

TIM MORAN AUTOMOTIVE GROUP

CALIFORNIA

EMPLOYEE HANDBOOK

Employee Handbook

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Welcome

Welcome to **TIM MORAN AUTOMOTIVE GROUP!** We are pleased that you are joining us, and we know that your contributions will assist us in remaining a leader in this community and in our industry.

As an employee of our Company, you will want to know what you can expect from us and what we expect from you. This handbook outlines the benefits, practices and policies of our Company that are important to you.

If you have questions as you read through this handbook, please do not hesitate to discuss them with your supervisor. Your supervisor is a very important source of information and will be more than happy to assist you.

Tim Moran

President

Purpose Of This Employee Handbook

This handbook is designed to acquaint you with our Company and to give you a ready reference to answer most of your questions regarding your employment with us. We intend for this handbook to offer two-way communications: what you can expect from us, and what we expect from you.

The contents of this handbook, however, constitute only a summary of the employee benefits, personnel policies, and employment regulations in effect at the time of publication. This handbook should not be construed as creating any kind of "employment contract," since the Company has the ability to add, change or delete wages, benefits, policies and all other working conditions as it deems appropriate, without obtaining another person's consent or agreement.

This handbook contains the entire agreement between you and the Company as to the duration of employment and the circumstances under which employment may be terminated. As provided in the Employee Handbook Acknowledgment and Agreement, nothing in this handbook creates, or is intended to create, a promise or representation of continued employment. Employment with the Company is employment at-will and may be terminated at the will of either you or the Company. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right. Your status as an "at-will" employee may not be changed, except in writing signed by the President of the Company. This handbook shall supersede any and all prior handbooks, written documents, or oral representations issued by the Company that contradict the at-will nature of your employment.

Our Customer Relations Philosophy

Our most important goal is customer satisfaction. Customers are the most important people in the world. Let's face it – without them we would not be here. Therefore, please observe the following **RULES FOR SUCCESS**:

1. **CUSTOMERS** are the most important people in our business, whether we are dealing with them in person or over the telephone.
2. **CUSTOMERS** are not dependent on us. We are dependent on them.
3. **CUSTOMERS** are not an interruption of our work. They are the purpose for it.
4. **CUSTOMERS** favor us with their patronage. We are not doing them a favor by serving them.
5. **CUSTOMERS** are a part of our business. They are not outsiders.
6. **CUSTOMERS** are not cold statistics. They are human beings with feelings and emotions like our own.
7. **CUSTOMERS** are not someone to argue with or match wits with.
8. **CUSTOMERS** are people who bring us their wants. It is our job to fill those wants.
9. **CUSTOMERS** are deserving of the most courteous and attentive treatment we can give them.
10. **CUSTOMERS ARE THE LIFE BLOOD OF OUR BUSINESS.**

Let's Communicate

Employee Relations Philosophy

We are dedicated to continuing what we believe to be an excellent employee relations program. We will attempt to maintain good working conditions, competitive wages and benefits, open communications, and employee involvement.

Please tell us if you have a problem. We think you will find us receptive to your concerns. We are always looking for ways to make this a better place to work.

If You Have A Problem

If there is something about your job that is bothering you, let's get it out in the open and discuss it. We cannot help you unless you let us know there is a problem and what we can do to solve it.

Our Proactive "Problem Solving Procedure" offers all employees the freedom to discuss anything they wish with their supervisors. If you have a problem, it can usually be resolved by following these steps:

1. Any concern should first be discussed with your immediate supervisor.
2. If your supervisor cannot solve the problem, or if you are not satisfied after Step 1, you should ask to speak to the General Manager.
3. If you still feel the need to speak to other members of management after following Steps 1 and 2, we encourage you to speak to the HR Administrator or Tim Moran.

In the event you have a concern, and for personal reasons you cannot follow the steps in this procedure, you may go directly to the General Manager or President. The General Manager and President are available for advice and assistance in solving your problem at any time.

When you inform us of your concern or problem, we will try to answer your concern or solve your problem as soon as possible under the circumstances.

What You Can Expect From Us

Equal Employment Opportunity

We are committed to providing equal opportunity in all of our employment practices, including selection, hiring, promotion, transfer, and compensation, to all qualified applicants and employees without regard to race (including traits historically associated with race such as hair texture and protective hairstyles such as braids, locks, and twists); religion; religious creed; religious dress/grooming; color; age (40 and over); sex; sexual orientation; gender; gender identity (meaning a person's identification as male, female, a gender different from the person's sex at birth, or transgender); gender expression (including a person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth); national origin; ancestry; citizenship status; uniform service member status; military or veteran status; marital status; pregnancy; childbirth; medical conditions related to pregnancy, childbirth, or breast feeding; medical condition (including cancer related or HIV/AIDS related); handicap; physical disability; mental disability; genetic characteristics; genetic information; reproductive health decision-making; or any other protected status in accordance with the requirements of all federal, state and local laws. Our Equal Employment Opportunity Policy applies equally to interns and volunteers.

Policy Against Harassment

We do not tolerate unlawful harassment of any of our employees, customers or clients, vendors, suppliers, or independent contractors. Any form of harassment that violates federal, state or local law, including but not limited to, harassment related to an individual's race (including traits historically associated with race such as hair texture and protective hairstyles such as braids, locks, and twists); religion; religious creed; religious dress/grooming; color; age (40 and over); sex; sexual orientation; gender; gender identity (meaning a person's identification as male, female, a gender different from the person's sex at birth, or transgender); gender expression (including a person's gender-related appearance or behavior, whether or not stereotypically associated with the person's sex at birth); national origin; ancestry; citizenship status; uniform service member status; military or veteran status; marital status; pregnancy; childbirth; medical conditions related to pregnancy, childbirth, or breast feeding; medical condition (including cancer related or HIV/AIDS related); handicap; physical disability; mental disability; genetic characteristics; genetic information; reproductive health decision-making; or any other protected status pursuant to federal, state and local laws is a violation of this policy and will be treated as a disciplinary matter. For these purposes the term "harassment," includes slurs and any other offensive remarks, jokes, other verbal, graphic, or physical conduct. The law, as well as this Policy, prohibits coworkers and third parties, as well as supervisors and managers, with whom the employee comes into contact from engaging in conduct prohibited by this Policy Against Harassment.

In addition to the above-listed conduct, "sexual harassment" can also include the following examples of unacceptable behavior:

- unwanted sexual advances;
- offering an employment benefit (such as a raise or promotion or assistance with one's career) in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) for an employee's failure to engage in sexual activity;
- visual conduct, such as leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- verbal sexual advances, propositions or requests;
- verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- physical conduct, such as touching, assault, impeding or blocking movements; and,
- horseplay (e.g., arm-wrestling, wrestling, kicking, slapping, pinching, strength contests, piggy-backing another person, etc.), practical jokes or arguments. These actions may result in claims of unlawful harassment and are strictly prohibited.

If you have any questions about what constitutes harassing behavior, ask your supervisor or another management official.

Violation of this policy will subject an employee to disciplinary action, up to and including termination.

If you feel that you are being harassed by another employee, you should immediately notify the Human Resources Manager, VP of Operations, or the President to discuss your complaint. You also may use the Hotline feature of HR Hotlink. You may be assured the Company will take reasonable steps to make sure that you will not be penalized in any way or exposed to retaliation.

Supervisors are required to promptly report any complaints of misconduct to the Human Resources Manager, VP of Operations, or the President so the Company can investigate and resolve the complaint internally.

All such complaints of unlawful harassment that are reported will receive a timely response, and will receive a fair, timely, thorough and impartial investigation by qualified personnel that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected. The complaint will be

documented and tracked for reasonable progress. Corrective action will be taken where warranted. The Company prohibits employees from hindering our own internal investigations and our internal complaint procedure. Note that such complaints of unlawful harassment will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation.

Harassment of employees in connection with their work by non-employees may also be a violation of this policy. **Any employee who experiences harassment by a non-employee, or who observes harassment of an employee by a non-employee, should report such harassment to the Human Resources Manager, VP of Operations, or the President. You also may use the Hotline feature of HR Hotlink.** Appropriate action will be taken against violation of this policy by any non-employee.

Harassment of our customers/clients, or employees of our customers/clients, vendors, suppliers or independent contractors, by our employees is also strictly prohibited. Such harassment includes but is not limited to sexual advances, verbal or physical conduct of a sexual nature, sexual comments and gender-based insults. Any such harassment will subject an employee to disciplinary action, up to and including termination.

Your notification to us of the problem is essential. We cannot help resolve a harassment problem unless we know about it. Therefore, it is your responsibility to bring those kinds of problems to our attention so that we can take whatever steps are necessary to correct the problem.

If management finds that an employee has violated our policy, appropriate disciplinary action will be taken, up to and including termination.

Our Policy Against Harassment applies equally to interns and volunteers.

Policy Against Immigration Threats, Harassment and/or Retaliation

We do not tolerate immigration-based threats, harassment, discrimination and/or retaliation of any of our employees or their families. No manager, agent or employee of the Company is authorized or permitted to: (1) Request additional immigration-related documents other than those required to complete Form I-9; (2) Refuse to honor documents presented as part of the I-9 process (as long as the documents appear to be genuine on their face); (3) Use the federal E-Verify system to check the employee's authorization status except as part of the normal pre-hire process; (4) Threaten to file or file a false police report based on someone's immigration status; (5) Threaten to contact or contact immigration authorities; (6) Threaten to report immigration status to law enforcement; and/or (7) Take adverse employment action for updating personal information in any manner (i.e., updating work status) unless permitted to do so by law. Your notification to us of the problem is essential. We cannot help resolve such a problem unless we know about it. Therefore, it is your responsibility to bring these kinds of problems to our attention so that we can take whatever steps are necessary to correct the problem. If any manager or employee violates this policy, appropriate disciplinary action will be taken, up to and including termination. Our

Policy Against Immigration Threats, Harassment and/or Retaliation applies equally to interns and volunteers.

HR Hotlink Confidential / Anonymous Complaint Hotline

The Company is dedicated to providing you with a work environment in which you can feel you are treated fairly and in accordance with established policies. We participate in a service through which you can report, on a discreet basis, any harassment, discrimination, or unfair treatment to which you feel you may have been subjected while employed by our organization.

To make this reporting process easy and discreet, you may now report your problems or concerns using the HR Hotlink system. Simply login to HR Hotlink (see your Office Manager or contact Human Resources if you have any trouble logging in) and click on the “Hotline” tab. Once you have accessed the Hotline tab, you will be given the option of filing either a “Confidential” report or an “Anonymous” report, and you will then fill out a short questionnaire that will collect information regarding your complaint. With a Confidential report your name will be recorded and shared on a need to know basis as we investigate your complaints. If you elect to make an Anonymous report, you will be given information on how to file a report from any computer connected to the web with no identifiable information collected or reported to the company. All reports will be handled discreetly and will be reviewed personally, on a confidential basis, by a member of senior management. Once you submit a report, you should log back in to HR Hotlink regularly as senior management will utilize the “reply” functions of the Hotline system to communicate with you regarding your complaint.

The on-line reporting process available through HR Hotlink provides you with non-threatening access to senior management so you can voice any problems you may have concerning your treatment in our workplace without fear of retaliation. Such concerns may include possible harassment, discrimination, theft, violence, or any other issue which troubles you.

Please remember, we cannot remedy a situation if we do not know about it. If you are aware of a situation that needs the attention of management, please report it promptly so we can get it resolved and make our organization a safe, pleasant place for everyone.

Employee Classification

Full-Time Employees

Employees who are normally scheduled to work at least thirty (30) hours per week are considered full-time employees. Full-time employees are eligible for all of the benefits set forth in this handbook.

Part-Time Employees

Employees who are normally scheduled to work fewer than thirty (30) hours per week are considered part-time employees. Part-time employees are not eligible for most benefits, but should consult the Human Resources Manager to determine those benefits, if any, for which they are eligible.

Temporary Employees

Employees who are employed to work on special projects for short periods of time, or on a "fill-in" basis, are considered temporary employees. Positions filled by temporary employees are not intended to be a part of continuing operations. In addition, the employment status of temporary employees will not be changed if the employment period is extended for a reasonable period beyond that originally planned and temporary employees are not eligible for benefits.

If you have any questions concerning your employee classification or the benefits for which you qualify, please consult the Human Resources Manager.

Work Schedule

Your schedule may differ from the Company's regular business hours. Your supervisor will inform you of the hours you are to work. In addition, as dictated by the needs of our customers, your actual work schedule may vary from time to time. If it does, you will be notified by your supervisor.

Lactation Accommodation

The Company provides accommodation for its employees needing to express breast milk. An employee may request lactation accommodation by contacting the Human Resources Manager and completing a Request for Lactation Accommodation form. The Company will respond to all lactation accommodation requests within five (5) business days, and will engage in an interactive process with the employee to determine the appropriate lactation break periods and lactation location for the employee. If the Company cannot provide break time or a location that complies with this policy, the Company will provide a written response to the employee.

The Company will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child each time the employee has need to express milk. The break time should, if possible, run concurrently with any break time already provided to the employee. If this time does not run concurrently with normally scheduled rest periods, employees should clock out for this time, and such time will be unpaid.

The Company will provide an employee with the use of a room or other location for the employee to express milk in private. The lactation room or location will not be a bathroom, and will be in close proximity to the employee's work area, shielded from view, and free from intrusion while the employee is expressing milk. At a minimum, the location will:

- Be safe, clean, and free of toxic or hazardous materials;
- Contain a surface (such as a table or a shelf) to place a breast pump and other personal items;
- Contain a place to sit; and
- Have access to electricity or alternative devices, including, but not limited to, extension cords or charging stations, needed to operate an electric or battery-powered breast pump.

The room or other location may include the place where the employee normally works if that place meets these requirements. Multi-purpose rooms may be used as lactation space if they satisfy the requirements for lactation space; however, use of the room for lactation takes priority over other uses for the time that it is in use for lactation purposes.

The Company will also provide access to a sink with running water and a refrigerator suitable for storing milk in close proximity to the employee's workspace. If a refrigerator cannot be provided, the Company may provide another cooling device suitable for storing milk, such as an employer-provided cooler.

The Company will not discharge, or in any other manner discriminate or retaliate against, an employee for exercising or attempting to exercise any right protected by California Labor Code sections 1030 through 1034, or by any applicable ordinance. This includes those who request time to express breast milk at work and/or who lodge a complaint related to the right to lactation accommodations. Employees have the right to file a complaint with the Labor Commissioner for any violation of a right under California Labor Code sections 1030 through 1034.

Meal Breaks And Rest Periods

All employees who work five or more hours in a day are entitled and required to take a thirty-minute meal break. The Company may provide you a longer meal break, at its discretion, but all meal breaks will be at least 30 minutes, uninterrupted, during which you will be relieved of all duties and free from the control of the Company. You are not expected to respond to work-related telephone calls or other communications (email, text messages, etc.) during your meal breaks, and are not expected to perform work duties of any kind during a meal break. You are permitted to leave Company premises during meal breaks. A second thirty minute break is required for employees who work more than ten hours in a day. The first thirty minute meal break must be started no later than the end of the employee's fifth

hour of work, and the second thirty minute meal break (if applicable) must be started no later than the end of the employee's 10th hour of work. Certain exceptions to these rules exist based on the number of hours worked and/or the nature of the employee's duties, but application of these exceptions is uncommon, and you must have written authorization from the General Manager if you will be taking an on-the-job meal break or will not be taking a meal break. Employees taking their meal breaks must record their time on their timesheets when they begin and end their meal break.

In addition, the Company also provides employees a rest period of ten (10) minutes "net" rest time per four (4) hours worked, or major fraction thereof, and which insofar as practicable shall be in the middle of each work period. However, the Company generally will not authorize a rest period for employees whose total daily work time is less than three and one-half (3½) hours. Thus, you will receive one 10 minute rest period for shifts from three and one-half (3½) hours to six (6) hours in length, two 10 minute rest periods for shifts of more than six (6) hours up to ten (10) hours in length, and three 10 minute rest periods for shifts of more than ten (10) hours up to fourteen (14) hours. If you work a shift longer than fourteen (14) hours you will be provided additional rest periods in accordance with applicable law. In the context of an eight (8) hour shift, one rest period should fall on either side of the meal break. Rest periods are counted as hours worked, and thus, employees are not required to record their rest periods on their timesheets.

Employees should schedule and take their rest periods within the parameters set forth in this Policy, but consistent with business needs. For example, smokers should use these rest periods to smoke inasmuch as the company permits smoking off the premises or in designated areas. Salespersons and other employees who have inactive time between assisting customers or actively performing their work duties should take their rest periods during such time. Similarly employees who interrupt their work to handle personal activities, such as making personal telephone calls, responding to personal emails and/or text messages, or having a snack should understand they are using their rest periods for these activities.

All missed meal breaks or rest periods are to be reported to your supervisor immediately. Employees understand that they are to do nothing to incentivize to forego, exert coercion against taking, impede, discourage, or dissuade any other employee from taking meal break and rest periods that are required by law. If any other employee, including managers, attempts to incentivize you to forego, exerts coercion against your taking, or attempts to impede, discourage or dissuade you in any way from taking a meal break or rest period as described herein or required by law, you are to immediately notify the General Manager and/or the Human Resources Department. Authorized meal and rest periods cannot be used to shorten your workday or be accumulated for any other purpose. Additionally, rest periods may not be combined with a meal break. Employees also may be required to sign a certification each pay period confirming that, among other things, they have taken all of their required meal breaks and rest periods during the applicable pay period.

