access to the interior of the building or outside work areas during off-duty hours.

Non-Partners: Solicitation, distribution of literature, or trespassing by non-Partners on company premises at any time is strictly prohibited.

Time-Keeping Procedure

H-E-B is committed to providing opportunities for great pay and benefits that help us attract and retain our Partners. H-E-B is also proud to be an innovator who adapts quickly to change. As a result, H-E-B is using technology called PinPoint to clock in and out, which operates based upon a noninvasive, finger image process that removes the use of and helps to protect, your social security number. H-E-B computer stations also allow you to personally view past, current, and future schedules, request time-off and make availability changes, review entitlements, and access PartnerNet.

Accurate Time-Keeping

It is our policy to compensate our Partners accurately and to do so in compliance with all applicable state and federal laws.

To maintain our commitment to great pay, we want to ensure that you are paid for all your work and that you are paid on a timely basis. To ensure that you are properly paid, we ask that you clock in when you arrive for work, and clock out immediately after finishing your shift. You should also clock in and out for your lunch period in a timely fashion. Your Supervisor can advise you of the procedure for manually recording time if the system is down. Whether your time is tracked manually or electronically/PinPoint system, only your Supervisor or a designated Partner may approve hours or correct errors. If you make or find an error in your recorded time, just talk to your Supervisor. You may not record time or clock in or out for anyone else.

To further ensure you are fully paid for all time worked, you should not perform any work off the clock, which includes remote access to H-E-B computer systems. No H-E-B representative is authorized to request, require, or allow you to work off the clock. Any Partner who allows or participates in working off the clock or fails to properly clock in or out in a timely fashion may be subject to corrective action up to and including losing his or her job.

Review Your Pay Stub

In accordance with the Fair Labor Standards Act and state law, H-E-B does not permit improper or unauthorized deductions from our Partners' pay or their salaries. Deductions are made only if: (1) the deduction is in compliance with or permitted by federal and/or state law and/or (2) the Partner has authorized the deduction.

H-E-B makes every effort to ensure our Partners are paid correctly. Occasionally, however, inadvertent mistakes can happen. When we find out a mistake has happened, we promptly make the necessary corrections, so please review your pay stub when you receive it to make sure it is correct.

If any deduction was improper, H-E-B will reimburse the Partner for the improper deduction. In addition, H-E-B will, in good faith, take all reasonable steps necessary to ensure that no such improper deductions are made in the future.

To Report Concerns or Obtain More Information

If you believe a mistake or improper deduction has occurred on your paycheck, there is a violation of H-E-B's Time-Keeping and Pay Procedure, or you're ever asked to work off the clock or know of any Partner who works off the clock, please use the Open Door Process outlined in this Partner Guide. You may also contact your Supervisor, the Human Resources Manager, or call the H-E-B Compliance and Ethics Helpline at 1-866-208-8167.

Every report will be investigated and corrective action will be taken when appropriate, up to and including discharge for any Partner who violates H-E-B's Time-Keeping and Pay Procedure or guidelines. In addition, the Company does not tolerate any form of retaliation against individuals who report alleged violations of time-keeping procedures, or who cooperate in the company's investigations of such reports.

Confidential Information

We probably share more information with our Partners than most other retailers share with their employees. This is just one example of our trust in each other. Accordingly, Partners must not disclose proprietary or trade secret information concerning H-E-B, including information relating to costs, sales, product formulas, computer software, processes, business strategies, etc., to unauthorized or non-H-E-B persons, or use such information to further personal interests or the interest of any other company, person, or entity.

Privacy

H-E-B is committed to protecting the privacy of individuals and their Personal Identifiable Information (PII) in accordance with federal and state laws and requirements that address the collection, utilization, storage, and destruction of individual sensitive information. The protection and appropriate utilization of PII is the responsibility of all Partners. Personally identifiable health information is a particularly sensitive form of PII with stringent federal and state compliance requirements plus potentially large penalties for noncompliance and misuse for both company and the individual. Improper use or disclosure of personal information must be reported immediately to the Privacy Office.

Personal, Family, and Friend Purchases

H-E-B appreciates the opportunity to serve all Customers and Partners, especially our family and friends. However, as many issues arise in the selling, consuming, and serving of food products, Partners and others who work in public contact areas may be required to consume their food and beverages in non-work areas. Check with your Supervisor to see if food and beverages are allowed in your work area. Also, Partner purchases or shopping must be done during non-work time. Partners may not serve themselves in any department that requires service or service their own transactions or the transactions of family members. If you purchase food to eat on the premises or if you remove magazines, books, or newspapers to read on the premises, you must retain your receipt as proof of purchase and produce it upon request.

