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# EMPLOYEE HANDBOOK

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September 2020

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## **WELCOME**

Welcome to Conicelli Autoplex (the “Company” or the “Dealership”)! 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 one of our employees, you will want to know what you can expect from us and what we expect from you. This Handbook will give you that information by outlining our Dealership’s current benefits, practices and policies.

You should keep this Handbook handy as a guide and ready reference throughout your employment here. If you have questions as you read through this Handbook, please do not hesitate to discuss them with your manager. Your manager is a very important source of information and will be happy to assist you.

## **PURPOSE**

This Handbook is designed to acquaint you with our Dealership and to give you a ready reference to answer most of your questions regarding your employment with us. We intend for this Handbook to let you know what you can expect from us as well as what we expect from you. The contents of this Handbook constitute only a summary of the employee benefits, personnel policies, and employment regulations in effect at the time of publication. These benefits, policies and regulations will change from time to time as business conditions and other factors dictate. In the case of insurance and pension benefits, the current insurance or pension plan documents will control.

This Handbook supersedes all previous handbooks, policies and practices that are in any way inconsistent with the contents of this Handbook. We may add, change or delete benefits and policies, as we deem appropriate.

Finally, this Handbook should not be construed as creating any kind of employment contract for any particular period. All of our employees are considered to be employed on an “at will” basis. Your status as an “at will” employee may not be changed except by a written agreement signed by the President, acknowledging the change in your status.

## **INTERPRETATION OF HANDBOOK**

The Dealership intends to comply with all applicable state and federal laws, including, but not limited to those relating to medical, family or military leave, equal opportunity, wage and hour, safety, health, and laws regarding any other terms and conditions of employment. Similarly, we expect you to comply with all laws that apply to your job(s) as a condition of your continued employment. This Handbook, and each of its provisions, is to be interpreted and/or applied in accordance with all applicable federal, state, and local laws. Insofar as there is or may appear to be a conflict between the wording of any provision of this Handbook and applicable law, the law will take precedence and the provision in question will be interpreted and applied in a way that conforms to the law.

## **WHAT YOU CAN EXPECT FROM US**

### **OUR BUSINESS PHILOSOPHY**

Over the years, the retail automobile business has been the focus of lawsuits, Attorney General investigations, and much public criticism as a result of a few dealers and dealership employees engaging in unethical and illegal conduct. We have worked hard to develop and maintain our reputation as a Dealership with integrity that is more concerned about doing the “right” thing, than about making a quick dollar. We will not allow any employee to damage our reputation by cutting corners or misrepresenting things. If you have to misrepresent our products or mislead our customers to make a sale, we do not want or need you here.

It only takes one dishonest employee to destroy our reputation as a Dealership with integrity. Therefore, we require each of you to conduct yourself properly. Treat every customer as if you were dealing with a member of your own family. If you think what you are doing might be wrong or unethical, it probably is. If you think something should be disclosed to the customer, disclose it. No sale – no matter what the profit – is worth damaging your reputation and ours.

If you engage in illegal, unethical or deceptive practices, you can expect to be terminated. If you observe something which you feel might violate this policy, report it immediately to the General Manager so that we can look into it. No employee of this Dealership will ever be punished for reporting a concern.

### **OUR CUSTOMER RELATIONS PHILOSOPHY**

Our most important goal is customer satisfaction. Customers are the most important part of our business. Without them we would not be here. Therefore, our employees are expected to treat every customer with the utmost courtesy and respect.

Our manufacturers closely monitor our “customer satisfaction” scores and measure us against other dealerships in the area as well as nationally. Scores which rank us as above the area average and above the national average are critical to our continued existence as a business. Employees whose scores show a pattern of below average customer satisfaction will not be allowed to continue working here. If you are covered by these surveys, it is your responsibility to monitor your scores on a monthly basis. If you are at or below the area average, it is your responsibility to discuss this with your Manager, to determine why your scores are low and to develop a plan to improve your scores.