Company Benefits

It is the Company's intent to keep the benefit plans set forth in this handbook in force. However, the Company reserves the right to terminate or modify these plans at any time, for any reason, with or without notice to employees.

Your Pay

Paychecks are generally distributed on the 5th and 20th of each month (3rd business day following pay period cut off). Paychecks will be delivered to the employee's manager who will distribute the checks. You are expected to review your paycheck for accuracy upon receipt. Any questions about your pay amount or deductions should be brought to the attention of your supervisor immediately.

Please note that the Company does not cash employee payroll checks. Employees are expected to cash their pay checks as soon as possible so our banking records can be kept current.

Holidays

Employees will receive the following days off without pay any time they fall on the employee's regularly scheduled work day:

*New Year's Day
Easter
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day*

Some departments, including the Sales Department, may be open on a holiday due to business necessity. Employees will be given as much advance notice as possible if they are required to work on a holiday, although advance notice may not always be possible. Employees asked to work on a holiday will receive their normal rate of pay for work performed on the holiday.

Managers and other salaried personnel do not receive additional holiday pay, but will continue to receive their regular weekly compensation, regardless of whether they work on a holiday.

Paid Vacation

The Company provides paid vacation benefits to all regular full-time employees, with the exception of managers and salaried personnel. Managers and salaried personnel are given time off for vacation, but do not receive additional pay for this vacation time off. They simply continue to receive their regular compensation during their vacation based on their pay plan.

Vacation benefits do not accrue during the first year of employment. Beginning in the employee's second year of employment and through the completion of the employee's tenth year of employment, the employee will earn 5/12 of a day of vacation pay for each full month of employment. This means that an employee earns the equivalent of five (5) days of vacation pay during his/her second year through tenth years of employment.

After the completion of an employee's tenth year of employment, the accrual rate will increase to 5/6 of a day of vacation pay for each full month of employment. This means that an employee will earn the equivalent of ten (10) days of vacation pay during each year, starting in his/her eleventh year of employment.

Consult the Human Resources Manager for detailed information on how the dollar amount of your vacation pay is calculated and the amount you are entitled to receive. The actual dollar amount that an employee receives while on vacation varies according to the employee's pay plan. In the case of managers and other salaried personnel, they are given time off for vacation, but do not receive additional pay for this vacation time off. They simply continue to receive their salary during their vacation time off based upon their pay plan or pay structure or pay agreement, and their vacation accrual is offset in an amount corresponding to the amount of time taken off. To be eligible for vacation pay, you must work your last scheduled day before the vacation and the first scheduled day after the vacation. Though generally not available, any advances on vacation time off must be approved in writing by your Department Manager. Such an advance will only be provided on condition that the employee signs an acknowledgment expressly authorizing the deduction of any outstanding advance on vacation benefits from his/her final paycheck should the employee be separated from the Company for any reason before the advance is offset by the vacation accrual process.

Vacation time is given to employees so that they are better able to perform their jobs when they return. For this reason, we require employees to take their vacation and we do not permit employees to take pay in lieu of time off. We encourage employees to take their vacation all at one time, but in any event, all vacation must be taken in a minimum of four hour increments.

Vacation time accrues to a maximum of fifteen (15) days (120 hours). Once an employee has reached his/her maximum accrual, the employee will not become eligible for any additional time except to the extent that the prior vacation time has been used.

In addition, employees who are out on a leave of absence do not accrue vacation time while they are on their leave. Vacations must be scheduled and approved by

your Department Manager at least two weeks in advance. The Company has the right to refuse an employee's application for vacation if, in the Company's sole judgment, scheduling the vacation at the time sought would be inconsistent with the smooth operation of our business. Remember that managers and salaried personnel accrue vacation time off, but do not receive additional pay for such vacation time off. Thus while we pay all accrued, but unused vacation pay when other employees leave the Company, management level and salaried personnel do not receive any "vacation pay" upon termination.

Paid Sick Leave

All employees who work for the Company in California for 30 or more days within one year from the commencement of employment may take paid sick leave as set forth in this policy.

Sick leave is to be used for the diagnosis, care, or treatment of an existing health condition of, or preventative care for, the employee or the employee's child (including a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis), parent (including a biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child), spouse, registered domestic partner, grandparent, grandchild, sibling, or designated person. ("Designated person" means a person identified by the employee at the time the employee requests paid sick days. An employee is limited to one designated person per 12-month period for paid sick days.) For an employee who is a victim of domestic violence, sexual assault, or stalking, sick leave may be used for the purposes described in the Victims of Domestic Violence Policy in this Handbook, which includes the purposes set forth in Sections 230(c) and 230.1(a) of the California Labor Code.

For regular, full-time employees, sick leave benefits accrue at the rate of 5/6 of a day of paid sick leave for each full or partial calendar month of employment including the month of hire. An employee's total accrual of paid sick leave may not exceed the greater of 80 hours or 10 days at any one time. An employee may use the greater of 40 hours or 5 days of paid sick leave per sick leave year, and may carry over up to the greater of 80 hours or 10 days of accrued paid sick leave into the following sick leave year.

For part-time and temporary employees, sick leave benefits accrue at the rate of one (1) hour per every thirty (30) hours worked, beginning at the commencement of employment. An employee who is exempt from overtime requirements as an administrative, executive, or professional employee under a wage order of the Industrial Welfare Commission is deemed to work 40 hours per workweek for the purposes of this policy, unless the employee's normal workweek is less than 40 hours, in which case the employee shall accrue paid sick days based upon that normal workweek. An employee's total accrual of paid sick leave may not exceed the greater of 80 hours or 10 days at any one time. An employee may use the greater of 40 hours or 5 days of paid sick leave per sick leave year, and may carry over up to the greater of 80 hours or 10 days of accrued paid sick leave into the following sick leave year.

An employee may use paid sick days beginning on the 90th day of employment, after which day the employee may use paid sick days as they are earned. Sick leave may not be used for vacation or personal time off. If the need for paid sick leave is reasonably foreseeable, the employee shall provide reasonable advance notification to his or her supervisor. If the need for paid sick leave is unforeseeable, the employee shall provide notice of the need for the leave as soon as practicable, in accordance with the Absenteeism and Tardiness Policy in this Handbook. Sick leave must be used in a minimum increment of two (2) hours. The Company may require verification of illness from a physician. The sick leave year runs from your date of hire to your anniversary, and from anniversary to anniversary thereafter.

Paid sick time for nonexempt employees is calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment. Managers and salaried personnel who are exempt from overtime requirements as administrative, executive, or professional employees under a wage order of the Industrial Welfare Commission will continue to receive their regular compensation during their time off based on their pay plan, and their sick leave accrual will be offset in an amount corresponding to the amount of time taken off.

Unused sick leave will be forfeited upon termination of employment. However, if an employee separates from the Company and is rehired by the Company within one year from the date of separation, previously accrued and unused paid sick days will be reinstated and available for use by the employee upon rehire. Sick leave does not count as "hours worked" for purposes of calculating an employee's entitlement to overtime during the week in which the absence occurs. Any employee attempting to obtain paid sick leave for an absence not covered in this policy or provided by State, Federal, or Local Law may be subject to discipline, up to and including termination. Discipline or termination for excessive absenteeism does not include paid sick leave used pursuant to this policy.

Medical, Dental And Vision Insurance

We offer medical, dental and vision insurance coverage for our eligible employees, beginning on the first day of the calendar month after 60 days of full-time employment. The Company will pay a specific dollar amount each month for the medical insurance, depending on the level of coverage chosen. Remaining costs of insurance coverage are paid by the employee. The cost to the employee of this coverage is subject to change at any time. Dependent coverage is also available at the employee's expense through payroll deductions. Consult the insurance Plan Document for all information regarding eligibility, coverage and benefits. It is the Plan Document that ultimately governs your entitlement to insurance benefits.

Life Insurance

We offer life insurance coverage for our eligible employees, beginning on the first day of the calendar month after 60 days of full-time employment. The employee pays the entire cost of this insurance. You may obtain additional information about the Plan through the Human Resources Manager. The language in the insurance plan document regarding eligibility and benefits ultimately governs your entitlement to these benefits.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

On April 7, 1986, a federal law known as "COBRA" was enacted, requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law.

If you are an employee of the Company, covered by our medical insurance plan, you have the right to choose continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part). Your eligible dependents may also have the right to elect and pay for continuation coverage for a temporary period in certain circumstances where their coverage under the Plan would otherwise end. If you have any questions concerning your rights under COBRA, please contact the Human Resources Manager for details.

State Mandated Insurance Benefit Programs

State Disability Insurance

By state law, we are required to deduct a certain amount from your pay to provide State Disability Insurance (S.D.I.). S.D.I. benefits are payable when you cannot work because of illness or injury unrelated to your employment. For information concerning these benefits, contact the Employment Development Department of the State of California, which administers the S.D.I. program.

Family Temporary Disability Insurance

In addition, we are also required to withhold a certain percentage of your wages pursuant to the Family Temporary Disability Insurance Act ("FTDI") in order to fund the Paid Family Care Leave Program. FTDI is another disability benefits program that is administered by California's Employment Development Department, which allows eligible employees to receive compensation for lost wages, for up to eight (8) weeks in a twelve-month period, if you take time off work to provide care for a seriously ill child, spouse, parent,

grandparent, grandchild, sibling, parent-in-law or Registered Domestic Partner, or to bond with a new child.

Despite its name, the Paid Family Care Leave Program/FTDI is not a "leave" program; it does not provide you with any entitlement to leave and it does not protect your job while you are out on leave. In addition, you will be required to use up to two weeks of accrued vacation or PTO prior to receiving FTDI benefits. Note that you may not be eligible for FTDI benefits if you are receiving State Disability Insurance, Unemployment Compensation Insurance, or Workers' Compensation benefits.

Optional Short-Term And Long-Term Disability

We offer short-term and long-term disability insurance coverage for our eligible employees, beginning on the first day of the calendar month after 60 days of full-time employment. The employee is responsible for the entire cost of this insurance. This is an excellent benefit, which provides you with income in the event a qualifying illness or injury prevents you from working.

Social Security Insurance

The Federal Insurance Contributions Act, which is better known as the Social Security Act, requires the Company to deduct a percentage of your pay, match it with an equal amount from the Company, and send it to the government to be deposited in your Social Security account. If you are not familiar with the retirement and disability benefits provided under Social Security, check with your local Social Security office for a more complete explanation.

Workers' Compensation Insurance

The Company pays the entire amount of the Workers' Compensation insurance premium, which provides benefits to employees who experience injury or illness connected with employment. To be eligible for Workers' Compensation benefits, the injury must be a direct result of the job. Benefit entitlements are governed by law, but it is essential that you report all work-related accidents, injuries, and illnesses immediately.

You should be aware that state law may make it a crime to file a knowingly false or fraudulent claim for Workers' Compensation benefits, or to submit knowingly false or fraudulent information in connection with any Workers' Compensation claim. In California, violation of this law is punishable by imprisonment of up to five years, a fine of up to \$50,000 or both. Filing a false or fraudulent Workers' Compensation claim is also a violation of Company policy, and will result in disciplinary action, up to and including termination.

**Tim Moran Automotive Group
Actively Investigates & Pursues
Fraudulent
Workers' Compensation Claims**

401(k) Plan

The Company offers a 401(k) Savings Plan to all eligible employees. The terms and conditions of the 401(k) Savings Plan are controlled by the Plan Document. Contact the Human Resources Manager for more information on the Plan.

IRS Section 125 -- Cafeteria Plan

We are able to offer eligible employees the ability to pay for their insurance and other eligible medical expenses with "before tax" dollars rather than "after tax" dollars. As you become eligible for these benefits and you elect to cover your family, you will become a plan participant of our "Section 125" Cafeteria Plan. The terms and conditions of the Plan are controlled by the Plan Document. A plan summary will be made available to you when you enroll for insurance.

Employee Discounts

All employees are encouraged to use the Dealership's products and services. Depending on availability, and at the sole discretion of the Department Manager, the following discounts are available to full-time employees. These discounts are available to our employees only for their personal use (defined as the employee's vehicle and the employee's spouse/Registered Domestic Partner's vehicle) and cannot be used by or for friends or other relatives of the employee. This discount is not available or applicable if an insurance company or other third-party is paying for the product or service. Under no circumstances may this discount be used for personal profit, or to compete with the Company. Any "in-house" charge over \$100.00 must be approved, in writing, in advance by the General Manager and the Employee must provide written authorization for the total charge amount to be deducted from the employee's next two paychecks (to the extent permissible under applicable minimum wage laws).

1. **Parts** – Parts may be purchased at cost plus 10%. Unless prior arrangements are made with the Department Manager, parts must be paid for in accordance with the same requirements as our regular customers, i.e., all parts paid for with cash or credit card before the parts are delivered.

2. **Service** – The Dealership provides a discount on repair work done on our employee’s vehicles. Repairs can be obtained at 50% off the retail labor rate. No employee vehicle is to be worked on in the Service Department unless a repair order is filled out by the Department Manager. Of course, the vehicle must have the appropriate routing number attached. Due to insurance requirements, no work can be performed before or after the shop hours. Unless prior arrangements are made with the Department Manager, service work must be paid for in accordance with the same requirements as our regular customers, i.e., all work paid for with cash or credit card before the vehicle is released.
3. **New Vehicles** – Each employee may purchase new vehicles for **personal** use at the discretion of the General Manager. Because of the special employee price, no commission will be paid on employee purchases. *Due to limited availability of certain models, this discount may not be available on all vehicles.*
4. **Used Vehicles** – Each employee may purchase used vehicles for **personal** use. Each used vehicle purchase will be at the discretion of the General Manager and no commission will be paid on employee purchases.

Suggestion Program

We want and need your ideas on how to more efficiently and profitably run our Company. If you have any suggestions that you think will add to our effectiveness, or that you think will reduce expenses, please present the idea in writing to the General Manager so that the plan may be discussed and, if at all practical, put into operation.

Training And Educational Assistance

The Company provides periodic training courses for eligible employees. In addition, eligible employees may be given the opportunity to attend training programs that will enable them to improve their skills and qualify for advancement. Employees should consult the General Manager for information on eligibility and the rate of pay for time spent attending an approved training course. This rate is subject to change without notice. Advance approval by the General Manager is required before any course is taken. Reimbursement is paid upon successful completion of an approved course.

Membership in professional organizations wherein the employee receives benefits that can be directly applied to improving job performance will be reimbursed by the Company, providing the employee actively participates in the organization and receives prior authorization for the reimbursement from the General Manager.

Civic Duties

We encourage each of our employees to accept his or her civic responsibilities. We are a good corporate citizen, and we are pleased to assist you in the performance of your civic duties. Should you require time off for any of the following civic duties, that time off will be unpaid, unless otherwise required by law.

Jury Duty - If you receive a call to jury duty, please notify your supervisor immediately, so he or she may plan the department's work with as little disruption as possible.

Employees who are released from jury service before the end of their regularly scheduled shift each day are expected to call their supervisor as soon as possible and report to work, if requested.

The Company will continue to provide all employer-paid insurance benefits until the end of the calendar month in which the unpaid jury duty leave begins. If your jury duty service continues beyond the end of the month, you may be required to pay the full cost of your insurance benefits from that time forward until completion of your service as a juror. The Company will resume payment of your insurance benefits when you return to active employment.

Accruals for benefit calculations such as vacation, PTO, sick leave, or holiday benefits will not be affected during the first 30 days of unpaid jury duty leave. After 30 days of jury duty leave, accruals for these types of benefit calculations will cease until you return to active employment.

Witness Duty - If you receive a subpoena to appear in court, please notify your supervisor immediately. You are expected to return to work as soon as your service as a witness is completed.

Voting - Although polls are open for extended hours, we realize that in some instances our employees are required to work extra hours and may find that their free time is not sufficient to enable them to make it to the polls. If you have a problem in this respect or have reason to believe that time off will be necessary to be able to vote on a state-wide election day, please give your supervisor at least two working days' notice so that we can make arrangements for you to have the necessary time off to vote at the beginning or end of your shift (whichever allows the most free time for voting and requires the least amount of time off). In circumstances where time off may be necessary for an employee to be able to vote (e.g., the employee's shift starts within two hours after the polls open and ends less than two hours before the polls close), a portion of the time off may be paid.

Unpaid Family School Partnership Leave

The Company encourages its employees to be involved in the education of their children.

An employee who is a parent of one or more children of the age to attend kindergarten or grades 1 to 12, inclusive, or a licensed child care provider, for taking off up to forty (40) hours each year, for the purpose of either of the following child-related activities:

- To find, enroll, or reenroll his or her child in a school or with a licensed child care provider, or to participate in activities of the school or licensed child care provider of his or her child, if the employee, prior to taking the time off, gives reasonable notice to the employer of the planned absence of the employee. Such time off may not exceed eight (8) hours in any calendar month of the year.
- To address a child care provider or school emergency, if the employee gives notice to the employer.

The employee must personally notify his/her supervisor and the Office Manager as soon as the employee learns of the need for the planned absence. Employees will be denied time off if they do not provide their supervisors with adequate notice. The Company may require documentation from the school or licensed child care provider as proof that the employee engaged in child-related activities on a specific date and at a particular time. Employees are requested to schedule individually-scheduled activities, such as parent/teacher conferences, during non-work hours. Employees who request leave for unauthorized purposes will be subject to discipline, up to and including termination.

Pregnancy Disability Leave Of Absence

Pregnancy disability leave is available for female employees with disabilities related to pregnancy or childbirth. An employee may take up to four (4) months of leave for this purpose, regardless of length of service with the Company. Employees who are eligible and take such leave will, upon return from leave, have their same or a similar position in accordance with state law. An employee may be transferred to a less strenuous or hazardous position upon request, if such transfer is medically advisable.