Only a Department Manager or Manager in Charge is authorized to mark down or otherwise discount merchandise. When discounted merchandise is available to all Customers, any Partner may purchase the merchandise during non-work time. However, to be fair to our Customers and other Partners, under no circumstances may a Partner delay marking down product or hold back discounted or marked-down merchandise so that a Partner may purchase it later.

“ Bet on our Partners in times of need. ”

— **Scott McClelland**, President, H-E-B Houston Food/Drug

Political Candidacy

Generally, H-E-B does not officially endorse any political point of view or support any political candidate. If you currently hold a public office or intend to campaign for any elected office at any level, you should immediately notify the Public Affairs office at 1-877-420-7779.

Partner Information Access

At H-E-B, we continuously look for ways to improve the great benefits we offer so H-E-B can be an even greater place to work. With the creation of information technology, such as PinPoint, PartnerNet, and other Partner self-service applications, we are proud to offer you easy access to view your personal information such as schedules, benefits, and address. The information you access using PartnerNet, as well as some of the other self-service applications, is for your own personal benefit. We recognize, however, that while information technology such as computer and network resources, email, PinPoint, PartnerNet, Internet, etc., has many advantages as a communication tool, the resources and services available through information technology introduce new risks as well. All H-E-B Partners are to abide by H-E-B's Records Management policies on retention, record-keeping, and access. It is our goal that this guideline will help reduce or eliminate issues that may arise and will help continue to make H-E-B a great place to work.

The use of Partner Information Access systems is at your discretion and is not required or mandatory.

Competition Laws

H-E-B is committed to competing with integrity. H-E-B believes in the importance of fair competition and compliance with antitrust laws. Partners must not engage in anti-competitive activity including price fixing, bid rigging, market or Customer allocation, boycotts, market manipulation, or any other activity that otherwise restricts competition.



Always be mindful of the competition laws when talking with competitors and Suppliers. For example:

- Do not talk to competitors about prices, market rates, or geographical territories.
- Do not agree with competitors about dealing (or not dealing) only on specified terms with Suppliers of goods or services.
- Do not misrepresent the price offered by one Supplier to obtain a lower price from another Supplier.
- Do not discuss bids for products or services.
- Do not discuss allocation of territories or Customers.

Foreign Corrupt Practices Act (FCPA)

The FCPA prohibits bribes to foreign government officials, foreign political parties, either directly or through intermediaries, in an effort to influence such officials, candidates, or parties to take action that confers a business advantage on H-E-B or any of its subsidiaries, including H-E-B Mexico. It is H-E-B's policy to strictly comply with the FCPA, as well as similar foreign anti-bribery laws, and to prohibit H-E-B Partners and representatives from making any payments or taking action prohibited under these laws.

The term "foreign official" is defined broadly to include people you might not usually consider to be government officials, including: family members of government officials; employees of state-owned entities; regulatory officials, such as tax and customs authorities; and utilities officials.

Thus, Partners should not assume that a foreign person does not qualify as a "foreign official" merely because the person does not have an official government position.

Guidelines for Activities Raising FCPA Concerns:

- Do not make any payment or expenditure, or provide anything of value (no matter how small) to a foreign official if your intention is to influence a foreign official to confer a business advantage on H-E-B.
- Report any requests made by foreign officials for payments, gifts, travel, entertainment, or other bribes or questionable favors to the H-E-B Corporate Compliance Office.
- Closely monitor the activities of third parties that act on behalf of H-E-B, since H-E-B can be held liable under FCPA for illegal payments by third parties acting on its behalf, including purchasing agents, customs agents, suppliers, freight forwarders, consultants, and other actors.

Please review H-E-B's FCPA Guideline for more information on PartnerNet.

Electronic Media

As Partners, we must always conduct ourselves in a fashion that is consistent with H-E-B's philosophy of treating others with dignity and respect.

All users are required to comply with federal and state laws (including but not limited to harassment, discrimination, copyright, patent, trademark, or trade secret laws) and all company policies (including those which seek to prevent unlawful workplace harassment or discrimination).