### **OUR EMPLOYEE RELATIONS PHILOSOPHY**

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

Like most dealerships in this country, we are a non-union dealership and we intend to remain that way. While unions had a positive impact on this country in the early 1900's, the world has changed. Today, the government does what unions used to do and guarantees everyone fair wages and a safe workplace, free of discrimination, without charging you monthly dues. In this economy, businesses must be free to change the way they do business to stay competitive, and they cannot do this if they are restricted by outdated union rules. Businesses must also be free to staff their organizations with the most qualified employees, regardless of their seniority. Unfortunately, unions now tend to be a divisive and disruptive force in the workplace and often create an "us versus them" environment to justify their continued existence.

Over the years, we have earned a fine reputation as a quality Dealership. We know that this reputation is a direct result of the loyalty, commitment and continued efforts of our employees. We intend to continue to make this the kind of place where you will be proud to work.

### **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, sex/gender, pregnancy, childbirth or related medical condition, sexual orientation, gender identity or expression, religion, creed, ancestry, genetic information, national origin, citizenship status, age, disability or handicap, service member or military status, status as medical marijuana user and any other status protected by law.

Our non-discrimination policy also extends to our customers. Every customer must be treated properly and with respect regardless of their race, sex/gender, pregnancy, childbirth or related medical condition, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, citizenship status, service member or military status, age, disability, status as a medical marijuana user or any other status protected by law. Failure to comply with this policy is grounds for immediate dismissal.

### **POLICY AGAINST HARASSMENT**

We have a strict policy prohibiting harassment of any of our employees, applicants or customers. Any form of harassment related to an individual's race, sex/gender, pregnancy, childbirth, or related medical condition, sexual orientation, gender identity or expression, religion, creed, ancestry, national origin, citizenship status, service member or military status, age, disability, status as a medical marijuana user or any other protected

status is a violation of this policy and will be treated as a disciplinary matter. For these purposes, the term "harassment" includes:

- Unwelcome sexual advances and requests for sexual favors, regardless of the gender of the individuals involved
- Threatening reprisals for an employee's refusal to respond to requests for sexual favors
- Offensive physical conduct including touching, regardless of the gender of the individuals involved
- Display of offensive pictures, cartoons, drawings or photographs including e-mail and text message communications
- Offensive remarks, comments, jokes or slurs pertaining to an individual's race, sex/gender, sexual orientation, gender identity, religion, national origin, citizenship or military status, age or disability or any other protected status
- Threatening or intimidating behavior of any kind

If you have any questions about what constitutes harassing behavior or what conduct is prohibited by this policy, ask your manager.

#### **VIOLATION OF THIS POLICY WILL SUBJECT AN EMPLOYEE TO DISCIPLINARY ACTION, UP TO AND INCLUDING IMMEDIATE DISCHARGE.**

Harassment of our employees in connection with their work by non-employees – customers and vendors – is also a violation of this policy. If you feel that you are being harassed by another employee, a customer or a vendor, you should notify your Department Manager immediately so that we can look into and correct any problem that exists.

If the problem involves your Department Manager or if you do not feel that the matter can be discussed with your Department Manager or if you are not satisfied with the way your Department Manager has addressed your problem, you should contact the Human Resources Department immediately. The Human Resources Department may be reached at (610) 828-1400. You may be assured that your complaint will be kept as confidential as possible and you will not be penalized in any way for reporting a harassment problem.

You should also be aware that our supervisors and managers are also covered by this policy and are prohibited from engaging in any form of harassing conduct. Further, no supervisor or other member of management has the authority to suggest to any employee or applicant that their employment, continued employment or future advancement will be affected in any way by the individual's entering into (or refusing to enter into) any form of

personal relationship with the manager or member of management. If you have a problem with any manager, please report the problem directly to the General Manager or Owner. Again, you will not be penalized for reporting a problem with a manager.

Because of the nature of harassment, things that may be offensive to one employee may not be offensive to another. In addition, harassment can sometimes take subtle forms and may not occur in front of witnesses. Therefore, it is your right and your responsibility to speak up when you see or experience something that you feel is out of line – even if others may not. That way we can take whatever steps are necessary to promptly address and correct the problem.