Prior to the start of the leave, the employee may be required to provide the Company with a statement from the treating physician that such employee is unable to perform her job and the anticipated date of her return to work. In the event that the leave is longer than the anticipated date of return, additional verification from the treating physician is required, stating that the employee is unable to return to her position and the revised anticipated date of return. Depending on eligibility, medical insurance may be continued during the leave in accordance with the Plan Document, COBRA, or provisions of federal/state law relating to unpaid medical leave. In certain circumstances, the Company may require an employee to use his/her accrued sick leave concurrently with her Pregnancy Disability leave.

Family And Medical Leave Act/California Family Rights Act

Eligible employees may take up to 12 workweeks of unpaid, job-protected leave under the Family and Medical Leave Act and the California Family Rights Act ("FMLA/CFRA") in a 12-month period for specified family and medical reasons.

Employee Eligibility

To be eligible for FMLA/CFRA leave, you **must**:

- Have worked at least 12 months for the Company;
- Have worked at least 1,250 hours for the Company over the preceding 12 months; and
- Work at a location where there are at least 5 employees within 75 miles.
- Two associate Households: If spouses both work for the company and each wishes to take leave to care for a covered injured or ill military service member, the spouses may only take a combined total of 26 weeks of leave.

Conditions Triggering Leave

FMLA/CFRA leave may be taken for the following reasons:

- Birth of a child, or to care for a newly-born child;
- Placement of a child with the employee for adoption or foster care;
- To care for an immediate family member (spouse, child, parent, parent-in-law, grandparent, grandchild, sibling, domestic partner, or designated person) with a serious health condition; or
- Because of the employee's serious health condition which makes the employee unable to perform the functions of the employee's job.
- **Military Exigency**: Because of any qualifying exigency arising out of the fact that the spouse, domestic partner, child, parent or parent-in-law of the employee is on active duty (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation.
- **Military Caregiver**: To provide care for the spouse, domestic partner, child, parent, parent-in-law, or next of kin of the employee who is recovering from illness or injury sustained in the line of active duty in the Armed Forces in support of a contingency operation.

As used above, “designated person” means any individual related by blood or whose association with the employee is the equivalent of a family relationship. The designated person may be identified by the employee at the time the employee requests the leave. An employee is limited to one designated person per 12-month period for family care and medical leave.

Duration Of Leave

Eligible employees may receive up to 12 workweeks of **unpaid** (unless otherwise provided for by law) leave during any "rolling" 12-month period, measured backward from the date of any FMLA/CFRA leave. Eligible employees on military caregiver leave may receive up to 26 workweeks of unpaid leave (unless otherwise provided for by law). FMLA/CFRA leave for the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement. Leave for female employees for disabilities associated with pregnancy or childbirth is also available, as described in the Pregnancy Disability Leave of Absence Policy. We encourage employees to see their supervisor regarding FMLA/CFRA leave related to pregnancy or childbirth, as special rules apply.

Leave taken pursuant to FMLA/CFRA may be taken all at once, intermittently, or through a reduction of an employee’s normal hourly weekly or daily work schedule, when medically necessary. Intermittent leave for birth of a child, to care for a newly-born child or for placement of a child for adoption or foster care may be available, but may be subject to additional restrictions. Employees who require intermittent leave or a reduced schedule leave should consult with their supervisor to work out a schedule that will be the least disruptive to the Company.

Benefits During Leave

FMLA/CFRA is unpaid leave. However, depending on the purpose of your leave request, your accrued paid vacation, paid time off (“PTO”), and/or sick leave, if available, may be used under the following circumstances:

- You may elect to use, or the Company may require you to use, any accrued vacation or PTO that you are eligible to take during the otherwise unpaid portion of the FMLA/CFRA leave.
- You may also elect to use any accrued paid sick leave that you are eligible to take during the otherwise unpaid portion of a FMLA/CFRA leave if the FMLA/CFRA leave is for your own serious health condition, or any other reason if mutually agreed between the Company and you. Similarly, the Company may require you to use any accrued paid sick leave that you are eligible to take during the otherwise unpaid portion of a FMLA/CFRA leave if the FMLA/CFRA leave is for your own serious health condition.
- If you are receiving a partial wage replacement benefit (such as Paid Family Leave or State Disability Insurance benefits) during the FMLA/CFRA leave,

the Company and you may agree to have employer-provided paid leave (such as vacation, PTO, or paid sick leave) supplement the partial wage replacement benefit, unless otherwise prohibited by law.

The Company will notify you if you are required to use vacation, PTO, or paid sick leave concurrent with FMLA/CFRA leave. Similarly, if you are not so required and wish to use vacation, PTO, or paid sick leave concurrent with FMLA/CFRA leave as described above, eligible employees must notify Human Resources at or before beginning the FMLA/CFRA leave, and comply with the Company's normal procedures for the applicable policy (e.g., call-in procedures, advance notice, etc.). During FMLA/CFRA leave, an employee will not be eligible to accrue seniority or benefits, including vacation and holidays.

Maintenance Of Health Benefits

If an employee and/or his/her family participate in the Company's group health plan, the Company will maintain coverage under the plan during an employee's FMLA/CFRA leave on the same terms as if the employee had continued to work. If applicable, an employee must make arrangements to pay for his/her portion of health plan premiums while on leave. An employee's failure to pay such portion of the premium, if any, may result in loss of coverage. Where undertaken, the Company may recover employee-paid premiums it paid on the employee's behalf to maintain health coverage or other benefits for an employee and dependents.

Job Restoration

Upon returning from FMLA/CFRA leave, an employee will be restored to his/her original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions. However, an employee has no greater rights to his/her job restoration than if such employee had been working during the time of his/her leave.

Notice And Medical Certification

When seeking FMLA/CFRA leave, you must provide:

- Thirty (30) days' advance notice of the need to take FMLA/CFRA leave, if the need is foreseeable, or notice as soon as practicable in the case of unforeseeable leave;
- Medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member or designated person must be submitted before your leave begins, or if not possible, within 15 days of the Company's request to provide the certification. If you fail to do so, we may delay the commencement of your leave or withdraw any designation of FMLA/CFRA leave, in which case your leave of absence would be unauthorized, subjecting you to discipline, up to and including termination. Additional medical opinions and periodic re-certifications may also be required;

- Periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and
- Medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition.

Failure to comply with the foregoing requirements may result in delay or denial of leave.

Failure To Return After FMLA/CFRA Leave

Any employee who fails to return to work as scheduled after FMLA/CFRA leave, or who exceeds the 12-week FMLA/CFRA entitlement, may be subject to termination. If the employee's failure to return from leave is for a reason other than the continuation, recurrence, or onset of a serious health condition that entitles the employee to the FMLA/CFRA leave or other circumstances beyond the control of the employee, the Company may recover the premium that the Company paid for maintaining coverage for the employee under the group health plan.

Limited Nature Of This Policy

This policy is intended to provide only those leave benefits and protections required by FMLA/CFRA.

Organ Donor and Bone Marrow Donation Leave of Absence

The Company will grant a paid leave of absence not exceeding thirty (30) business days in any one-year period, measured from the date that the employee begins the leave, to an employee who is an organ donor for the purpose of donating his or her organ(s) to another person. Prior to taking a paid leave of absence for organ donation, an employee must provide written verification to Human Resources that he or she is an organ donor, and that there is a medical necessity for the donation of the organ.

The Company will grant an additional unpaid leave of absence not exceeding thirty (30) business days in a one-year period, measured from the date that the employee begins the leave, to an employee who is an organ donor for the purpose of donating his or her organ(s) to another person. Prior to taking an unpaid leave of absence, an employee must provide written verification to Human Resources that he or she is an organ donor, and that there is a medical necessity for the donation of the organ.

The Company will grant a paid leave of absence not exceeding five (5) business days in any one-year period, measured from the date that the employee begins the leave, to an employee who is a bone marrow donor for the purpose of donating his or her bone marrow to another person. Prior to taking a paid leave of absence for bone marrow donation, an employee must provide written verification to Human Resources that he or she

is a bone marrow donor, and that there is a medical necessity for the donation of the bone marrow.

Leave that is provided for pursuant to this policy may be taken in one or more periods. As a condition of an employee's initial receipt of leave under this policy, the employee must take up to five days of earned but unused sick leave, PTO, or vacation time for bone marrow donation, and up to two weeks of earned but unused sick leave, PTO, or vacation time for organ donation.

Any period of time during which an employee is required to be absent from the employee's position by reason of being an organ or bone marrow donor is not a break in the employee's continuous service for the purpose of the employee's right to salary adjustments, sick leave, vacation, paid time off, annual leave, or seniority. During any period of paid leave that an employee takes by reason of being an organ or bone marrow donor, the employee's coverage under any group health plan will be maintained for the full duration of the leave, in the same manner the coverage would have been maintained if the employee had been actively at work during the leave period.

Leave For Victims Of Felony Crimes

Employees who are victims of certain, specified felony or serious crimes, or who are a spouse (or registered domestic partner), child, parent, sibling or guardian of a victim or of the registered domestic partner of a victim, may receive unpaid time off from work to attend judicial proceedings related to that crime as required by applicable laws. To take this leave, the employee must provide the Company in advance with a copy of the notice of the proceeding. If advance notice is not possible, the employee must provide the Company with appropriate documentation evidencing the employee's attendance at the judicial proceeding upon returning back to work.

Leave For Victims Of Domestic Violence, Sexual Assault And Other Crimes

Employees who are victims of domestic violence, sexual assault or stalking, or victims of a crime that caused physical injury or that caused mental injury or a threat of physical injury may be eligible to receive unpaid leave as required by applicable laws. An employee whose immediate family member is deceased as a direct result of a crime may also be entitled to receive unpaid leave as required by applicable laws. Leave may be granted to: (1) obtain services from a domestic violence shelter or rape crisis center; (2) seek medical attention for injuries caused by domestic violence or sexual assault; (3) obtain psychological counseling for the domestic violence or sexual assault; (4) take action, such as relocation, to protect against future domestic violence or sexual assault; or (5) conduct safety planning.

To take this leave, the employee must provide the Company with advance notice of the leave. If advance notice is not possible, the employee must provide the Company with the following certification upon returning to work: (1) a police report showing that the employee was a victim; (2) a court order protecting the employee from the perpetrator of the crime or abuse, or other evidence from the court or prosecuting attorney that the employee appeared in court; or (3) documentation from a medical professional, domestic violence or sexual assault counselor, victim advocate, health care provider, or counselor showing that the employee was undergoing treatment or receiving services for physical or mental injuries or abuse resulting in victimization from the crime or abuse; or (4) any other form of documentation that reasonably verifies that the crime or abuse occurred, including but not limited to, a written statement signed by the employee, or an individual acting on the employee's behalf, certifying that the absence is for a purpose authorized under this policy.

The employee may choose to use any accrued vacation time, PTO, or Paid Sick Leave, if available, for any leave of absence described above. The Company also may require the employee to use accrued vacation time, PTO, or Paid Sick Leave for such leave period.

The Company will engage in a timely, interactive process with the employee in order to make a reasonable accommodation for employees for such circumstances as a victim of the above crimes. The Company invites employees to contact the Human Resources department to engage in an interactive process to see whether such accommodations may be made. The Company will not retaliate against an employee for requesting a reasonable accommodation under this policy, regardless of whether the request was granted.

The Company will not discharge, or in any manner discriminate or retaliate against, an employee who is a victim of domestic violence, sexual assault, or stalking, or a victim of a crime that caused physical injury or that caused mental injury or a threat of physical injury, for taking time off from work (1) to seek medical attention for injuries caused by the crime or abuse; (2) to obtain services from a domestic violence shelter, program, or rape crisis center, or victim services organization or agency as a result of the crime or abuse; (3) to obtain psychological counseling or mental health services related to an experience of crime or abuse; or (4) to participate in safety planning and take other actions to increase safety from future crime or abuse, including temporary or permanent relocation. If you feel that you are being discriminated or retaliated against, you should immediately notify the Human Resources Manager or the President or another manager to discuss your complaint. You also may use the Hotline feature of HR Hotlink. You may be assured the Company will take reasonable steps to make sure that you will not be penalized in any way or exposed to retaliation.

Leave for Volunteer Emergency Worker Training

Eligible employees may take up to an aggregate of 14 days of temporary leave per year for training purposes for volunteer firefighters, law enforcement, reserve peace

officers and/or emergency rescue workers. To take this leave, the employee must provide the Company notice at least 30 days in advance of the leave, if possible. The employee may be required to provide the Company with appropriate documentation evidencing the employee's participation in such training.

Bereavement Leave

Any employee who has been employed by the Company for at least 30 days prior to commencement of the leave is eligible to receive up to five (5) days of bereavement leave for the death of a family member. The bereavement leave is unpaid, except that an employee may use vacation, PTO, personal leave, accrued and available sick leave, or compensatory time off that is otherwise available to the employee. Bereavement leave is available for employees who require time off during the working week due to the death of, or to attend the funeral or memorial service of, a member of the employee's immediate family, defined as the employee's spouse, domestic partner, children, stepchildren, parents, grandparents, grandchildren, siblings, spouse/ domestic partner's parents, and any other relative permanently residing in the same household of the employee. The days of bereavement leave do not need to be taken consecutively, but any bereavement leave must be completed within three months of the date of the family member's death.

If an employee is requesting bereavement leave, he/she should contact his/her supervisor immediately to make the arrangements. The Company may, within 30 days of the first day of bereavement leave, request documentation of the death of the family member, such as a death certificate, a published obituary, or written verification of death, burial, or memorial services from a mortuary, funeral home, burial society, crematorium, religious institution, or governmental agency. The Company will maintain the confidentiality of any employee requesting bereavement leave under this policy. The Company will not retaliate against, interfere with, or discriminate against any individual for exercising their rights under this policy.

Reproductive Loss Leave

Any employee who has been employed by the Company for at least 30 days prior to commencement of the leave is eligible to receive up to five (5) days of leave after a reproductive loss event. A "reproductive loss event" means the day of (or for a multiple-day event the final day of) a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction. The reproductive loss leave is unpaid, except that an employee may use vacation, PTO, personal leave, accrued and available sick leave, or compensatory time off that is otherwise available to the employee.

Reproductive loss leave may be taken by the following persons:

- For a failed adoption, leave may be taken by a person who would have been a parent of the adoptee if the adoption had been completed.

- For a failed surrogacy, leave may be taken by a person who would have been a parent of a child born as a result of the surrogacy.
- For a miscarriage, stillbirth, or unsuccessful assisted reproduction, leave may be taken by a person, the person's current spouse or domestic partner, or another individual, if the person would have been a parent of a child born as a result of the pregnancy.

Leave taken pursuant to this policy does not need to be taken consecutively, but all leave must be completed within three months of the reproductive loss event. If an employee experiences more than one reproductive loss event within a 12-month period, the employee may take up to 20 days of reproductive loss leave within a 12-month period. Employees are responsible for requesting reproductive loss leave from the Human Resources Manager as far in advance as possible. The Company may require verification in the form of a health care provider's note or other documentation of the need for reproductive loss leave. Any information provided to the Company will be kept confidential except as legally required or to process this leave.

The Company will maintain the confidentiality of any employee requesting reproductive loss leave under this policy. The Company will not retaliate against, interfere with, or discriminate against any individual for exercising their rights under this policy.

Military Leave Of Absence (Non-FMLA)

The Company provides unpaid military leaves of absence to employees who serve in the uniformed services as required by the Uniformed Services Employment and Reemployment Act of 1994 (USERRA) and applicable state laws. Leave is available for active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard or Reserve duty and for examinations to determine fitness for any such duty. Leave is also available for FEMA Reservists for critical training and for deployment to disasters and emergencies on behalf of FEMA. You should notify your supervisor and the General Manager as far in advance as possible, and present a copy of your official call to duty orders.

The Company will provide an unpaid leave of absence of up to ten (10) days for eligible employees whose spouse is on leave from deployment as a member of the Armed Forces of the United States (Army, Navy, Air Force, Marines and Coast Guard), the National Guard, or Reserves. You should notify your supervisor and the General Manager as far in advance as possible of such leave and present documentation certifying the leave. Please see the Human Resources Manager if you have any questions regarding your eligibility for this leave.

What We Expect Of You

Company Policies And Procedures / HR Hotlink

This section of your handbook sets forth an employee's duties and responsibilities to the Company. Employees are expected to read and familiarize themselves with these policies and adhere to such policies in their work. Adherence to these policies will produce a more efficient, productive and pleasant atmosphere for you, your co-workers and our customers.

In addition, please note that the Company has installed HR Hotlink on its computers to assist managers with the hiring process and all employees in complying with Human Resources requirements. It is critical that the procedures in HR Hotlink are followed. The HR Hotlink system also may be used to notify managers and employees of any changes to company policy or the Employee Handbook. It is the responsibility of every employee to log in to HR Hotlink on a regular basis and complete any overdue requirements in a timely manner. In addition, managers are expected to follow the hiring procedures in HR Hotlink, as well as regularly review the status reports in HR Hotlink and ensure that the employees they supervise are completing all required tasks in a timely manner. The failure of any manager to follow the prescribed hiring procedure will subject the manager to discipline up to and including termination. Moreover, the failure of any employee to timely maintain a current, up-to-date status on HR Hotlink, will subject that employee, *and* his/her manager, to discipline up to and including termination.