While we can't list them all, the following are just a few examples of unacceptable or inappropriate uses of H-E-B information technology, including network and computer resources, email, voicemail, PartnerNet, Internet, PDAs and electronic media (these examples are not all inclusive):

- Sending, receiving, storing, displaying, printing, or otherwise disseminating messages or material that is abusive, obscene (including jokes), profane, sexually oriented, threatening, discriminatory, harassing, illegal, fraudulent, maliciously untrue, or otherwise a violation of H-E-B's Policy Against Discrimination, Harassment, or Other Unprofessional Conduct.
- Unauthorized communication, removal, or printing of trade secrets, proprietary information, or copyright material is improper and/or illegal. Users must comply with all software licenses, copyrights, and all other state and federal laws governing intellectual property and on-line activity. Users may not load any unlicensed software into any of H-E-B's computers.
- Accessing computer games or unauthorized news groups or chat rooms.
- Creating, forwarding, sending, or similar actions relating to chain letters (a mailing with a request to recipients to continue distribution to others). Messages of this nature must be deleted upon receipt and never forwarded.
- Unauthorized access or use of any computer system or using another's account or identity.

- Sending an uninvited email or message in violation of H-E-B Policy.
- Violating the Solicitation and Distribution Rule or other H-E-B policy or procedure.
- Interfering with the productivity of other Partners.
- Downloading or using non-H-E-B-approved screen savers.
- Altering or changing a user's email message without consent.
- Interfering with the productivity of other Partners who are on work time.
- Recording company business discussions on personal or company-issued equipment.

To protect our competitive edge, H-E-B's proprietary information must not be sent electronically, printed, copied, or removed from the premises unless approved by management and contains a notation indicating that it is proprietary, which includes information located on PartnerNet.

Authorized Access

Because of legitimate work requirements and time constraints, users may not access email or the Internet (except the designated website, i.e., PartnerNet) from the Partner Information Access computer stations. Additionally, you will be provided a User ID and/or password to access H-E-B's information and systems. You must not share your password or allow non-authorized company personnel to see or use your User ID/password as you are responsible for all actions initiated by anyone using your assigned User ID or password. For your protection and the protection of H-E-B, information technology will be accessed only by: 1) the intended recipient, 2) others at the direct request of the intended recipient provided it is for a legitimate and authorized purpose, or 3) the company's representatives for such access. Any attempt by an unauthorized user, including the use of another's password or User ID, to access information technology is a violation of this guideline. For legitimate business purposes, H-E-B has the right to view or access all information technology. Also, any user who receives a message or email for which the user is not the intended recipient should either: 1) return the message to the sender and tell the sender of the error, or 2) forward the message to the intended recipient, if possible. All unnecessary or non-business emails or messages should be deleted immediately. Users are responsible for correctly addressing their messages or email and shall exercise care when addressing a message or mail to select the correct name.

“ Our dedicated Partners care about our Customers in the same manner we are committed to our Partners. This corporate culture helps keep H-E-B a great place to both shop and work. ”

— **Howard Butt III**, President of Mexico Operation

Additional Responsibilities

Our Customers shop with us because of our great Partners and because they know you will provide them with high levels of service. To continue to fulfill this commitment, access to Partner Information Access terminals, kiosks, or information technology may not always be available and, just as in all other cases, please obtain your Supervisor's approval if you plan to leave your work area.

All users must also comply with other responsibilities and requirements involving the use of information technology, including email, social media, and the Internet. For additional information, please make sure to review Information Technology and Official H-E-B Social Media Sites-Acceptable Use Guideline 5.6 or contact your Supervisor or Human Resources Manager.

Once again, we are proud to offer you this great technology and hope you will find it useful and informative.



Partner Standards of Conduct

We strive to maintain a work environment that creates a fun and great place to work for our Partners. Our values of mutual respect and our philosophy of treating everyone with dignity and respect are crucial to a great workplace. As a result, we maintain high standards of conduct at H-E-B and take seriously all situations where these standards are violated. Depending upon the severity of the conduct, a violation of a policy

or rule may result in verbal or written coaching, suspension, demotion, or transfer, or may cause you to lose your job. The appropriate Supervisor or Manager will explain the consequences of a Partner's failure to improve or the effect of additional policy violations. It's your responsibility to model appropriate behavior at all times and set an example for your fellow Partners.

“ If it were easy anybody could do it. ”

— **Howard E. Butt**



Although we can't list them all (this is not an all inclusive list), you will face disciplinary action, up to and including losing your job, if you engage in any of the activities listed below, including while at work or in attendance at an H-E-B-sponsored event or activity, while in or on H-E-B-owned, -leased, or -controlled property, including parking lots, company-owned or -leased vehicles, company facilities, or in all other areas where you or a Partner are conducting H-E-B business or engaged in H-E-B activities or functions.