### **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 answer your questions or solve your problems unless you tell us about it.

Our problem solving procedure offers all employees the freedom to discuss anything they wish with their managers. If you have a problem, it can usually be resolved by following these steps:

1. Any concern should first be discussed with your supervisor. Very often, your supervisor is in the best position to handle your problem satisfactorily.
2. If you supervisor cannot solve the problem or if you are not satisfied after Step 1, you should request a meeting with your Department Manager.
3. If you still feel the need to speak to other members of management after you have spoken with your supervisor and your Department Manager, we encourage you to speak to the Human Resources Department or General Manager.

If 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 the Owner. The General Manager and Owner 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.

### **REASONABLE ACCOMMODATIONS**

To assist our employees who are or become disabled, who suffer on-the-job injuries, or who have known limitations due to pregnancy, childbirth, or a related condition, we will make reasonable accommodations to enable such employees to continue performing the essential functions of their jobs. Consistent with this policy, we may modify job duties to comply with medical requirements or restrictions. Other accommodations, such as

modification of work hours, more frequent breaks, seating accommodations, limits on lifting, relocation of a work area, providing mechanical or electrical aids, transfer to a less strenuous or less hazardous position, and/or allowing the employee to apply for a vacant position for which the employee is qualified or granting a leave of absence may be appropriate, depending upon specific facts and circumstances of individual situations.

Obviously, there are limits to the accommodations which we can realistically make. For example, where an accommodation would cause an undue hardship to the Dealership we would be unable to make the particular accommodation. Similarly, when placing an individual in a position, with or without accommodation, would cause the employee to be a direct threat to the employee or others, we may be unable to place the employee in a particular position.

If you need to request a reasonable accommodation because of a disability, on-the-job injury or limitations due to pregnancy, childbirth, or a related condition, please notify the Human Resources Department. We will discuss the matter with you, investigate your request, and to the extent possible, attempt to reasonably accommodate you.

Any employee who has questions or concerns about reasonable accommodations in the workplace, is encouraged to report these issues to the attention of Human Resources. Employees can raise concerns and make reports and/or requests without fear of reprisal. Anyone who retaliates against any employee for reporting concerns or making accommodation requests will be subject to discipline, up to and including immediate termination.

### **LEGAL DISPUTE RESOLUTION PROCEDURE**

We believe that resolving employment disputes through the court system can take years and drains employees both emotionally and financially. As a condition of employment with the Dealership, we have therefore adopted a formal dispute resolution procedure which requires that all employees use binding arbitration to resolve any legal dispute between the employee and the Dealership which could be brought in court, including claims regarding wrongful discharge, employment discrimination, harassment, wage-hour, or any other dispute relating to employment or arising under any labor, employment, or civil rights law.

Arbitrations are conducted in accordance with the Federal Arbitration Act. You may help to select the arbitrator who will hear your case from a list of qualified arbitrators. The arbitration proceedings are similar to court proceedings, with the arbitrator acting as the judge. If the arbitrator finds that your claim is valid, the arbitrator has the authority to award you everything a judge or a jury might award you. The arbitrator also has the authority to require the parties to comply with his award. An award by an arbitrator is usually issued within months, where a court decision often takes years.

The only exceptions to the requirement of binding arbitration are: (a) actions by either party for a temporary restraining order or other preliminary injunctive relief, which may be

pursued in a court of competent jurisdiction pending resolution of the underlying dispute in arbitration; (b) any claims for unemployment or workers' compensation benefits which are subject to the exclusive jurisdiction of a state agency; (c) any claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board; (d) any claims which are based upon an employee benefits plan that is underwritten by a commercial insurer which decides payment of claims and does not agree to arbitrate under this Agreement; and (e) any other claims not subject to binding arbitration pursuant to state or federal law.