Rules To Protect Us All

No country, state or city can operate without the rule of law. The absence of such laws and rules would create anarchy and chaos. Accordingly, our Company has developed rules by which every employee must abide to ensure a productive, successful and pleasant place to work in every day.

The following portions of this handbook focus on basic rules that should not be violated under any circumstances. Violating any of these basic rules, the policies in this handbook, or any other policy of the Company may lead to discipline, up to and including termination. Obviously, this list is not all inclusive and there may be other circumstances for which employees may be disciplined, up to and including termination. If you have any questions about these basic rules and policies, or what we expect of you as one of our employees, please discuss them with your supervisor.

None of the Company's Rules are intended to interfere with or prevent an employee from exercising their rights protected by Section 7 of the National Labor Relations Act to form, join or assist a bargaining representative, to choose a representative to bargain on their behalf, to act together with other employees for the employees' benefit and/or protection, or to choose not to engage in any of these protected activities. Therefore, none

of the Rules listed herein below should be read or interpreted as doing so.

Note that the Company's listing of these rules and policies does not alter the "at-will" nature of your employment. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right.

Absenteeism And Tardiness

Each of our employees plays an important role in getting the day's work done. Therefore, each employee is expected to be at his or her work station on time each day and to remain there throughout his or her scheduled hours. Absenteeism or tardiness, even for good reasons, is disruptive of our operations and interferes with our ability to satisfy our customers' needs. Excessive absenteeism or tardiness, excused or unexcused, can result in discipline, up to and including termination.

If you are going to be late or absent from work for any reason, you must personally notify your supervisor as far in advance as possible so that proper arrangements can be made to handle your work during your absence. Of course, some situations may arise in which prior notice cannot be given. In those circumstances, you are expected to notify your supervisor as soon as possible. Leaving a message does not qualify as notifying your supervisor – you must **personally** contact your supervisor. If you are required to leave work early, you must also **personally** contact your supervisor and obtain his/her permission.

Time taken off in accordance with the Paid Sick Leave Policy does not count towards excessive absenteeism under this policy. When absence is due to illness, the Company may require appropriate medical documentation.

Alcohol And Drug Policy

1. Purpose

Two of the biggest health concerns in the United States are alcohol and drug abuse. The health and safety of each employee is of paramount concern. In order to provide the highest level of service and to minimize the risk of accident and injury, we are committed to providing a safe work environment to protect our employees.

2. General Policy

It is the responsibility of each employee to deliver services in a safe and conscientious manner toward the public and their co-workers. Research and experience have proven that even limited quantities of narcotics, abused prescription drugs, or alcohol can impair an employee's reflexes and judgment. This impairment, even when not readily apparent, can have catastrophic results. Therefore, we have adopted a policy where each employee must report to work free from the presence of any drugs or alcohol in his/her

system.

3. Drug Use/Distribution/Possession/Impairment

All employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing or using any illegal drugs, unauthorized substances, mind-altering substances, or intoxicating substances while on Company property (including parking areas and grounds), or while otherwise performing their work duties away from the Company's property. Lawful controlled substances, which have been illegally or improperly obtained, are also prohibited. However, the possession and proper use of lawfully prescribed drugs, which are taken in accordance with the prescription and instructions by a physician, are excluded from the prohibition. Nevertheless, note that substances which are considered illegal under federal law, even though they may be considered legal under state law or local ordinances are considered to be illegal substances under this policy, whether obtained or used with a prescription or recommendation of a health care professional or other method approved by state law or local ordinances.

Employees are prohibited from having any illegal or unauthorized controlled substance, and excessive amounts of otherwise lawful controlled substance, in their system while at work or on duty.

4. Alcohol Use/Distribution/Possession/Impairment

While at work or on duty, all employees are prohibited from distributing, dispensing, possessing and using alcohol. Employees are also prohibited from having alcohol in their system while at work or on duty.

5. Cannabis or Marijuana Use/Distribution/Possession/Impairment

While on Company premises and/or while on duty, all employees are prohibited from distributing, dispensing, possessing, or using marijuana or other cannabis products containing psychoactive THC. Employees are also prohibited from being impaired by marijuana or other cannabis products while on Company premises and/or while on duty. This policy is not intended to restrict an employee's use of cannabis off the job and away from the workplace that does not impair the employee while at work or on duty. You may not have any detectable amount of psychoactive THC in your system while at work and/or may not be otherwise impaired by the use of marijuana while on duty and/or while on Company premises.

6. Prescription Drugs

Except as described in paragraph 3 above, any medication that is prescribed by your physician, and that is used in accordance with that prescription, is not prohibited at work. However, employees are prohibited from misusing prescribed medication. Prescription drug use can create a safety hazard and affect the job performance of an employee by causing dizziness or drowsiness. Employees can report the use of prescription or non-prescription drugs that may affect drug tests by completing a written

notification/consent form. It is the responsibility of the employee to determine from his/her physician whether a prescribed drug may impair job performance and if so, notify his/her supervisor.

7. Notification Of Impairment

It shall be the responsibility of each employee to promptly report to their immediate supervisor when he/she has observed, or has any knowledge of, another employee whose condition is impaired and cannot perform their job duties, who presents a hazard to the safety and welfare of others, or who is in violation of this policy. Failure to do so may result in discipline, up to and including termination.

8. Who Is Tested

The Company may conduct drug/alcohol tests in the following circumstances:

- a. **Application For Employment.** A drug/alcohol test is required from all job applicants. Refusal to submit or a positive confirmed drug/alcohol test may be used as a basis for refusal to hire the applicant.
- b. **Reasonable Suspicion.** If the Company has a reasonable suspicion that an employee may have violated any of the rules set forth in this policy, the employee may be required to submit to drug/alcohol screening at any time. Reasonable suspicion may arise from: supervisory observation, co-worker reports or complaints, performance decline, attendance or behavioral changes, results of drug searches or other detection methods, or involvement in a workplace or vehicular accident.

9. Discipline

Any violation of this policy may result in discipline, up to and including termination.

10. Enforcement Policy

In order to enforce this policy and procedures, the Company may investigate potential violations and require personnel to undergo drug/alcohol screening, including blood tests, hair tests, saliva tests or other similar tests and, where appropriate, searches of all areas of the Company's premises, including but not limited to, personal vehicles on Company premises, Company vehicles, lockers, work areas, toolboxes, desks, purses, briefcases, and other locations or belongings on Company premises. Enforcement will not rely on the presence of nonpsychoactive cannabis metabolites, and any drug screening will be conducted through scientifically valid methods that do not screen for nonpsychoactive cannabis metabolites. Employees will be subject to discipline, up to and including termination, for refusing to cooperate with searches or investigations, to submit to screening, or for failing to execute consent forms when requested.

11. Investigations/Searches

Where a manager or supervisor has reasonable suspicion that an employee has violated this policy, the supervisor, or his designee, may inspect personal vehicles on Company premises, Company vehicles, lockers, work areas, toolboxes, desks, purses, briefcases, and other locations or belongings on Company premises, without prior notice, in order to ensure a work environment free of prohibited substances. An employee may be asked to be present and remove a personal lock. All employees are hereby notified that locked areas or containers do not prevent a search and thus employees should understand *there is no expectation of privacy on Company premises*. When the employee is not present or refuses to remove a personal lock, the Company may do so for him or her, and compensate the employee for replacement of the lock, if damaged or destroyed. Any such searches will be coordinated with a representative of management. The Company also may use unannounced drug detection methods.

12. Employee Assistance

The Company expects employees who suspect they have an alcohol or drug problem to seek treatment. The Company may help employees who abuse alcohol or drugs by providing a referral to an appropriate professional organization. However, it is the responsibility of the employee to seek and accept assistance before drug and alcohol problems lead to disciplinary action. Failure to enter, remain or successfully complete a prescribed treatment program may result in discipline, up to and including termination. Confidentiality of records and information will be maintained in accordance with all local, state, and federal laws.

Entrance into a treatment program does not relieve an employee of the obligation to satisfy the Company's standards regarding an employee's performance, and participation will not prevent the Company from administering discipline for violation of its policies, or relieve the employee of his/her responsibility to perform his/her job in a satisfactory, safe and efficient manner.

13. Confirmation Testing

All saliva/oral fluids drug tests will utilize an initial immunoassay methodology or an equivalent. All positive results shall be confirmed by a licensed laboratory using gas chromatography/mass spectrometry (GC/MS), or an equivalent. Testing for cannabis/marijuana will be limited to tests to identify psychoactive THC or the use of impairment criteria.

14. What Happens When An Employee Tests Positive For Prohibited Substances

All employees who test positive in a confirmed substance test will be subject to discipline, up to and including termination. In those rare circumstances in which an employee is not immediately terminated for testing positive, or for some other violation of

the policy, the Company, in its sole discretion, may allow the employee to return to work contingent upon the employee executing an agreement acknowledging:

- a. That they tested positive or otherwise violated the policy;
- b. That in exchange for not terminating him/her for violating the policy, they agree to undergo rehabilitation, counseling or other activities prescribed by the Company's coordinating physician in conjunction with management;
- c. That in exchange for not terminating him/her for violating the policy, they agree to undergo periodic unannounced screening for a set period; and
- d. That they are subject to immediate termination, without recourse, for any future violation of this, or any other, Company policy.

15. Returning/Continuing To Work

Employees who test positive, admit to drug or alcohol use or related misconduct, or voluntarily seek assistance, and are not terminated, will not be returned to work or allowed to continue working until they have been evaluated by a Company selected physician who will determine if and/or when they can safely return to work.

Bad Attitude

Every employee should display a positive attitude towards their job. A bad attitude creates a difficult working environment and prevents us from providing quality service to our customers. Regardless, employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Bulletin Boards

A bulletin board is maintained by our Company, and is a valuable source of information. Postings are limited to information approved by the General Manager regarding Company policies, governmental regulations, and other issues of concern to all employees regarding employment with our Company. Each employee should make a point of checking the bulletin boards each day to be familiar with the information posted there. Information is not to be placed on the bulletin boards unless it has been approved by the General Manager. Unauthorized postings will be subject to removal by management and the employee who made such posting subject to discipline, up to and including termination.

Cash Reporting Policy

Internal Revenue Service (IRS) regulations require that any transaction involving more than \$10,000 in cash or cash equivalents must be reported to the IRS on Form 8300. "Cash" under the IRS reporting rules includes any kind of currency (U.S. or foreign), cashier's checks from banks, bank drafts, travelers checks, and money orders. Combinations of these kinds of instruments are considered "cash" for reporting purposes when they total \$10,000 or more. Goods and services should be denied to people with cash who are known (actual knowledge) to be engaged in criminal activity. Selling goods and services to one who is known to be a drug dealer or engaged in some other illegal activity is contrary to Company policy. The following information must be obtained from the purchaser: name, address, social security number, and if an alien, passport number, country of origin and alien registration number. This information, along with a description of the sale, must be immediately filed with the IRS on Form 8300 within fifteen (15) days of the cash transaction. The federal Money Laundering Control Act is a criminal law, with criminal penalties directed at people who would deliberately conspire with those engaged in enterprises to "launder" money generated from criminal activity. Don't be a criminal. "Structuring" a transaction to evade the cash reporting requirements carries penalties ranging from \$25,000 to \$100,000, and failure to comply with this government regulation is a felony with up to five (5) years in jail.

Failure to comply with federal regulations will subject an employee to disciplinary action, up to and including termination, and could result in a felony conviction.

Cell Phone/Two-Way Radio/Instant/Text Messaging Policy

The use of cellular phones, two-way radios and other personal communication devices is not a work requirement for most employees. Employees who are expected to use such devices as part of their work requirement will be notified in writing or provided such devices by the Company. Absent written preauthorization, the Company will not reimburse employees for the cost of using their personal devices for business purposes.

Employees are not allowed to use their cell phones while at work to make or receive personal calls during his/her scheduled work hours—such devices may only be used for personal purposes during Company established rest and meal periods. The use of "camera phones" or similar devices to take or transmit pictures or video on company premises, or in company vehicles, is expressly prohibited at all times. The use of devices for "Instant Messaging" or "Text Messaging" while at work or on duty also is prohibited.

We prohibit the use of cell phones, two way radios or other personal communication devices for personal or business calls, or to write, send or read a text-based and/or email communication while operating a motor vehicle in performance of your job duties. The only exception is for genuine emergencies, such as an accident or a car breakdown. In addition any use of cell phones or similar devices for personal or business calls that are not equipped with "hands free" capabilities in company vehicles is prohibited.

In the event an emergency requires the use of a cell phone or similar device while operating a vehicle in the performance of your duties it must be used in its “hands free” mode, unless (1) the handheld wireless telephone or electronic wireless communications device is mounted on a vehicle’s windshield in the same manner a portable Global Positioning System (GPS) is mounted pursuant applicable law or is mounted on or affixed to a vehicle’s dashboard or center console in a manner that does not hinder the driver’s view of the road; and (2) the driver’s hand is used to activate or deactivate a feature or function of the handheld wireless telephone or wireless communications device with the motion of a single swipe or tap of the driver’s finger. However, no employee under the age of 18 may use a cell phone or texting device while operating a motor vehicle, regardless of whether or not a hands-free device is used. If an employee is cited for violating any federal, state or local law governing the use of cell phones, two way radios or other personal communication devices, the employee shall bear all responsibility for any related fines or liability and must report such a citation to his/her Department Manager immediately.

Employees are strictly prohibited from using cell phones or other personal communication device for any illegal and/or improper purpose. Some specific examples of prohibited uses include but are not limited to:

- Transmitting, retrieving, downloading, or storing harassing messages or images that are offensive, derogatory, defamatory, harassing, off-color, sexual in content, or otherwise inappropriate in a business environment.
- Taking inappropriate pictures or digital images of another employee, vendor, customer, or other person.
- Sending, receiving or taking pictures or digital images of proprietary, confidential, or copyrighted materials without prior authorization. All written records, files and computer data of the company, or customer and/or of vendors are the property of the company and are considered confidential. No employee is authorized to take pictures or digital images of any confidential transactions with customers, proprietary information concerning transactions or dealership purchases, customer lists, payroll or personnel records of past or present employees other than the employee’s own information, financial records of the company, all records pertaining to purchases from vendors or suppliers, correspondence and agreements with manufacturers or distributors and documents concerning operating procedures of the company.
- Soliciting personal business opportunities or personal advertising.

Violations of this policy may result in disciplinary action up to and including termination. Employees who misappropriate copyrighted or confidential and proprietary information, or who take or distribute harassing messages, pictures, images or information, may additionally be subject to criminal prosecution and/or substantial civil money damages.

Computers, E-Mail, Voice Mail, Instant Messaging And The Internet

The Company policy regarding use of all Company-owned computers, networks, e-mail and voice mail systems, as well as Internet usage accessed on Company computer, data lines or wireless networks is as follows:

Company Property

Employee-owned computers, including laptop computers and PDA's, may not be used for Company business without written permission from the General Manager. If an employee uses his/her own computer, laptop or PDA for Company business, this policy shall apply as if it were a Company-owned computer, regardless of where the device is located.

Company-owned computers, networks, e-mail and voice mail systems, and Internet access accounts are the property of the Company, and are to be used only for Company business. The Company retains exclusive ownership of any software programs installed on Company computers, as well as information gathered, downloaded and/or created on Company computers. Copying, transmission to an outside party, or non-business related use of programs and information that belongs to the Company is not permitted. Upon separation from employment, an employee is not permitted to remove any software or data from Company-owned computers.

Licenses

The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer.

Employees may only use software on local area networks or on multiple machines, according to the software license agreement. The Company prohibits the illegal duplication of software and its related documentation.

Employees should notify the General Manager upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination.

Prohibited Use

Use of Company computers, e-mail and voice mail systems, and Internet access accounts for personal reasons or for any improper purpose is strictly prohibited. Prohibited uses include, but are not limited to:

- Sending or posting messages or material that could damage the Company's image or reputation, or that disparages another organization's products or services.

- The transmission, retrieval, downloading, or storage of content, including messages or images, which are offensive, derogatory, defamatory, off-color, sexual in content, or otherwise inappropriate in a business environment.
- Jeopardizing the security of the Company's computer systems.
- Transmission of threatening or harassing messages to co-workers, vendors, customers or other outside parties.
- Using the Company's time and resources for personal gain.
- The transmission, retrieval, downloading, or storage of content, including messages or images, which relate to race, color, national origin, citizenship status, sex, religion, age, handicap, disability, sexual orientation, or any other status protected under local, state and federal laws.
- Stealing, using, or disclosing someone else's password without authorization.
- File sharing of confidential copyrighted materials, including sending or receiving confidential or copyrighted materials, without prior authorization from the General Manager.
- Copying, pirating, or downloading software and/or electronic files without authorization.
- Solicitations for personal business opportunities, or personal advertising.
- Failing to observe and comply with licensing agreements.
- Gambling, regardless of the type, playing electronic games and monitoring sports scores.
- Attempting to access computer systems of the Company or others without authorization.
- Sending or posting messages or material that defames or slanders any other person or entity.
- Engaging in day trading, or otherwise purchasing or selling stocks, bonds or other securities or the transmission, retrieval downloading or storage of information, including messages or images that relate to the purchase or sale of stocks, bonds or other securities.

Unsolicited E-Mail (SPAM)

Unsolicited e-mail promoting websites, products or services is something

almost all Internet users face. The Company has installed a filter to block unsolicited incoming e-mail that could contain offensive content, but no filter is 100% effective. As such, in order to further protect against unsolicited outside e-mail that could be offensive, you should:

- Refrain from using your Company computer to access websites for anything other than Company business; and
- Without opening them, immediately delete e-mail from addresses outside of the Company that you do not recognize.