- Violation of H-E-B's Policy Against Discrimination, Harassment, and Unprofessional Conduct.
- Violation of H-E-B's Foreign Corrupt Practices Act (FCPA) Guideline.
- Violation of applicable privacy law, rule or regulation, or violations of H-E-B's Privacy guidelines.
- Providing false information, misrepresentations, or incomplete information to H-E-B or withholding or omitting pertinent information, verbally or in writing, on employment application forms, employment interviews, during an investigation, or at any other time during employment with H-E-B. This also includes failing to report an accident in a timely manner, or falsifying or providing incomplete information on company documents and records such as time records, cash register tapes, log sheets, accounting reports, expense reports, accident reports, personnel data, or other company documents and records.
- Actual or suspected misapplication or misappropriation of H-E-B property, including misuse or diversion of property, incorrectly recording or reporting merchandise ordered, purchased, received, distributed, or sold, or unauthorized removal/consumption of H-E-B property without a valid receipt.
- Unsafe conduct on company property or on work time such as carelessness, negligence, horseplay, tampering with company products, equipment, or facilities, including removal or alteration of safety devices, use of radar detectors in company vehicles, or transporting unauthorized persons or goods in an H-E-B vehicle or operating an H-E-B vehicle without a valid license or certification.
- Violence in the workplace or possession, carrying, or storing of any weapons, including parking areas (subject to applicable law), firearms, or harmful devices on H-E-B premises or in any area or building owned, used, operated, or leased by H-E-B, including parking areas, company-owned or -leased vehicles, and all other areas where you or a Partner are conducting H-E-B business or engaged in H-E-B activities or functions. H-E-B has a zero tolerance for any acts or threats of violence or bodily harm.
- Unprofessional or improper conduct, including refusal to follow the specific instructions of your Supervisor, seeking unauthorized access to confidential, proprietary company information, disclosing confidential, proprietary company information to any party not authorized to receive it, or accepting unauthorized gifts or other items of value from Suppliers or others with whom H-E-B does business.
- Disruptive behavior toward any Partner, Customer, motorist, or visitor to H-E-B, creating a disturbance, interfering with our ability to conduct business, engaging in or soliciting non-H-E-B activities where money is exchanged, such as games of chance and football/sport pools, solicitation of a Customer or visitor, or violation of the No Solicitation and Distribution Rule.
- Violation of state, federal, or local laws and regulations, including laws involving employment practices, corporate ethics and accounting, workplace safety, food and product safety, sale of alcoholic beverages or tobacco products, Department of Transportation regulations, or wage and hour laws (i.e., working or directing someone to work off the clock).
- Violation of H-E-B's Drug-Free Workplace Guideline.
- Violation of the Criminal Conduct Guideline involving the conviction of or a plea of guilty, nolo contendere, or no contest, or the receipt of probation or deferred adjudication for any crime.
- Accumulation of two Standards of Conduct 40 ratings within a rolling 12-month period.
- Violation of H-E-B guideline, policy, or procedure.
- Such other conduct or action that H-E-B believes warrants appropriate corrective action.
- Any conduct that may limit a Partner's ability to be successful, as determined by H-E-B, in the Partner's role/job responsibilities, including conduct that leads or may lead to a loss of confidence of the Partner to: 1) perform the Partner's job responsibilities, 2) exercise business decisions, or 3) maintain the Partner's leadership effectiveness or reputation.

“ Our Partners – the very best people always striving for greatness. ”

— **Tina James**, Senior Vice President of Human Resources

I understand that my contribution to H-E-B is the most important asset H-E-B has and that I play an important role in helping Build the Greatest Retailing Company. I have received, read, and understood the H-E-B Partner Guide, which contains general guidelines regarding my employment. I know I have the opportunity to direct any questions I have to an H-E-B representative. I also understand that I, like H-E-B, may separate my employment at any time.

By agreeing to the following commitments, I am giving my personal promise that I will:

- Respect diversity and treat every Customer, Supplier, and Partner with the utmost respect, courtesy, and dignity.
- Consider using the Open Door whenever I have a complaint, concern, or issue because I have a voice at H-E-B!
- Report instances of harassment, discrimination, retaliation, food safety violations, unethical behavior, working off the clock, or other misconduct as outlined in the Partner Guide. I also understand that I may call the H-E-B Compliance and Ethics Helpline at 1-866-208-8167 to report this activity. I understand that H-E-B prohibits retaliation against me for doing so.
- Ask my Supervisor or Human Resources Manager any questions I have regarding my employment, this Partner Guide, or any policy of H-E-B.
- Uphold the standards that H-E-B has set for all Partners in regard to respect for property, persons, and the use of illegal substances or misuse of legal substances. To protect H-E-B, our Partners and our Customers, and for legitimate business reasons, I agree that H-E-B has the right to access, check, or inspect company property or anything located on company property, and I hereby authorize H-E-B to do so.
- Abide by and follow the policies, procedures, and safety rules of H-E-B.
- Uphold H-E-B's image in regard to personal grooming, proper uniform/dress, and the use of appropriate language.
- Respect the Bold Promise and promote the fact that "Each and Every Person Counts!"
- Your voice and ideas are important to us, so please let us know if you have suggestions, comments, or changes as the guidelines may be changed at any time.

My signature is as good as my word!

Partner's Signature	Last four Digits of SSN	Date
----------------------------	--------------------------------	-------------

© Published Summer 2015 by H-E-B's Department of Human Resources. Address Partner Guide comments and suggestions to Partner Relations Department, H-E-B, P.O. Box 839999, San Antonio, Texas 78283-3999, or call 210-938-8575 (in San Antonio) or 1-800-429-6433 (all other locations). Reproduction, electronic transmission, third-party use or other disclosure of these materials is strictly prohibited.

Promesas del socio y acuse de recibo

Entiendo que mi contribución a H-E-B es el activo más importante de H-E-B y que desempeño un papel importante en ayudar a Construir la Mejor Compañía de Venta al Menudeo. Recibí, leí y entendí la Guía para el Socio de H-E-B, la cual contiene directrices generales relacionadas con mi empleo. Sé que puedo hacer cualquier pregunta que tenga a un representante de H-E-B. También entiendo que yo, al igual que H-E-B, en cualquier momento puedo dar por terminado mi empleo.

Al aceptar el siguiente acuerdo, estoy dando mi promesa de que:

- Respetaré la diversidad y trataré a todos los Clientes, Vendedores y Socios con el mayor respeto, cortesía y dignidad.
- Usaré la política de Puerta Abierta cuando tenga alguna queja, preocupación o problema, porque en H-E-B ¡sí tengo voz!
- Reportaré casos de acoso, discriminación, represalias, violaciones de la seguridad alimenticia, conducta no ética, trabajo fuera de horario, u otra mala conducta descrita en la Guía del Socio. También entiendo que puedo llamar a la Línea de Ayuda de Cumplimiento y Ética de H-E-B (HEB Compliance & Ethics Helpline) al 1-866-208-8167 para reportar tal actividad. Entiendo que H-E-B prohíbe que se tomen represalias en mi contra por hacerlo.
- Consultaré a mi Supervisor o al Gerente de Recursos Humanos sobre cualquier duda que tenga con relación a mi empleo, esta Guía para el Socio o cualquier política de H-E-B.
- Cumpliré con las normas que H-E-B ha establecido para todos los Socios con respecto al respeto a la propiedad y a las personas y al uso de sustancias ilegales o el abuso de sustancias legales. Protegeré a H-E-B, nuestros Socios y nuestros clientes y, por razones legítimas, acepto que H-E-B tiene el derecho al acceso, revisión o inspección de toda propiedad de la compañía o cualquier cosa que se encuentre dentro de la propiedad de la Compañía, y por el presente autorizo a H-E-B a hacerlo.
- Acataré y seguiré las políticas, procedimientos y reglas de seguridad de H-E-B.
- Mantendré la imagen de H-E-B con relación a la higiene personal, uniforme o vestido apropiado y el uso de lenguaje apropiado.
- Respetaré la Promesa Audaz y promoveré el hecho de que “¡Cada uno de nosotros cuenta!”
- Su voz e ideas son importantes para nosotros —comuníquese con nosotros si tiene alguna sugerencia, comentario o modificación, ya que estas pautas se pueden cambiar en cualquier momento.

¡Mi firma es tan valiosa como mi palabra!

Firma del/de la Socio(a)

Últimos cuatro Dígitos del # de Seguro Social

Fecha

© Publicado en el verano del año 2015 por el Departamento de Recursos Humanos de H-E-B. Envíe sugerencias o comentarios relacionados con la Guía de los Socios a Partner Relations Department, H-E-B, P.O. Box 839999, San Antonio, Texas 78283-3999, o llame al 938-8575 (en San Antonio) ó 1-800-429-6433 (cualquier otra ubicación). Se prohíbe estrictamente la reproducción, transmisión electrónica, uso de terceros o cualquier otro tipo de revelación de estos materiales.

Because
People
Matter