## **ACCESS TO PERSONNEL FILES**

The Company maintains personnel files for its employees. An employee can inspect certain parts of their personnel file once a year, in the presence of a Company manager, and during regular business hours, in the office where the personnel file is kept. The personnel file may include the employee's job application, wage or salary information, notices of commendations, warnings or other discipline, authorization for a deduction or withholding of pay, fringe benefit information, leave records, and employment history with the Company. It does not include letters of reference. Employees may not remove any part of their personnel file from Company premises or make photos or copies of their personnel file.

## **INTRODUCTORY PERIOD**

For every new employee, the first ninety (90) days of full-time employment is an introductory period for both you and the Dealership. During this time, you will have the opportunity to learn about the Dealership, your job and your new surroundings and to decide if this is the place for you.

At the same time, we will be reviewing your job performance, attendance, attitude, relationship and overall interest in your job, to determine if you are the right fit for us. At the end of this period, we will then make a decision concerning your continued employment. Of course, should an employee's performance become unsatisfactory at any time during this trial period, the employee will be subject to discharge at that time.

## **EMPLOYEE STATUS**

Full-time employees are employees who are normally scheduled to work forty (40) hours a week. Full-time employees are eligible for all of the benefits set forth in the following pages.

Part-time employees are employees who are normally scheduled to work fewer than forty (40) hours a week. Part-time employees are not eligible for Dealership benefits unless stated otherwise or as required by law. Part-time employees do not become eligible for benefits simply by working more than forty (40) hours; that would require a formal change of status.

Temporary employees are employees who are hired directly by the Dealership for a short period of time or are provided through a temporary service. Temporary employees are not eligible for Dealership benefits unless specifically stated otherwise.

Minor employees are employees under the age of eighteen (18). No minor employee will be hired without the approval of the General Manager. Minors under eighteen (18) may not drive a vehicle off the Dealership's premises onto the public roads. Violation of this policy will result in immediate termination.

If you have any questions concerning your status or the benefits for which you qualify, please contact the Human Resources Department.

### **PROMOTIONS AND TRANSFERS**

It is our policy to promote from within wherever possible. However, because we often have to fill key positions quickly, we cannot check with each qualified employee to see if they are interested in being considered for each opening. Therefore, if you are interested in a promotion or transfer to another position, please discuss it with your Department Manager. If you wish to be considered for a specific opening, please let your manager know with a brief memo. If you feel that you were not given fair consideration for a specific position, please discuss your concerns with the General Manager.

## **DEALERSHIP BENEFITS**

### **YOUR PAY**

We pay most employees each week, covering the hours worked during the previous pay period. Some commissions are paid weekly and others after the end of the month. If a payday falls on a holiday, your pay will normally be processed and paid on the last work day before the holiday.

Each employee is responsible for picking up his or her own paycheck on the normally scheduled payday. Please be sure to promptly report a lost or stolen paycheck so that we can stop payment on it. Any questions or concerns you might have about the amount of your check – overpayments, underpayments or deductions – should be brought to the attention of your manager or the Human Resources Department immediately.

We make deductions from employees' wages for a number of things including income taxes, social security, health insurance, 401 (k) retirement plans, employee purchases, uniforms, garnishments, child support payments, etc. These deductions are made in both overtime and non-overtime weeks. If you have any questions about any deduction, please contact the Human Resources Department.

Some employees' pay plans may include a "guarantee" for a short period. This "guarantee" is not a guarantee of employment for the entire guarantee period. It is simply a guarantee of the amount you will be paid if you continue to be employed during the period. Payments will not continue after you leave the Dealership. A guarantee does not change any employee's status as an "at will" employee.

During our years in business, we have learned 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, we would be put in a very difficult and unpleasant position if we were required to collect a past due loan. For these reasons, we do not make loans or pay advances to employees. We also do not cash employee's paychecks or personal checks at the Dealership.

If you have any outstanding debts to the Dealership at the time you leave us, you will be expected to settle them prior to receiving your final paycheck.