Monitoring

The Company retains the right to access, without prior notice, all information that has been created, transmitted, downloaded, received or stored on Company computers. Employees should not make the assumption that messages or information are private or confidential, even if the information is accessible only by use of a password. Employees should not assume that deleted messages and documents are no longer on the system.

All passwords and access codes for Company computers must be given to the IT Department. Employees are not permitted to change passwords or create new passwords without first notifying the IT Department.

System Integrity

Due to the risk of viruses and for reasons of system security, employees are prohibited from uploading or downloading unauthorized software or data (whether from a disk, the Internet, or other media) onto Company computers without express written authorization from the Office Manager and then, only after appropriate scanning for viruses and security threats. If an employee introduces a virus into, or compromises the security of, the Company's system by use of personal software or data, that employee will be considered guilty of gross negligence and/or willful misconduct. The employee will be held accountable for all the damage incurred as a result thereof, including the cost of repair and lost productivity.

Enforcement

If an employee violates this policy, the employee may be subject to disciplinary action, up to and including termination. An employee may also be liable for the costs and damage to the Company's computer system resulting from unauthorized use. Any misuse or unauthorized copying/transmitting/downloading of copyrighted or confidential and proprietary information by an employee, or his or her delivery of offensive messages or information, may subject the employee to criminal prosecution and/or substantial civil money damages. The employees also must indemnify the Company for any damages, penalties, or fees the Company incurs due to the employee's introduction of unlicensed software into the Company's computer system.

Confidentiality

All records and files of the Company are property of the Company and considered confidential trade secrets. No employee is authorized to copy or disclose any confidential trade secret information, file or record. Confidential trade secret information includes all letters or any other information concerning transactions with customers, customer lists, payroll or personnel records of past or present employees (except for the employee's own information), financial records of the Company, all records pertaining to purchases from vendors or suppliers, correspondence and agreements with manufacturers or distributors and documents concerning operating procedures of the Company. All telephone calls, letters, or other requests for information about current or former employees should be immediately directed to the Office Manager or General Manager.

The Company values and respects the customer's expectation of confidentiality. Safeguarding the non-public personal information and the confidential financial information of the Company's customers is essential in maintaining the public trust.

It is the policy of the Company that such confidential information acquired by a staff member through his/her employment must be held in the strictest confidence. Such information is to be held for Company purposes and not as a basis for personal gain by any staff member.

Aside from routine credit inquiries, information regarding a customer may generally only be released to private persons, organizations or governmental bodies that request it with the consent of the customer involved or upon receipt of legal process, such as a subpoena or court order. Confidential customer information should never be discussed with anyone outside the Company, and only with those within the Company who have a legitimate business need to know. Verify the business reason to know before disclosing any confidential customer information. Confidential customer information should never be discussed in public places, even within the Company's offices. Employees should be sensitive to the risk of inadvertent disclosure resulting from open doors, speakerphones, cellular phones and when transmitting confidential information by fax or other electronic media. Confidential paperwork should be locked in drawers, offices should be locked when unoccupied, and locked containers should be used to dispose of refuse paperwork containing confidential customer information.

We do not sell lists of our customers. We only disclose non-public personal information as permitted by law and to companies that we hire to perform services on our behalf. We restrict access to our customer's non-public personal information to those employees who need to know that information to provide products or services. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard non-public personal information.

Employees receive training on the Company's Information Safeguards Program. Employees are expected to sign an agreement to comply with the Program and access non-public personal information (NPI) only when necessary in the performance of their job, agree not to disclose any NPI to unauthorized persons and keep all NPI

confidential.

Employees agree to keep their password a secret, not allow others to use their password, and keep their computer terminal secure and closed down when away from their desk. Employees will notify the Company's Compliance Officer or General Manager of any suspicious activity or unauthorized accessing of NPI. Failure to comply with the Information Safeguards Program will result in disciplinary action, up to and including termination.

Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives. Nothing in this policy is intended to conflict with, or create liability for disclosures of trade secrets that are expressly allowed by, 18 U.S.C. § 1833(b) or any other provision of federal, state or local law.

Conflict Of Interest

Employees are prohibited from engaging in business that is in competition with the Company. Employees also are prohibited from having a financial interest in an outside company that does business with, or is in competition with, the Company, unless such ownership consists of securities of a publicly-owned corporation that is regularly traded on a public stock exchange. Further, employees are prohibited from rendering directive, managerial or consulting services to any outside company that does business with, or is in competition with, the Company, unless written consent has been given by the General Manager. Another form of a prohibited conflict of interest would be to "curb" a vehicle while working at the dealership in violation of the employee's duty of loyalty or fiduciary responsibility. Parking a car that is for sale near or on the dealership premises or soliciting purchasers for a non-dealership-owned vehicle during work hours or in connection with your employment is also a prohibited conflict of interest.

Any potential conflicts that you may have must be reported to the General Manager, and you must obtain his/her written approval.

Courtesy

Since courtesy is the responsibility of each employee, it is the expectation of the Company that all employees will be considerate, respectful and pleasant to customers, vendors and suppliers, as well as to co-workers. Use of disrespectful, profane, vulgar, or any other language that harms the Company's image or reputation is prohibited. Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Customer Information Security

The nature of our business is such that the company has confidential and proprietary information relating to its business policies, practices, methods of operations, and customer lists. In addition, we deal with confidential and proprietary information received from our customers. Each employee should understand the importance of making sure this information is protected from disclosure to competitors, suppliers, vendors, and all other persons.

Every employee has a legal and ethical obligation to take all steps reasonably necessary in order to keep the company's and customers' affairs confidential. This obligation continues even after an employee leaves the company. Information obtained by the company and its employees should be treated at all times with the utmost confidentiality and discretion and should not be disclosed to anyone other than company employees and others having a need to know. For this purpose, all company information and customer information should be considered confidential unless, beyond any doubt, the information is widely known and its disclosure would not be detrimental to the customer.

You should only have conversations about company and customer matters with those who have a need to know, and take care to avoid such conversations where those who do not need to know may overhear. Conversations about such information in public places, such as restrooms, elevators, restaurants, and airplanes should be avoided, and confidential matters should not be discussed with spouses, other relatives, or friends.

Do not leave company and customer documents or materials where they can be seen by any unauthorized person, such as unattended conference rooms, on your desk, or the fax machine, on copy machines, in the mail room, or any other public locations. Do not discard documents containing confidential information without first shredding the documents. Do not stay logged in to your computer without having a password-protected screen saver in operation.

Care should be taken to ensure that persons who are providing support to the company (such as computerized data services, copy services, or other service providers) and Vendors receive only information which they have a need to know and the Business Office will inform them of the nature of the confidentiality and the measures taken to protect confidentiality. Support Personnel and Vendors must sign a Security Policy and Agreement before any customer information is shared with them.

All financial information shall be kept confidential and locked in file cabinets each evening. Employees are not to take any financial information of the company or its customers home to work on or otherwise remove it from the office unless there is specific business need to do so and you receive permission from the Security Program Coordinator. Employees are not permitted to keep financial information, including credit applications, credit reports or contracts at their desks or on the fax machine for any purpose other than to collect the information and to immediately transfer/transmit the information to the financial institution or to management staff to be placed in locked storage. Customers and vendors should not be left alone in your office unless all customer information is in locked storage.

Financial information and other personal information should never be left unlocked at your desk for any reason or for any period of time, regardless of the reason or the fact that you are working on the information. You should never share financial information or other personal information with anyone else in the dealership unless it is necessary for the purpose of completing the business transaction. Such information should only be shared on a need-to-know basis. Customer information must be in a locked storage area at all times. You should check to make sure the storage area (whether it is a room, a cabinet or your desk drawer) is locked each time you access the storage area.

You should never share or divulge your password providing access to the computerized data for any reason under any circumstance. Your password should not be stored where others can access it but should be kept in locked storage or in another place where others cannot access it.

Downloading information on the Internet to our computer systems may provide outside access to our systems. Therefore, you must not download any information from the Internet to our computer system without written authorization from the Security Program Coordinator.

If you need to dispose of any documents containing customer information, you must shred the documents prior to disposing of them.

You should never transmit customer information over the Internet or by email, under any circumstances.

You should never store customers' non-public personal information or financial information on PDA's, portable computers or other electronic devices unless you have written authorization to do so by the Security Program Coordinator so that security issues can be addressed prior to placing such information at risk.

You must never provide customer information to any callers over the telephone even if they appear to be legitimate business inquiries. All communication of customer information should be through written secure means such as facsimile to a known service provider or vendor who has agreed to abide by our policy or through other secure (encrypted) transmission. If you receive a call from a person attempting to obtain customer information, you should immediately transfer them to the Security Program Coordinator who will report the incident to law enforcement officials if necessary.

You must never use or reproduce customer information, whether electronic or non-electronic, for your own personal use or the use of others unless for approved business purposes and you obtain permission from the Security Program Coordinator.

If you cease to be employed with the company, you shall not access and may not review any customer information from the moment you are no longer employed.

In the event that you inadvertently release confidential information, you should immediately inform your department manager so the appropriate action may be taken. Any

release of information, whether or not intentional, may be grounds for disciplinary action, up to and including termination. You must also notify the department manager immediately if any anticipated threats or hazards to the security of customers' personal information is suspected or detected or if you are aware of unauthorized access or sharing of customer information.

As an employee of the company, you will receive confidential and proprietary information concerning the business of the company. You further acknowledge that such information, if shared directly or indirectly with third parties, could be detrimental to the company because it would place the company at a competitive disadvantage if disclosed, and that but for your employment at the company he or she would not receive such information, as it is not available to the public.

You shall not disclose, copy, communicate, or divulge to, or use the direct or indirect benefit of any person, firm, association, or company other than the company, any material provided by the company, including but not limited to business methods, business policies, procedures, techniques, research, client lists, client information, development projects or results, trade secrets, or other knowledge or process of or developed by the company or any other confidential information relating to our dealing with the business operations or activities of the company made known to you or learned or acquired by you while an employee of the company.

If you leave the employ of the company, you agree to return all of the company's documents and property in your possession, including but not limited to manuals, drawings, notebooks, reports, customer lists or other customer information, pricing lists, and/or prospect lists.

Confidential information or material of the company includes any information or material: (a) generated, collected, or utilized by the company in its operations relating to the actual or anticipated business or research and development of the company or (b) suggested by or resulting from any task assigned to you or work performed by you for or on the behalf of the company and that has not been made available generally to the public. Violation of this policy on Customer Information Security will result in discipline up to and including discharge.

Customer Record Disposal

In compliance with applicable law, the Company requires that employees take all reasonable steps to destroy, or arrange for destruction, by way of erasing, shredding, etc. all customer records containing personal information which is no longer being retained by the Company. Personal information includes any information that identifies, relates to, describes, or is capable of being associated with the consumer, such as name, signature, address, social security number, insurance policy number, driver's license or state identification card number, credit card number, and financial institution. Containers or shredders are conveniently located to dispose of paperwork containing non-public private information.

Damage To Property

In order to provide better customer service, and to make it easier for you to perform your job, the Company has invested substantial sums of money in our building and equipment. Damage, whether deliberate or through carelessness, to the Company's, co-workers' or customers' property will not be tolerated.

Dealership Keys

Each employee who receives a key must sign for the key and is responsible for proper use of that key. A lost or misplaced key must be reported immediately to the Department Manager. Never duplicate or loan a key to anyone for any reason. See your Department Manager if you need another key. All keys must be turned in to your Department Manager upon separation from the Company. Employees who take a leave of absence must turn in any keys prior to beginning their leave.

For customer-owned vehicles, we absolutely must hold key codes in the highest security. If a customer wants a key cut, verify that they are the current owner of the car. A current registration that matches the driver's license is appropriate. The registration must be current. If they just bought it recently, and do not have a registration, confirm through the seller or Department of Motor Vehicles that they indeed are the owner of the vehicle.

In no case will we cut a key for a person who just has a key in their hand. The customer should be told the sensitive nature of making keys, and that the procedure of the Company is to protect them from theft. The customer should be advised that they will need proof of ownership of the vehicle before a key can be reproduced. A customer should be questioned politely – and all efforts should be made to aid such customer in proving ownership of the vehicle.

Dealership Vehicles

Use of Company vehicles is limited to authorized employees for business purposes only. Personal use of dealership vehicles is expressly prohibited, unless written authorization is received from the General Manager (such as a loaner or demo agreement). The General Manager is the only person at the dealership with authority to provide authorization for personal use of dealership vehicles. An employee is responsible for immediately reporting any damage that occurs to a Company vehicle while the vehicle is in that employee's custody. The employee may be required to reimburse the Company for the deductible portion of its insurance.

A valid state driver's license for the class of vehicle you are operating is required. Use of a motorcycle to conduct Company business, or to transport a customer or another employee, is not permitted. While operating a Company vehicle, the driver and all

passengers must use seatbelts. Failure to use a seatbelt could result in disciplinary action, up to and including termination. Supervisor approval is required before non-employees may ride as passengers in Company vehicles. Transporting unauthorized passengers may result in disciplinary action, up to and including termination.

As representatives of the company and the retail automobile industry, it is expected that the driving habits of all employees will serve as an outstanding example to the community. Vehicle operation must display safe driving habits and not reflect exhibitions of speed or recklessness. Compliance with all local, state, and federal traffic laws is required. The speed limit on the premises is 5 m.p.h.

As required by law, employees must wear seat belts at all times while operating or riding in company vehicles or when operating or riding as a passenger in any other vehicle during the course of their employment. Child restraints must be used as required by law.

A citation for “driving while impaired” (D.W.I.), or for any other serious moving violation, constitutes an unacceptable driving record for employees whose job duties include operation of Company or customer vehicles, and the employee’s continued employment will be subject to review. If there is a change in your driving record, you are required to immediately notify your Department Manager. If an employee’s job duties include the operation of Company or customer vehicles, and that employee becomes uninsurable under the Company’s liability policy, the employee will be considered to have an unacceptable driving record and the employee’s continued employment will be subject to review.

Payment of fines or other penalties associated with traffic citations received by an employee while operating a Company or customer vehicle is the responsibility of the employee. The police must be called to the scene of any accident involving a Company or customer vehicle, and the accident must immediately be reported to the General Manager. Do not attempt to administer first aid or provide other help that is not within your capabilities.

The Company may place GPS tracking and monitoring devices on Company vehicles, to both locate the vehicle and monitor the driving habits of the driver.

Demonstration Drives

Salespersons will accompany customers on demonstration drives. Under no circumstances will a customer be allowed to drive a new or used automobile without being accompanied by a salesperson. The customer’s driver’s license must always be photocopied and the copy left with the sales manager before beginning a demonstration drive. Dealer Plates **must** be prominently displayed on a vehicle during all demonstration drives.

Detrimental Activity

Employees are not permitted to engage in any kind of activity, either on Company property or while off the job, which reflects detrimentally or adversely on the Company's reputation. Notwithstanding, employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Employees are required to immediately notify the General Manager and/or Human Resources if, while they are employed by the Company, they plead guilty or "no contest" to, or are convicted of a misdemeanor or felony, or are arrested for any matters for which they are released on bail or their own recognizance pending trial. Such notification will not result in automatic termination of employment. Factors such as the seriousness and nature of the violation, and potential for rehabilitation will be taken into account. Except as otherwise required by Company policy, this reporting requirement does not apply to minor traffic infractions, convictions for which the record is sealed or expunged, or referrals to and participation in any pretrial or post-trial diversion programs.

Disability Accommodation

The Company is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation), as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists. Leave of all types will be available to all employees on an equal basis.

The Company is also committed to not discriminating against qualified employees or applicants because they are related to or associated with a person with a disability. The Company will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. The Company is committed to

taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

Document Preparation

Correspondence and documents should be error-free and neatly prepared. Care shown in preparation reflects attention to accuracy and detail. Even simple errors cause unnecessary inconvenience and irritation. Furthermore, the time required to correct them is wasteful and expensive.

Dress and Grooming - Religious Accommodation

The Company is committed to complying fully with federal and state laws with respect to religious dress and grooming practices accommodation requirements to ensure equal opportunity in employment. All employment practices and activities are conducted on a non-discriminatory basis. As a result, a reasonable accommodation is available to all employees, who wish to dress and/or groom themselves in accordance with religious beliefs/practices. Religious dress/grooming practices includes, but is not limited to, all forms of facial, head, and body hair, and the carrying or wearing of jewelry, artifacts and/or facial and head coverings. The Company follows any state or local law that provides individuals with such rights. The Company will accommodate such religious dress/grooming unless to do so would result in undue hardship. Also, any such accommodation will not segregate the employee from other employees or the public.

Driving Records

Your employment depends on a good driving record. Your employment will be subject to discipline, up to and including termination, if your driving record deteriorates.

Electronic Recording Devices And Recording Of Others

In light of state law which prohibits the unauthorized recording of confidential communications, as well as the potential for issues such as invasion of employee and customer privacy, sexual or other harassment as defined in our Policy Against Harassment and other policies, and protection of the Company's trade secrets, Employees may not take, distribute, or post pictures, videos, or audio recordings while on working time. This includes, but is not limited to, use of tape recorders, video recorders, digital video/audio recorders, cell phone cameras or recorders, or similar devices in any form. This policy is not intended to prohibit the use of audio and/or video devices in "play" modes, only use of a device's modes or functions that record audio and/or video data. Employees also may not take pictures or make recordings of work areas. An exception to the rule concerning pictures and recordings of work areas would be to engage in activity protected by the National Labor

Relations Act including, for example, taking pictures of health, safety and/or working condition concerns or of strike, protest and work-related issues and/or other protected concerted activities.

Emergency Closings

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt Company operations. In extreme cases, these circumstances may require the closing of a work facility.

When operations are officially closed due to emergency conditions, the time off from scheduled work will be unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused vacation benefits or PTO. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

Emergency Conditions

The Company recognizes that emergency conditions that pose an imminent and ongoing risk of harm to the workplace, the worksite, the employee, or the employee's home sometimes affect an employee's ability to effectively perform his or her job. In the event of an emergency condition (as defined below) affecting an employee, the Company will not take or threaten adverse action against any employee for refusing to report to, or leaving, a workplace or worksite within the affected area because the employee has a reasonable belief that the workplace or worksite is unsafe. Nor will the Company prevent any employee from accessing the employee's mobile device or other communications device for seeking emergency assistance, assessing the safety of the situation, or communicating with a person to confirm their safety.

For purposes of this policy, "emergency condition" means either (i) Conditions of disaster or extreme peril to the safety of persons or property at the workplace or worksite caused by natural forces or a criminal act; or (ii) An order to evacuate a workplace, a worksite, an employee's home, or the school of an employee's child due to natural disaster or a criminal act. However, "emergency condition" does not include a health pandemic.

An employee must promptly notify his or her supervisor or the Human Resources Manager of the emergency condition requiring the employee to leave or refuse to report to the workplace or worksite prior to leaving or refusing to report. When prior notice is not feasible, the employee shall notify the Company of the emergency condition that required the employee to leave or refuse to report to the workplace or worksite after leaving or refusing to report as soon as possible.

Once the emergency conditions that pose an imminent and ongoing risk of harm to the workplace, the worksite, the worker, or the worker's home have ceased, the

employee is expected to promptly return to the performance of their duties unless other arrangements have been made with the General Manager.

Employee Seating

The Company provides seating for use by employees when the nature of the employee's work reasonably permits the use of seats. Such seating is typically available at or near the employee's workstation and at other locations throughout the dealership premises. When the nature of the employee's work requires standing, an adequate number of suitable seats will be placed in reasonable proximity to the work area and employees are permitted to use such seats when it does not interfere with the performance of their duties.

Please contact your direct supervisor or the Human Resources Manager if you have questions about the availability of seating for employee use or whether the nature of your work reasonably permits the use of seats.

Employment Of Relatives

Relatives of employees may be ineligible for employment with the Dealership if the prospective employee would be employed, (1) at the same facility as his or her relative, or (2) in job positions in which a conflict of interest could arise. "Relatives" are defined to include spouses, Registered Domestic Partners, children, siblings, parents, in-laws, and step-relatives. Present employees who subsequently become related through marriage will be permitted to continue working in their current job positions only if, (1) the job positions do not entail a direct supervisory relationship with one another, (2) the positions are not at the same facility, and (3) the job positions do not involve an actual or potential conflict of interest.

Fighting, Horseplay, Threats And Weapons

Fighting, verbal threats or threatening conduct is strictly prohibited.

Horseplay (e.g., arm-wrestling, wrestling, kicking, slapping, strength contests, etc.), practical jokes or arguments are strictly prohibited.

The possession of any type of weapon or ammunition on Company property is strictly prohibited.

Any employee found to have engaged in or promoted such misconduct will be subject to discipline up to and including immediate termination.

Fraud, Dishonesty And False Statements

No employee or applicant may ever falsify any application, medical history record, invoice, paperwork, time sheet, time card, investigative questionnaires or any other document. Nor may any employee fraudulently report customer repairs, or use the employee discount for friends or relatives or for personal gain. Employees also are prohibited from engaging in, or being a party to, any fraudulent act or omission with regard to customers, insurers, claims, estimates, deductibles, etc. Company policy also prohibits misleading or misrepresenting any credit application or customer credit information to any financial institution. Any employee found to have engaged in résumé fraud, or who made material misrepresentations or omissions on their employment application, will be subject to immediate termination. If you observe any such violations, please report them to the General Manager immediately.

Gambling

Employees are prohibited from gambling on Company premises or while on duty, this includes on-line or telephonic participation in gambling activities.

Gifts And Gratuities

Employees are not permitted to request or accept gifts or gratuities of any kind from customers, vendors or suppliers, without written authorization from the General Manager.

Hazardous And Toxic Materials

If your job requires that you use hazardous or toxic materials, you are expected to comply with all laws, rules and regulations concerning their safe handling and disposal. If you have any questions about the materials you work with or the proper safety procedures to follow, please discuss them with your supervisor.

During the repair and servicing of vehicles, you may come in contact with materials that could be hazardous to your health, if not handled properly. Some of the materials identified by the government as hazardous are the following (this list is not necessarily a complete list): waste oil, solvents and thinners, batteries, various cleaners, and vapors during painting and materials stored in stocking areas.

We have taken precautions to control these identifiable materials and have developed a hazardous training program to educate all employees about these materials, related safety procedures and the location of Material Safety Data Sheets. Please contact your supervisor regarding this program.

Honesty and Credibility

Our credibility with our customers is the most important element of our relationship. Misrepresentation to a customer is against Company policy and against the law. The law provides that an employee is personally liable. It is also against Company policy to mislead or misrepresent any credit application or customer credit status to any financial institution. Employees are also expected to be honest in their dealings with their supervisors and co-workers.

Housekeeping

Employees should keep their own work areas presentable. At the end of each business day, tools and equipment are to be cleaned and put away. Paperwork and miscellaneous supplies should not be left on work benches or furniture tops. Paperwork is not to be left out overnight. Littering or discarding items such as cigarettes or wrappers on the premises is prohibited – use appropriate trash receptacles. We want to present ourselves as a professional and neat organization.

In addition, maintaining work areas in a clean, healthy and organized manner is essential to preventing unsafe conditions and potential accidents. Potentially dangerous conditions or equipment should be reported immediately to your supervisor. Each employee is responsible for ensuring that the work area is clean and in order at the end of the work day.

Illegal Activity

Employees are prohibited from engaging in any illegal activity on duty or while on Company premises, or while off-duty when the conduct could reflect detrimentally or adversely on the Company.

Insubordination

All employees must follow directions from a supervising official. It is a violation of Company policy for an employee to refuse to follow supervisor or management official directions, or to act in an insubordinate manner toward a supervisor or management official. Full cooperation from an employee is expected when the Company is investigating potential misconduct. It is considered insubordination to refuse to fully disclose information in the course of a Company investigation or interfere with the investigation. Insubordination will not be tolerated and may result in discipline, up to and including termination.

Job Posting And Employee Referrals

The Company provides employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although the Company reserves its discretionary right to not post a particular opening. Note that there is no obligation or promise to promote from within the Company.

To be eligible to apply for a posted job, employees must have performed competently in their current position. Eligible employees applying for posted jobs should possess the required skills, competencies, and qualifications for the job.

The Company recognizes the benefit of developmental experiences and encourages employees to talk with their supervisors about their career plans. Supervisors are encouraged to support employees' efforts to gain experience and advance within the organization.

An applicant's supervisor may be contacted to verify performance, skills, and attendance. Any staffing limitations or other circumstances that might affect a prospective transfer also may be considered.

Job posting is a way to inform employees of openings and to identify qualified and interested applicants who might not otherwise be known. In the best interest of the organization, other recruiting sources also may be used to fill open positions.

The Company also encourages employees to identify friends or acquaintances that are interested in employment opportunities and refer qualified outside applicants for posted jobs. Employees should obtain permission from the individual before making a referral, share their knowledge of the organization, and not make commitments or oral promises of employment.

An employee's record of performance and discipline with the Company will be reviewed, if an employee is considered for a posted position.

Legal Requirements

The following are the most frequent disclosures that our employees are required to make by law. All employees must comply with these legal requirements in addition to all other federal, state and local laws, rules and regulations:

- **Manufacturer Monroney Label, FTC Used Car Buyers Guide, And Seat Belt Notification.** These stickers must be intact on all new, demo, or used cars at time of presentation and delivery. No employee is authorized to remove them for a customer.

- **Odometer Disclosure.** The odometer disclosure form must be signed for all customer trade-ins and for any Dealership vehicle sold.
- **Contract Disclosure.** Unless expressly authorized by the General Manager in accordance with applicable law, all contracts must be signed on Dealership premises. Anyone signing a contract must show proof of identity. Also, the truth in lending and truth in leasing laws require that certain disclosures be made. Failure to make these disclosures can result in voiding of the deal and damages.
- **Damage Disclosure.** Vehicle damage whether occurring in transit, on the lot, or in a collision must be disclosed to the customer, in writing, in accordance with applicable law and Dealership policy.
- **Equal Credit Opportunity Act (ECOA).** The ECOA prohibits discrimination in any aspect of a credit transaction. The ECOA is not limited to consumer loans. It applies to any extension of credit, including extensions of credit to small businesses, corporations, partnerships, and trusts. The ECOA prohibits discrimination based on: race, color, religion, national origin, sex, marital status, age (providing the applicant has the capacity to contract), the applicant's receipt of income derived from any public assistance program, and the applicant's exercise, in good faith, of any right under the Consumer Credit Protection Act.

Loans And Pay Advances

We have found that loans to employees or advances in pay do little in the long run to help an employee meet his or her financial obligations. At the same time, the Company may be put in a very difficult and unpleasant position if we are required to collect a past due loan. Thus, we have established a policy that we will not make loans or advances of pay to employees. Similarly, managers and employees are prohibited from extending loans to fellow employees.

Any advances in the form of equipment or other authorized items (e.g., uniforms, mobile phones, computers, etc.) that are not returned to the company upon request or termination of employment may be deducted from the employee's next paycheck unless alternative arrangements are made. Employees may be required to execute a written agreement authorizing such deductions.

Meetings

As a need arises, individual or Department meetings may be held to provide instruction, training, or counseling or to review Company operating policies. Attendance is required, if such a meeting is called and includes you or your department.

Misuse Of Property

No employee may misuse, or use without authorization, equipment, vehicles or other property, belonging to the Company, customers, vendors, or other employees.

New And Used Parts

All parts removed from either customer vehicles or vehicles owned or operated by the Company are the property of the Company. No employee shall remove from the premises any new or used parts without being properly billed or receiving written authorization to the contrary from the parts manager or service manager. Pilfering of new and used parts is a serious problem in our industry and will not be tolerated by the Company.

Non-Disclosure

The protection of confidential business information is vital to the interests and the success of the Company. Such confidential information includes, but is not limited to, the following examples:

- Compensation data (other than the employee's own data)
- Computer programs and codes
- Customer lists
- Customer email list
- Customer preferences
- Financial information
- Marketing strategies
- Proprietary competitive practices

Employees may be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose (pass along to outside parties) confidential business information will be subject to disciplinary action, up to and including termination **and** legal action, even if they do not actually benefit from the disclosed information. Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Non-Fraternization

In order to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism, possible claims of sexual harassment, and the employee morale and dissension problems that can potentially result from romantic relationships involving managerial and supervisory employees in the Company, or certain other employees in the Company, the Company has established a non-fraternization policy.

Under this policy, managers and supervisors are prohibited from fraternizing or becoming romantically involved with one another or with any other employee of the Company. Additionally, all employees, both managerial and non-managerial, are prohibited from fraternizing or becoming romantically involved with other employees when, in the opinion of the Company, their personal relationships may create a conflict of interest, cause disruption, create a negative or unprofessional work environment, or present concerns regarding supervision, safety, security, or morale.

An employee involved with a supervisor or fellow employee should immediately and fully disclose the relevant circumstances to the General Manager so that a determination can be made as to whether the relationship violates this policy. If a violation is found, the Company may take whatever action appears appropriate according to the circumstances, up to and including transfer or discharge. Failure to disclose facts relevant to the enforcement of this policy may lead to disciplinary action, up to and including termination.

All employees should also remember that in accordance with the Company's strict policy against unlawful harassment of any kind, including sexual harassment, it will vigorously enforce this policy consistent with all applicable federal, state, and local laws.

Off-Duty Social And Recreational Activities

During the year, the Company may sponsor recreational or social activities for our employees. Your attendance at such activities is completely voluntary and is not work-related. As such, neither the Company, nor its insurer, will be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

Off-Duty Use Of Facilities

Employees are prohibited from making use of Company facilities, or being on Company premises while not on duty, unless for legally-permitted meetings with other employees and/or their representatives during meals and/or rest periods. Employees are expressly prohibited from using Company facilities, Company property or Company equipment for personal use, without express written permission from the General Manager.

Off-The-Clock Work Prohibited

Employees are not required to answer, make, review and/or respond to work-related texts, emails, phone calls and/or other communications while not at work (i.e., when off the clock) and/or during meal breaks and/or rest periods, and employees should not do

so. If you choose to answer, make, review and/or respond to work-related texts, emails or phone calls, during these times, it is your voluntary choice and is not required, suggested or encouraged by the Company. If you do so, you are required to report your work time accurately in the timekeeping system, and you must notify your supervisor of any missed and/or late rest periods and/or meal breaks immediately.

Office Machines

Office machines, such as scanners, printers, facsimile and copy machines, are for legitimate business purposes only and may not be used for personal use. Employees are prohibited from using these machines for the purpose of scanning, printing, transmitting, receiving or copying materials that are offensive or insulting. Any employee who receives such materials via facsimile transmission, the mail, or from any other source, should report the transmission immediately to the General Manager.

Operation Of Customer Vehicles

While a customer's vehicle remains on Company property we all should accept responsibility for its care and treatment. If a customer's car is damaged in any way, stolen or improperly used while in our possession, the Company might be held responsible. Therefore, we expect our employees to treat every customer's car as if it were their own.

There are a few common sense rules that keep us from upsetting our customers:

- Do not play the radio except to repair it, and do not change the radio station;
- Do not smoke or eat in a customer's vehicle at any time;
- Do not drive the vehicle for personal business of any kind;
- Do not drive a vehicle without your Department Manager's permission, and do not carry any passengers;
- Do not remove any customer property from the vehicle;
- Keep customer vehicles clean, do not leave grease in customer vehicles;
- When leaving a customer vehicle, keep it locked with windows up and keys secured.

Since customer satisfaction is essential to the continued success of our Company, these rules must be strictly followed and enforced.

Outside Employment

Circumstances may exist where employees have the opportunity or the need to have two jobs at one time. It is important that such outside interests do not interfere in any way with an employee's primary job with the Company. All employees also must be careful that extra hours of work do not affect the safe performance of his/her duties for the Company by leaving him/her tired and slow to react. If your second job could create a potential conflict of interest, for example, working for a competitor, you are required to seek and obtain written approval from the General Manager before beginning the second job.

Overtime

In order to meet production needs the Company may periodically schedule overtime or weekend work. We will attempt to give as much advance notice as possible, and expect that all employees who are scheduled to work overtime will be at work, unless excused by their supervisor.

All overtime work must be pre-approved in writing by your supervisor or Department Manager. If you believe you need to work overtime to accomplish a task or project, it is your responsibility to inform your supervisor or Department Manager and secure approval before working the overtime. **Working overtime without your supervisor's or Department Manager's advance written approval may result in discipline, up to and including termination.**

Parking

In order to have sufficient convenient parking for our customers, all employees must park their vehicles in the area designated for employee parking. If you have any questions as to where you should park your vehicle, please ask your Department Manager.

Personal Appearance And Behavior

We do not have a formal "Dress Code," and prefer to rely on every employee's good judgment to dress appropriately for a business such as ours and the job he or she is performing. All Company employees are expected to present a neat, well-groomed appearance and a courteous disposition. We feel that these qualities are critical to making a favorable impression on the public and your fellow workers.

Employees should dress in a business-like manner. Please avoid extremes in dress and behavior. Flashy, skimpy or revealing outfits and other non-business-like clothing are unacceptable. Casual sportswear, such as tight fitting knits, shorts, and mini-length skirts or dresses, are not considered appropriate and should not be worn to work. Male employees in managerial positions or other positions that require contact with customers are expected

to wear dress slacks, dress shirts, and appropriate shoes with heels/soles that do not present a safety hazard in our work environment. Female employees in managerial positions or other positions that require contact with customers should dress in a similar businesslike manner. Employees who are provided with Company uniforms should keep them in a neat and clean condition, and must wear them at all times when on duty as further addressed in the Uniforms and Laundry Policy of this Handbook. Employees are required to return their uniforms in a timely manner upon termination of their employment or upon request. If an employee fails to timely return a uniform, the company may deduct the cost of the uniform from the employee's final paycheck. Similarly, if the employee returns a uniform damaged beyond normal wear and tear, the company may deduct the repair cost from the employee's final paycheck.

Further, unprofessional behavior in the workplace, such as sexually-related conversations, inappropriate touching of another employee (e.g., kissing, hugging, massaging, sitting on laps, horseplay) and any other behavior of a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination.

The Company's professional image can be tarnished because of customers' negative reactions to body piercing such as nose rings/studs, eyebrow rings and tongue piercing. Such body piercing also creates certain safety hazards in the workplace. For these reasons, we do not allow employees to display this kind of jewelry.

Employees are expected to observe the Company's personal appearance and behavior policy at all times while at work. Employees who report to work in attire that violates this policy may be requested to leave work and return in acceptable attire. Such time off from work generally will be without pay.

Personal Mail

All mail that is delivered to the Company is presumed to be related to our business. Therefore, all mail sent to you at the Company will be opened by office personnel and routed to your department. If you do not wish to have your personal correspondence handled in this manner, please have it delivered to your home. Please also note that Company postage meters and letterhead may not be used for personal correspondence.