### **VACATION**

Full-time employees are eligible for paid vacation after each full year of continuous employment. The length of your vacation depends on your years of service with us. Employees become eligible for vacation on the basis of their "benefit year," according to the following schedule:

After 1 year of continuous service:	5 days
After 3 years of continuous service	10 days
After 7 years of continuous service:	15 days

If you are away from work for more than thirty (30) days during the year, your vacation allowance will be adjusted on a pro-rata basis. Vacations must be scheduled with and approved by your Department Manager. Requests should be submitted at least one week in advance. Vacation pay varies depending upon your particular pay plan. Please contact the Human Resources Department for details.

We provide our employees with paid vacation so that they are relaxed and better able to perform their jobs when they return. For this reason, we require employees to take their vacation and we normally do not permit employees to take pay in lieu of time off. All vacation must be taken within one (1) year of the date on which it becomes available and may not be carried forward to future years.

Employees who resign and give at least two (2) weeks' notice will be paid for all unused vacation. Employees who fail to give such notice or who are terminated for any reason, are not eligible to receive vacation pay upon separation of employment. Managers are assumed to have taken all time off which is due them and, therefore, are not paid for any "unused" vacation.

## **HOLIDAYS**

Full-time employees are eligible for holiday pay if one of the following holidays falls on a day you are normally scheduled to work:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

To receive holiday pay, you must work your last scheduled day before the holiday and your first scheduled day after the holiday, unless excused by your Department Manager. We may elect to keep one or more departments open on some of these holidays. If we do and you are required to work, you will be given another day off with pay, at a mutually agreeable time. Holiday pay varies depending upon your particular pay plan. Please contact the Human Resources Department for details.

## **GROUP HEALTH INSURANCE**

We provide group health insurance coverage for eligible full-time employees who request it. Whether an employee is eligible for our group health insurance coverage is determined by the plan document. It is your responsibility to notify the Human Resources Department

if you desire to have this insurance coverage. We currently pay a portion of the insurance premiums for employee coverage.

Our health insurance plan is an excellent one. It provides the type of medical coverage that we feel is needed to protect our employees and their families from catastrophic losses due to illness or injury. For specific details concerning eligibility and coverage, please be sure to consult the insurance contract itself, which may be obtained from the Human Resources Department. We may add, change or delete any provisions of this policy as we deem appropriate.

We must all recognize that the cost of our insurance plan is based upon how much it is used. Therefore, we all need to work to use the cost containment provision of the policy. This will help to keep the cost of our health care down and enable us to continue to provide this very valuable benefit.

In most cases, when an employee leaves us, they will be allowed to continue group health insurance coverage for a period of time under a law known as "COBRA". Written notification of your right to continue insurance coverage will normally be sent to you within a week or two after your last day of work. If you do not receive this notification and you would like to continue your coverage, it is your responsibility to contact the Human Resources Department and request the necessary forms.

### **LIFE INSURANCE**

We provide life insurance for eligible full-time employees who request it. Whether an employee is eligible for life insurance is determined by the plan document. It is your responsibility to notify the Human Resources Department if you desire to have this insurance.

We currently share the cost of this coverage with employees and premiums may be paid through payroll deductions. You may obtain additional information about the plan through the Human Resources Department. For specific details concerning eligibility and coverage, please be sure to consult the insurance contract itself.

### **DISABILITY INSURANCE**

We strongly encourage employees to enroll in the disability insurance program. This is an excellent program that provides income to you in the event that illness or injury prevents you from working. You may obtain additional information about the program through the Human Resources Department. For specific details concerning eligibility and coverage, please be sure to consult the insurance contract itself.

### **RETIREMENT SAVINGS PLAN**

We provide an excellent 401(k) retirement savings plan for all employees who have attained the minimum age and service requirements. Eligible employees may contribute

a portion of their income to their retirement account on a “pre-tax” basis. Depending on business conditions, we may also make contributions to your account.

All employees are provided Summary Plan Description booklets and other materials as required by law. You may obtain additional information regarding the plan through the Human Resources Department.