Personal Telephone Calls And Visits

It is essential that we keep our phone lines open for business calls. Therefore, we ask our employees to refrain from making or receiving personal calls, except in emergencies. Long distance business calls must be cleared by your Department Manager, unless your job duties include the routine making of long distance calls. Under no circumstances are employees permitted to use Company telephones to call "900" lines or similar "pay-per-call" services. Employees will be personally responsible to pay for unauthorized calls and will be subject to discipline, up to and including termination.

Personal visits by friends or relatives during work hours can be disruptive to our operations and are discouraged. If you receive a non-business-related visit from a friend or relative, you must notify your Department Manager at the time of your guest's arrival and departure. Non-employees are strictly forbidden from entering unauthorized areas. Also, to the extent the company requires visitors to sign in or otherwise record their presence on our premises or comply with security measures, you must ensure your visitor has complied with those requirements. Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives during their meal breaks and/or rest periods.

Photography

Due to the potential for issues such as invasion of employee and customer privacy, sexual or other harassment as defined in our Policy Against Harassment and other policies, and protection of the Company's trade secrets, Employees are prohibited from taking pictures, including video, on company premises or while on working time without express permission of the General Manager, and then only for legitimate company purposes. The use of "camera phones" or similar devices to take or transmit pictures or video on company premises, or in company vehicles, is expressly prohibited at all times. An exception to the rule concerning pictures of work areas would be to engage in activity protected by the National Labor Relations Act including, for example, taking pictures of health, safety and/or working condition concerns or of strike, protest and work-related issues and/or other protected concerted activities.

Poor Performance

Employees are expected to learn their job and to perform at a level satisfactory to the Company at all times.

Positive Outlook

Employees should maintain a positive outlook about their job. The Company and co-workers can be affected by a poor attitude. Having a negative outlook creates a tough working environment and prevents us from providing excellent customer service. Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Proposition 65 Compliance

Like all businesses in California, our business is subject to the Safe Drinking Water and Toxic Enforcement Act of 1986, commonly known as Proposition 65. The key provisions of this law: (1) require businesses exposing any individual to listed chemicals to warn the individual, and (2) prohibit discharging listed chemicals into any source of drinking water. For more detailed information about Proposition 65, please go to California's Office of Environmental Health Hazard Assessment website: www.oehha.org. A complete and current list of the approximately 800 chemicals that are listed can be downloaded from the site.

Proposition 65 Exposure Warning. While many chemical exposures are associated with industrial activities, everyday items, even the air we breathe and the food we eat, routinely contain Proposition 65-listed chemicals. These chemicals are listed for one or more hazard characteristics: chemicals known to the State of California to cause cancer, and chemicals known to the state of California to cause birth defects or other reproductive harm. This notice provides information and warnings specific to exposures that you will encounter at this dealership. In many instances, we do not have information specific to this dealership. Instead, we have relied upon experts in this field to tell us where Proposition 65 exposures may occur. For other exposures to listed chemicals, enough is known to identify specific areas where exposures occur.

Motor Vehicle-Related Exposures. Gasoline and diesel engine exhaust contain many Proposition 65-listed chemicals, including benzene and carbon monoxide. Enclosed or partially-enclosed spaces, such as service bays, garages, or parking structures can concentrate exhaust fumes, increasing exposure to these chemicals. At this dealership, exposure to engine exhaust is likely in all areas, both indoor and outdoor, due to the presence of engine exhaust in the ambient air from dealer operations, adjacent streets, and parking areas. In addition, many vehicle components and replacement parts, vehicle fluids, touch-up paints, and materials used to service vehicles contain listed chemicals, including, but not limited to, fuel, oil, batteries, brakes, and wheel balancing weights. When you operate, service, clean, or maintain a motor vehicle you will generate and be exposed to listed chemicals contained in used oil, waste fluids, fumes, grease, grime, and particles from component wear.

Secondhand Tobacco Smoke. Tobacco smoke is a listed chemical and it also contains many chemicals that are known to cause cancer and/or birth defects or other reproductive harm. Smoking is permitted in certain areas outside the dealership buildings.

Furnishings, Office Supplies And Electrical Components. Office furnishings, including furniture, carpeting, power cords, computers, printers, copiers, and carbonless paper, contain a number of Proposition 65-listed chemicals, including lead, formaldehyde, and acetaldehyde. These listed chemicals are known to the State of California to cause cancer and/or birth defects and other reproductive harm. In addition, various common items made of brass (such as keys) or plastic may expose you to listed chemicals.

First-Aid Supplies. Certain first aid supplies, such as pain relievers and stomach coating medications, that contain aspirin, pink bismuth, attapulgite, and/or petroleum jelly, may expose you to Proposition 65-listed chemicals.

Food And Beverages (Vending Machines And Company Events). Food and snacks sold in vending machines and/or at the dealership or that may be provided from time to time at company-sponsored events may expose you to Proposition 65-listed chemicals. Frying or baking at high temperatures produces acrylamide in certain foods, such as chips and French fries. Broiling or barbecuing meats and fish produces Proposition 65-listed chemicals that can cause cancer. Chocolate and other natural ingredients of foods contain listed chemicals including lead. Drinking alcoholic beverages may increase cancer risk and, during pregnancy, can cause birth defects.

Vehicle Service Exposures. Service technicians and mechanics are exposed to solvents, fluids, oils, fuel, worn car components, engine exhaust, batteries, brakes and brake pads, lead wheel balancing weights, grease, grime, and other items that contain many chemicals known to the state of California to cause cancer and birth defects and other reproductive harm. Employees should consult the material safety data sheets and package instructions, and follow recommended handling and safety procedures.

As a daily reminder of Proposition 65 exposures at this dealership, we have posted the following sign at prominent locations throughout our facilities:

WARNING

ALL AREAS OF THIS DEALERSHIP CONTAIN CHEMICALS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE CANCER AND BIRTH DEFECTS OR OTHER REPRODUCTIVE HARM. THESE CHEMICALS ARE CONTAINED IN VEHICLES AND PARTS AND ACCESSORIES OFFERED FOR SALE AND IN SOME OF THE PRODUCTS AND MATERIALS USED TO MAINTAIN THE PROPERTY, AND IN EMISSIONS, FUMES, AND SMOKE FROM BUSINESS OPERATIONS, EMPLOYEE AND GUEST ACTIVITIES, INCLUDING, BUT NOT LIMITED TO, THE OPERATION AND SERVICING OF MOTOR VEHICLES, AND THE USE OF TOBACCO PRODUCTS.

To minimize your exposure to Proposition 65 chemicals, we urge you to follow all manufacturer instructions pertaining to proper use of motor vehicles, vehicle components, materials, and supplies. If you have a question about a particular activity, please contact your supervisor for a material safety data sheet or other information. Always wash your hands before eating.

For additional information concerning this notice, please contact the Human Resources Manager. Your cooperation and effort is required.

Publicity

The Company may utilize media resources in the course of advertising, public relations or other similar conduct for business purposes. As such, the Company may use your photograph, picture and/or voice for promotion or advertising at any time, without notice and additional compensation. If you are approached by any member of the media and asked about any company information, please kindly refer the person to your manager.

Restroom Facilities

All single-user toilet facilities, which include those with no more than one water closet and one urinal with a locking mechanism controlled by the user, located on Company premises are designated as all-gender toilet facilities for use by no more than one occupant at a time or for family or assisted use.

Safety

The health and well-being of our employees is one of our primary concerns. It is our policy to promote safety on the job. Thus, you should follow common sense safety practices and correct or report any unsafe condition to your Department Manager. Each employee will be instructed regarding the Company's injury prevention program. Each employee is expected to assist the Company in maintaining safe working conditions. Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: SAFETY FIRST.

If an accident does occur, please note that all accidents, including those that do not involve serious injury, must be reported immediately to your Department Manager. All accidents involving customers or vendors also must be reported immediately. It is only through full knowledge of every accident that the Dealership can become a safer, healthier place to work for everyone.

The following general safety rules apply to all employees of the Company. You should also refer to the Dealership's Injury and Illness Prevention Program for additional safety information. Failure to comply with any of the safety rules may result in disciplinary action, up to and including immediate discharge. The following is a partial list of those rules.

- All unsafe, unhealthy or hazardous conditions will be promptly corrected or reported to the supervisor, department manager and/or the safety coordinator.
- All accidents, including those that do not involve serious injury, must be reported to the supervisor/manager on duty immediately. If the injury is life threatening, call 911 immediately.
- Keep work areas clean and free of hazardous conditions at all times. All aisles,

walkways, etc., should be free of debris and easy to move through.

- Do not remove or tamper with any safety devices or any piece of equipment. If any piece of equipment is not functioning properly, the supervisor/department manager must be notified immediately.
- Never indulge in horseplay (e.g., arm-wrestling, wrestling, kicking, slapping, strength contests, etc.), practical jokes or arguments. These actions may result in serious injury and are strictly prohibited.
- Running is prohibited anywhere on company property.
- If there is debris on the floor, pick it up and throw it away. If something spilled on the floor, wipe it up immediately. If that is not possible, then place a rag or safety flag on top of the object, spill, etc. and see that it is cleaned up as soon as possible. This rule must be followed immediately and in all circumstances to which it applies.
- If an employee who works outside in temperature 80° or above feels the need to cool down, the employee should take a 5-minute cool-down recovery period on an as-needed basis in a shaded area.

Sales Code Of Ethics

It is imperative that our employees conduct themselves to the highest standards of professional conduct. We therefore require our salespeople to comply with the following Sales Code of Ethics.

Sales License

The salesperson must be licensed by the DMV before entering into any sales negotiation with a prospective purchaser. The salesperson must display the original license at the Dealership's business location. If the license is expired, the salesperson should notify the Department Manager immediately and may not sell vehicles.

Authority

The salesperson has no authority whatsoever to bind this Dealership to any offer of sale, whether orally or in writing. The salesperson must not misrepresent his authority to any prospective purchaser.

Vehicle Representation

The salesperson must not knowingly misrepresent a vehicle's status as new if it is used or if it has been previously used as a demonstrator. The salesperson must not

represent a fleet or rental car buyback as an executive or demonstrator vehicle. Any vehicle which has been previously sold or registered constitutes a used vehicle.

Vehicle Advertisements

The salesperson must familiarize him/herself, on a daily basis, with all vehicles being advertised by this Dealership. The salesperson must openly quote all advertised vehicles prices or terms to all prospective purchasers.

General Statements

The salesperson must not make any statements or communications to any person, which statements are known by the salesperson to be false or misleading. If a fact is unknown to the salesperson, the salesperson must first verify any such information before attesting to the truth of any such fact.

Scrap, Waste And Old Parts

All unused containers, oil drums, batteries, radiators, bumpers, brake shoes, and other salvageable items are the property of the Company. Removing such items without authority shall be considered theft.

Searches And Inspections

In order to protect the safety and property of all of our employees, the Company reserves the right to inspect personal vehicles on Company premises, Company vehicles, lockers, work areas, toolboxes, desks, purses, briefcases, and other locations or belongings on Company premises without prior notice, in order to ensure a work environment free of prohibited substances brought onto Company property. As there should be no expectation of privacy by employees in this regard, employees are expected to cooperate in any inspection. Failure to cooperate will result in disciplinary action up to and including termination.

Similarly, all files and records stored on Company computers are the property of the Company and may be inspected at any time. Company computers are for business purposes only and should not be used for non-work related matters. Use of Company computers for unauthorized purposes is prohibited. Electronic mail and voice mail messages are to be used for business purposes only and are considered Company property. The Company may access these items at any time, with or without prior notice, and employees should not assume that such messages are confidential.

Service And Repair Work

Service and repair work must be completed promptly and in expert fashion. If you are unsure of the diagnosis or solution for a problem, you should review the matter with your supervisor before proceeding.

Sleeping

All employees must be fully alert while on the job in order to protect the safety of our employees and to properly serve our customers. Therefore, sleeping or inattention on the job will not be tolerated.

Smoking

Some customers and co-workers may find smoking, including the use of electronic cigarettes and similar electronic smoking devices that create an aerosol or vapor, in their presence to be offensive. Therefore, employees who choose to smoke must exercise good judgment as to when and where they smoke. Smoking, including the use of electronic cigarettes and similar electronic smoking devices that create an aerosol or vapor, is never permitted in the presence of a customer. Smoking, including the use of electronic cigarettes and similar electronic smoking devices that create an aerosol or vapor, also is prohibited in all Company buildings and vehicles. Smoking, including the use of electronic cigarettes and similar electronic smoking devices that create an aerosol or vapor, must be confined to designated, off-property outdoor areas. And, of course, smoking is prohibited in all areas where paint and flammable materials are present.

Social Media

The Company recognizes that with the advent and popularity of various Internet-based social media such as Twitter, Facebook, Instagram, Snapchat, blogs and the like, employees may be using such media to communicate in their daily lives. This policy is designed to establish parameters of using social media while employed with our company. Please observe the following:

- Employees may not engage in online social networking activities while in the course and scope of employment or using company computer systems, cell phones, or other company property, unless otherwise specifically permitted by law. Social Media includes, but is not limited to, videos, photos, blogs, video blogs, podcasts, instant and text messages, email, online services or accounts, or Internet Website profiles or locations.
- Given the highly regulated nature of our business (i.e., the automobile business), **employees must never advertise or offer for sale our products**

or services in a social media forum. Doing so could expose the employee and the company to serious legal consequences, including violations of federal and state law. If you are involved in advertising or selling our company's services and products, this activity should only be done through the company's internet, computer or other authorized communications system or forum and only as authorized by the General Manager. If you have any questions about this aspect of our policy, please see the General Manager or the owner.

- Social media activities are subject to the company's policies regarding protection and confidentiality of company and customer information, and unlawful discrimination or harassment. For example, employees may not disclose private customer information or proprietary company information through social media outlets. Similarly, employees may not unlawfully harass or discriminate against fellow employees, vendors, or customers using social media. Please refer to the company's policies on confidential and proprietary information as well as the policy prohibiting unlawful harassment and discrimination.
- Employees should be mindful not to disclose private information of their co-workers.
- In addition, employees should take great care in how they represent themselves in a social media forum. Employees should behave in a lawful manner and avoid making unlawful defamatory, fraudulent, harassing, discriminatory, or other unlawful statements about co-workers, the company, the company's competitors, or the company's customers or vendors, as such activity could lead to discipline up to and including termination of employment as well as personal legal liability.
- When using social media, employees are prohibited from representing the company or representing that they speak on behalf of the company. Employees should not use the trademarks, logos, or copyright-protected material of the company or its clients or customers. Employees must also make clear in any online activity that the views and opinions they express about work-related matters are their own, have not been reviewed by the company, and do not necessarily represent the views and opinions of the company. The company prohibits employees from listing their company email address unless the social network site is one created and maintained by the company for company business.
- Employees may not use social media to compete with the company's products or services.
- If you are contacted by a member of the news media in a social media forum and asked to comment about the company, you should refer the request to the General Manager or owner of the company for handling.

- Employees should expect compliance monitoring. Employees should also expect that any information created, transmitted, downloaded, exchanged or discussed on any social media made available to the public may be accessed by the company or any third party at any time without prior notice. Remember, anything posted on the Internet or in a social media forum might be publicly accessible.
- Nothing in this policy should be interpreted as giving any manager of the Company the right to request the username and/or password to the employee's private social media content or private email accounts, to request the employee to divulge the content of private social media and/or private email accounts, or to request the employee to provide access to or view social media content and/or private email accounts in the presence of management. As the sole exception to this rule, the General Manager or his/her designee may request that employee divulge personal social media content reasonably believed to be relevant in an investigation of alleged employee misconduct or a legal violation – but information must only be used for the investigation or related proceeding.
- In addition, the General Manager or his designee may request login information for purpose of accessing employer-issued electronic devices.
- Nothing in this policy is intended to and should not be interpreted as violating an employee's rights under the National Labor Relations Act.
- The Company's managers will not discipline or threaten discipline or discharge an employee for exercising his/her rights under this policy and/or the law, nor will any manager retaliate against an employee for not adhering to a request or requirement that violates this policy and/or the law.

If you have any questions about this policy, please consult the General Manager. Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Solicitation - Distribution Policy

Our job is to give our customers the best service possible. In order to allow our employees to provide our Company's customers with their undivided attention, the solicitation by an employee of another employee for the support of any organization is prohibited during the working time of either employee. In addition, the distribution of advertising materials, handbills or other literature is prohibited in all working areas at all times. E-Mail, facsimile machines, and voice mail may not be used to advertise or solicit employees. Similarly, non-employees may not come on the Company's property at any time to solicit for any cause, or distribute material or literature of any kind for any purpose.

Telemarketing

The FTC and FCC have laws regulating our ability to call our customers and sales prospects. It is the Company's policy to fully comply with these laws. If you make calls to customers or prospects, you must be trained and comply as well with these laws. Any violation may result in disciplinary action, up to and including termination. The basics of the laws, and our policies, are:

- We do not call customers who are on the Federal Do-Not-Call list after 18 months beyond their last business with us.
- We do not call sales prospects who are on the Federal Do-Not-Call list beyond 30 days after their last visit to our Company.
- We immediately enter into our computer system the appropriate information when a customer requests to be placed on our Company's own Do-Not-Call list.
- We completely stop calling customers who request to be placed on our Company's own Do-Not-Call list.
- We do not send broadcast faxes to prospects.

Theft

Theft of property belonging to the Company, your co-workers, or our customers, vendors, and suppliers, will not be tolerated. If you find it necessary to remove Company property from the premises, you must obtain written permission in advance from your supervisor.

Timekeeping Procedures

Unless otherwise notified, each employee is required to record his or her hours of work for the Company. Under no circumstances may any employee punch another employee's time card. You will be informed your first day on the job whether you are required to keep your time by a time clock, a time sheet or some other method. Whatever your method of timekeeping, you are expected to follow the established procedures in keeping an accurate record of your hours worked. Accurately recording all of your time is required in order to be sure that you are paid for all hours worked. Any changes or corrections to your time card or time record must be initialed by you and your Department Manager. No employee is ever authorized to work "off the clock" for any reason. All time worked must be reflected on your time card. If you are working after your normal shift, you must also turn in a time card for any work performed outside your normally scheduled shift.

Tobacco Products

Some clients and co-workers may find the use of tobacco products, including electronic devices that deliver nicotine or other vaporized liquids to the person inhaling from the device (such as an electronic cigarette, cigar, pipe, or hookah) in their presence to be offensive. Therefore, employees who choose to use tobacco products must exercise good judgment as to when and where they do so. The use of tobacco products is never permitted in the presence of a client or during working hours, except during the employee's rest and meal breaks. The use of tobacco products is prohibited in all Company buildings and vehicles, and all other enclosed places including, without limitation, covered parking lots, lobbies, lounges, waiting areas, elevators, stairwells, and restrooms. Smoking, including the use of e-cigarettes and similar electronic smoking devices that create an aerosol or vapor, and the use of all tobacco products must be confined to designated, off-property outdoor areas. And of course, smoking is prohibited in all areas where flammable materials are present.

Tools

Technicians supplying their own basic tools are asked to secure them by keeping their tool boxes locked when not in use. Our Company's insurance may not cover the loss of your personal tools. The Company is not responsible for the safety and security of the personal tools you bring to work.

Tools belonging to the Company should be similarly secured when not in use. The Company's tools are not to be removed from the Company premises under any circumstance.

Unauthorized Interviews

As a means of protecting yourself and the Company, no unauthorized interviews are permitted to be conducted by individuals representing themselves as attorneys, peace officers, investigators, reporters, or someone who wants to just "ask a few questions." If you are asked questions about the Company or its current or former employees, you are to immediately refer such individual(s) to your Department Manager. A decision will then be made as to whether that individual may conduct any interview and they will be introduced to you by your Department Manager with a reason for the questioning. Similarly, if you are aware that an unauthorized interview is occurring at the Company, you must immediately notify your Department Manager or the General Manager. Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Uniforms And Laundry

Certain positions may require uniforms. Uniforms provide a professional appearance and also save the employee's personal wardrobe. Wearing a clean uniform is important, and you are required to ensure your uniforms are properly maintained. If you are assigned uniforms, the uniforms and cleaning will be provided to you at no cost. Please make sure that they are turned in for cleaning on the day specified by your Department Manager. Although provided for the employee's daily wear, these uniforms remain the property of the Company. Employees leaving the employment of the Company, for any reason, are required to return all uniform items. You are not required to change into or out of your uniforms at work, and you are permitted to take your uniforms home so that you can dress in your uniform before coming to work. If you choose to change into or out of your uniform at the workplace, that is your choice and you are free to do so, but it is not required by the Company.

Visitors In The Workplace

To provide for the safety and security of employees and the facilities at the Company, only authorized visitors are allowed in non-public areas of our Company. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

Authorization for a visitor to enter a restricted area must be obtained from the General Manager. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on the Company's premises, employees should immediately notify their supervisor or, if necessary, escort the individual to the General Manager.

Whistleblower Activity

Federal and state laws provide immunity for certain whistleblower activity. The Defend Trade Secrets Act (18 USC § 1833(b) provides that an individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this handbook is intended to conflict with, or create liability for disclosures of trade secrets that are expressly allowed by, 18 U.S.C. § 1833(b) or any other provision of federal, state or local law.

Workplace Monitoring

Workplace monitoring may be conducted by the Company to ensure quality control, employee safety, security, and customer satisfaction. The Company may conduct video surveillance of non-private workplace areas, in accordance with applicable laws. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence.

Employees may make a written request for access to information gathered through workplace monitoring that may impact employment decisions. Access will be granted unless there is a legitimate business reason to protect confidentiality, or the integrity of an ongoing investigation.

Because we are sensitive to the legitimate privacy rights of employees, every effort will be made to ensure that workplace monitoring is done in an ethical and respectful manner.

Workplace Violence Policy

The Company has zero tolerance for violent acts or threats of violence against our employees, applicants, customers or vendors. No employee should commit, or threaten to commit, any violent act against a co-worker, applicant, customer or vendor. Any employee who is subjected to or threatened with violence by a co-worker, customer or vendor, or is aware of such threats involving others, is to report this information to his/her supervisor or the Department Manager as soon as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or prevent what is happening.

Please treat every threat as serious. It is very important that you bring all threats to our attention so that we can deal with them appropriately. All threats will be thoroughly investigated, and all complaints which are reported to management will be treated with as much confidentiality as possible.

Changes In Status

Changes In Personnel Records

Employees are expected to promptly notify the Company regarding any change of name, address, phone number, number of dependents, or other applicable information. Such updates are very important, not only because they keep your personnel records up to date, but they ensure that the appropriate benefits are available to you.

Outside Inquiries Concerning Employees

Due to privacy requirements, all inquiries concerning employees from outside sources should be directed to the Office Manager. All other employees are prohibited from providing information about co-workers and managers to any outside source. Only certain designated management level employees are authorized to provide references or information concerning our employees. Employees have the right to act together with other employees for their mutual benefit and protection, including but not limited to lawful communication with each other and with their representatives.

Notice Of Resignation

In the event you choose to resign from your position, we request that you give us at least two weeks written notice to allow for preparation of your final paperwork and setting of an exit interview. Please remember that you are responsible for returning Company property in your possession, or for which you are responsible.

Exit Interview

Any employee leaving the Company may be required to attend an exit interview. The purpose of the interview is to discuss the reasons for your resignation/termination and to resolve any questions of compensation, return of Company property, and other matters related to the resignation/ termination.

To Sum It All Up

This handbook highlights your opportunities and responsibilities at our Company. It is a guide to your bright future here. By always keeping the contents of the handbook in mind, you should be successful and happy in your work here. Once again, welcome to our Company, and we look forward to working with you.

HANDBOOK ACKNOWLEDGMENT

AT WILL AND ARBITRATION AGREEMENT

IMPORTANT—READ CAREFULLY
**THIS AGREEMENT CONTAINS AN AT-WILL AGREEMENT
AND BINDING ARBITRATION AGREEMENT**

1. This will acknowledge that I have received my copy of the Employee Handbook and that I will familiarize myself with its contents.
 2. I understand that this handbook represents the current policies, regulations, and benefits and that any and all policies or practices can be changed at any time by the Company. The Company retains the right to add, change or delete wages, benefits, policies and all other working conditions at any time (except the policy of "at-will employment" and Arbitration Agreement, which may not be changed, altered, revised or modified without a writing signed by the President of the Company).
 3. I further understand that nothing in the Employee Handbook creates, or is intended to create, a promise or representation of continued employment and that my employment, position and compensation all are at-will, and may be changed or terminated at the will of the Company or I, with or without cause or notice. The at-will agreement is the entire Agreement between the Company and I regarding the length of my employment, and the reasons for termination of employment, and this Agreement supersedes any and all prior agreements regarding these issues to the extent that they differ from the foregoing. It is further agreed and understood that any agreement contrary to the foregoing must be entered into, in writing, by the President of the Company. No supervisor or representative of the Company, other than its President, has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the foregoing. Oral representations made before or after I am hired do not alter this Agreement.
 4. By signing my name below and/or by accepting and/or continuing employment with the Company, I agree to pursue any claims I might have against the Company that currently exist or that may arise in the future exclusively through binding arbitration; similarly, the Company agrees to pursue any claims it might have against me that currently exist or that may arise in the future exclusively through binding arbitration. The only exceptions to this requirement are identified in Paragraph 6, below. Our agreement to submit all claims to binding arbitration includes any claims that either of us may have against any third-party beneficiaries as mentioned below. By agreeing to binding arbitration, we waive our rights to have any and all claims decided in an administrative hearing, in a judge/bench trial, and/or in a jury trial. I understand that our only recourse for pursuing claims is through binding arbitration according to the rules set forth herein and/or those rules incorporated by reference in this agreement. I understand I have the right to arrange for an attorney to represent me or to represent myself during the arbitration proceedings. I understand that neither I nor the Company may later decide that one of us does not want to arbitrate all such claims.
 5. I understand that this agreement requires me to pursue all claims I bring against the Company (and any third-party beneficiaries) through binding arbitration and requires that the Company submit any claims it has against me to binding arbitration (except for those claims specifically excluded by this agreement). Our agreement to arbitrate includes any and all claims which arise out of the employment context or any other interaction/relationship we had, have or may have in the future. Those claims include, but are not limited to, any claim, dispute, and/or controversy that either party brings against the other (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair
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Employment and Housing Act, the Americans With Disabilities Act, Title VII of the Civil Rights Act of 1964, as amended, claims pursuant to the California Private Attorneys General Act (“PAGA”) unless prohibited by controlling law, as well as all other applicable state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between myself and the Company, as well as any third-party beneficiaries of the Company. Third-party beneficiaries include the Company’s owners, directors, officers, managers, employees, agents, partners, attorneys, sister-companies, subsidiaries, parent companies, joint-venturers, affiliated persons/entities, independent contractors, and parties affiliated with its employee benefit and health plans. These claims also include any claims arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with the Company or third-party beneficiaries, whether based on tort, contract, statute, equity or otherwise.

6. As the sole exceptions to the obligation to arbitrate our claims, I and the Company both agree that we do not have to arbitrate claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers’ Compensation Act, Employment Development Department claims and, at your option, claims involving Sexual Harassment and/or Sexual Assault Disputes. Sexual Assault Dispute means a dispute involving the allegation of a nonconsensual sexual act or nonconsensual sexual contact. The term Sexual Harassment Dispute means a dispute relating to allegations of unwelcome sexual advances, unwanted physical contact that is sexual in nature, unwanted sexual attention (including unwanted sexual comments and propositions for sexual activity), conditioning employment-related benefits on sexual activity, and retaliation for rejecting unwanted sexual attention. If you signed this arbitration agreement prior to the time that your dispute first arose, you have the right to elect whether or not to proceed to arbitration regarding the Sexual Harassment/Sexual Assault Disputes. If you choose not to proceed to arbitration on such claims, then you agree to arbitrate all other arbitrable claims and to stay Sexual Harassment/Sexual Assault Dispute claims pending the completion of the arbitration proceedings. I understand and agree that nothing in this agreement precludes me from filing any administrative claim/charge with, or from participating in any investigation/administrative proceeding conducted by government agencies such as the Civil Rights Department (Department of Fair Employment and Housing), the California Labor Commissioner and/or the Equal Employment Opportunity Commission. However, after I exhaust such administrative process/investigation, I understand and agree that I must pursue any such claims through binding arbitration for any final adjudication/award.
 7. I acknowledge that the Company’s business and the nature of my employment in that business affect interstate commerce. Thus, I agree that this agreement and my employment are governed by the Federal Arbitration Act (FAA) (9 United States Code sec. 1, et seq). The binding arbitration proceedings shall be governed by the rules listed herein or as supplemented by the Federal Arbitration Act and/or the procedures of the California Arbitration Act (California Code of Civil Procedure sec. 1280 et seq., including sec. 1283.05 and all of the California Arbitration Act’s other mandatory and permissive rights to discovery). The arbitrator shall have the same authority as a state or federal court would have to issue subpoenas to third parties for production of documents and for depositions, in addition to subpoenas to appear at any arbitration hearing. The California Arbitration Act shall only control the arbitration proceedings to the extent it is consistent with this agreement and/or the Federal Arbitration Act.
 8. In addition to requirements imposed by law, any arbitrator herein shall be a retired state Superior Court or federal District Court judge and shall be subject to disqualification on the same grounds as would apply to a California Superior Court judge. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator. If applicable, all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under the Code of Civil Procedure section 631.8, that would apply in court or in an administrative proceeding where the actual
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claims would otherwise have been brought shall apply in the arbitration proceeding. The arbitrator shall apply only the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including, but not limited to, notions of “just cause”) other than such controlling law to determine the dispute. The arbitrator shall have the authority to fashion the arbitration proceeding and the award to preserve any special protections afforded by the laws governing the claims. All communications during or in connection with the arbitration proceedings are privileged in accordance with California Civil Code sec. 47(b). The arbitrator shall have the right to extend the times set by the California Arbitration Act for the giving of notices and setting of hearings. Awards shall include the arbitrator’s written reasoned opinion.

9. I understand that in most all circumstances the Company will pay all costs and arbitrator fees unique to the arbitration as required by controlling case law, such as for statutory claims for unpaid wages, discrimination, harassment, retaliation, etc. However, there are some instances where the costs of arbitration will be split between the parties as set forth in the California Arbitration Act, such as where the Company brings a claim against me for violation of trade secret rules, conflicts of interest, or other similar claims. The costs of arbitration may also be split unless the claims you bring involve unwaivable statutory rights where the controlling case law requires that the Company pay such costs (e.g., if you bring a breach of contract claim against the Company such fees may be split). You will not be required to share in any costs unique to arbitration until the arbitrator makes a specific ruling at the outset of the arbitration process that the claims at issue require you to share any portion of the cost of arbitration. It is further agreed that the Company shall not be responsible for paying the arbitrator’s fees and costs for the arbitration hearing sooner than 60 days before the commencement of the arbitration hearing.
 10. I agree that the arbitrator only has the authority to hear and adjudicate my individual claims and that the arbitrator does not have the authority to make the arbitration proceeding a class, representative or collective action, or to award relief to a group of employees in one proceeding, including claims brought pursuant to PAGA. This arbitration agreement shall not be construed to permit the consolidation or joinder of claims of other claimants, or to permit such claims to proceed as a class, representative or collective action (collectively “class claims”). I and the Company both agree that any challenge to the prohibition against consolidating the claims of others into a single proceeding, whether as a class, a collective action or otherwise, is a gateway issue and shall be determined by the trial court; and any substantive claims shall not be decided by the arbitrator until after the gateway determination is made by the court. By signing below, you expressly waive the right to bring a class, collective, representative or PAGA claim (unless prohibited by controlling law) seeking any relief on behalf of others. Both the Company and I agree that any arbitration proceeding must move forward under the FAA (9 U.S.C. sections 3-4) even though the claims brought in court or otherwise may name, involve and/or relate to persons/entities who are not parties to the arbitration agreement and/or claims that are not subject to arbitration (such as PAGA). Thus, the court may not refuse to enforce this arbitration agreement and may not stay the arbitration proceeding despite the provisions of the Code of Civil Procedure sec. 1281.2(c) and shall instead sever and stay the non-arbitrable claims pending the final adjudication of the arbitrable claims.
 11. I understand that all I have to do to begin the arbitration process is to send a letter by United States Postal Service Certified Mail with Return Receipt requested to the Owner(s) of the Company, the President of the Company if the Company is a corporation, or the General Manager of the dealership stating that I have legal claims against the Company and/or any third-party beneficiaries, the nature of the legal claims and that I demand to pursue them via binding arbitration. I understand that my letter must be post-marked prior to the expiration of any statute of limitations that applies to my claims. The Company may similarly commence claims against you by making a similar demand and sending it to you in the same manner. The Company and you will engage in an interactive discussion to try to agree upon an arbitrator, and if an arbitrator cannot be mutually chosen, either party may petition the Superior Court to
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appoint an arbitrator pursuant to the California Arbitration Act (Code of Civil Procedure sec. 1281.6). I understand that I and the Company will be required to provide more details regarding my claims and causes of action after starting the arbitration process. The arbitrator will also set the timing for the Company to file and serve any responsive pleadings.

12. I further understand that I will not be disciplined, discharged, or otherwise retaliated against for exercising my rights under the National Labor Relations Act, including but not limited to challenging the limitation on a class, collective, representative, or joint action.
13. If any term or provision, or portion of this agreement, is declared void or unenforceable, it shall be severed and the remainder of this agreement shall be enforceable. Notwithstanding the same, the prohibition on the arbitrator hearing class claims and/or collective claims shall not be severable.
14. This is the entire agreement between the Company and me regarding dispute resolution and this agreement supersedes any and all prior agreements regarding this issue to the extent that they differ from the foregoing. It is further agreed and understood that any agreement contrary to the foregoing must be entered into, in writing, by both the Owner(s) and/or President of the Company and me. Oral promises shall not serve to modify and/or cancel this agreement.

I UNDERSTAND THAT I AM GIVING UP THE RIGHT TO TRIAL BY JURY, BY A SITTING TRIAL COURT JUDGE AND/OR BY FINAL ADJUDICATION THROUGH AN ADMINISTRATIVE PROCESS BY AGREEING TO BINDING ARBITRATION.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE BEEN GIVEN AN OPPORTUNITY TO READ AND CONSIDER THIS AGREEMENT, AND THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND BY ALL OF THE ABOVE TERMS. I AGREE THAT THE COMPANY IS BINDING ITSELF TO THIS AGREEMENT BY PRESENTING THIS AGREEMENT TO ME FOR SIGNATURE.

DO NOT SIGN UNTIL YOU HAVE READ THE ABOVE ACKNOWLEDGMENT AND AGREEMENT.

EMPLOYEE:

Print Full Name: _____

Signature: _____

Date: _____

COMPANY:

Print Full Name: _____

Signature: _____

Date: _____

[RETAIN IN EMPLOYEE PERSONNEL FILE]