### **CAFETERIA PLAN**

We have adopted a cafeteria plan or “flexible spending account” which allows our employees to pay for certain benefits with pre-tax earnings. This means that the dollars you earn will go further. Please contact the Human Resources Department for details.

### **SOCIAL SECURITY INSURANCE**

Each pay period, we deduct a percentage of your pay, match it with an equal amount of the Dealership’s money, 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 the Human Resources Department or your local Social Security office for a more complete explanation.

### **WORKERS COMPENSATION BENEFITS**

We provide workers compensation benefits to any full-time or part-time employee who is injured on the job. Generally, this will cover your medical bills if you see one of the authorized healthcare providers listed on our bulletin boards. If you are off work for an extended period, we also pay you a portion of your lost wages. The Dealership pays the entire cost of this benefit.

While we want every injured employee to receive all the benefits to which they are entitled, we do monitor all workers compensation claims to ensure that they are legitimate. Filing a false claim or reporting an injury as having occurred on the job when it did not is considered fraud and will be dealt with as such.

### **CIVIC DUTIES**

We encourage each of our employees to accept their civic responsibilities. As a good corporate citizen, we are pleased to assist you in the performance of your civic duties.

- Jury Duty – If you are called to jury duty, please notify your manager immediately and provide a copy of your jury summons so that we can 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 or who are not asked to serve on a jury panel are expected to call their manager as soon as possible and report to work if requested.

- Voting – We want every employee to have the opportunity to vote in every election. Generally, there will be sufficient time to vote either before or after your scheduled shift. However, if you foresee a problem getting to the polls, please notify your manager so that arrangements can be made.
- Witness Duty/Victims of Crime Leave - We encourage employees to appear in court for witness duty when subpoenaed to do so. Accordingly, you will be given the necessary unpaid leave to attend or participate in a court proceeding in accordance with state law. The subpoena should be shown to your supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate your absence. You are expected to report for work whenever the court schedule permits.

The Company also grants reasonable and necessary unpaid leave from work to employees who are victims of a crime or witness to a crime, to attend or participate in legal proceedings pertaining to the crime. Affected employees must give the Company reasonable notice that leave under this policy is required.

## **FAMILY AND MEDICAL LEAVE OF ABSENCE**

The Family and Medical Leave Act (“FMLA”) provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either twelve (12) or twenty-six (26) weeks within a 12-month period depending on the reasons for the leave.

### **FMLA Questions or Concerns**

While our FMLA policy provides a great deal of information, FMLA still can be a confusing process. If you have questions or concerns about your eligibility for FMLA or if you believe that your manager or Dealership contact is not properly handling FMLA, immediately report the question or concern to the Human Resources Department.

### **Employee Eligibility**

To be eligible for FMLA leave, you must:

1. have worked at least twelve (12) months for the Dealership in the preceding seven years (limited exceptions apply to the seven-year requirement);
2. have worked at least 1,250 hours for the Dealership over the preceding twelve (12) months; and
3. currently work at a location where there are at least fifty (50) employees within seventy-five (75) miles.

All periods of absence from work due to or necessitated by service in the uniformed services are counted in determining FMLA eligibility.

## **Conditions Triggering Leave**

FMLA leave may be taken for the following reasons:

1. birth of a child, or to care for a newly-born child (up to twelve (12) weeks);
2. placement of a child with the employee for adoption or foster care (up to twelve (12) weeks);
3. to care for an immediate family member (employee's spouse, child, or parent) with a serious health condition (up to twelve (12) weeks);
4. because of the employee's serious health condition that makes the employee unable to perform the employee's job (up to twelve (12) weeks);
5. to care for a Covered Servicemember with a serious injury or illness related to certain types of military service (up to twenty-six (26) weeks) (see Military-Related FMLA Leave below for more details); or,
6. to handle certain qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on duty under a call or order to active duty in the Armed Forces (e.g., National Guard or Reserves) in support of a contingency operation (up to twelve (12) weeks) (see Military-Related FMLA Leave below for more details).

The maximum amount of leave that may be taken in a 12-month period for all reasons combined is twelve (12) weeks, with one exception. For leave to care for a Covered Servicemember, the maximum combined leave entitlement is twenty-six (26) weeks, with leaves for all other reasons constituting no more than twelve (12) of those twenty-six (26) weeks.

## **Definitions**

A "Serious Health Condition" is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement includes an incapacity of more than three (3) full calendar days and two (2) visits to a health care provider or one (1) visit to a health care provider and a continuing regimen of care; an incapacity caused by pregnancy or prenatal visits, a chronic condition, or permanent or long-term conditions; or absences due to multiple treatments. Other situations may meet the definition of continuing treatment.

## **Identifying the 12-Month Period**

The Dealership measures the 12-month period in which leave is taken by the “rolling” 12-month method, measured backward from the date of any FMLA leave with one exception. For leave to care for a covered servicemember, the Dealership calculates the 12-month period beginning on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends twelve (12) months after that date. FMLA leave for the birth or placement of a child for adoption or foster care must be concluded within twelve (12) months of the birth or placement.

## **Using Leave**

Eligible employees may take FMLA leave in a single block of time, intermittently (in separate blocks of time), or by reducing the normal work schedule when medically necessary for the serious health condition of the employee or immediate family member, or in the case of a covered servicemember, his or her injury or illness. Eligible employees may also take intermittent or reduced-scheduled leave for military qualifying exigencies. Intermittent leave is not permitted for birth of a child, to care for a newly-born child, or for placement of a child for adoption or foster care. Employees who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt the Dealership's operations.

## **Use of Accrued Paid Leave**

Depending on the purpose of your leave request, you may choose (or the Dealership may require you) to use accrued paid leave (such as sick leave, vacation, or PTO), concurrently with some or all of your FMLA leave. To substitute paid leave for FMLA leave, an eligible employee must comply with the Dealership’s normal procedures for the applicable paid-leave policy (e.g., call-in procedures, advance notice, etc.).

## **Maintenance of Health Benefits**

If you and/or your family participate in our group health plan, the Company will maintain coverage during your FMLA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Dealership may recover premiums it paid to maintain health coverage or other benefits for you and your family. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of your leave.

## **Notice and Medical Certification**

When seeking FMLA leave, you are required to provide:

1. Sufficient information for us to determine if the requested leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that you are unable to perform job

functions, a family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. You must also inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified.

If the need for leave is foreseeable, this information must be provided thirty (30) days in advance of the anticipated beginning date of the leave. If the need for leave is not foreseeable, this information must be provided as soon as is practicable and in compliance with the Dealership's normal call-in procedures, absent unusual circumstances;

2. Medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member within fifteen (15) calendar days of the Dealership's request to provide the certification (additional time may be permitted in some circumstances). If you fail to do so, we may delay the commencement of your leave, withdraw any designation of FMLA leave or deny the leave, in which case your leave of absence would be treated in accordance with our standard leave of absence and attendance policies, subjecting you to discipline up to and including termination. Second or third medical opinions and periodic re-certifications may also be required;
3. Periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and
4. Medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition. The Company will require this certification to address whether you can perform the essential functions of your position.

Failure to comply with the foregoing requirements may result in delay or denial of leave, or disciplinary action, up to and including termination.

### **Employer Responsibilities**

To the extent required by law, the Dealership will inform employees whether they are eligible under the FMLA. Should an employee be eligible for FMLA leave, the Dealership will provide them with a notice that specifies any additional information required as well as the employee's rights and responsibilities. If employees are not eligible, the Dealership will provide a reason for the ineligibility. The Dealership will also inform employees if leave will be designated as FMLA-protected and, to the extent possible, note the amount of leave counted against the employee's leave entitlement. If the Dealership determines that the leave is not FMLA-protected, the Dealership will notify the employee.

## **Job Restoration**

Upon returning from FMLA leave, eligible employees will typically be restored to their original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

## **Failure to Return After FMLA Leave**

Any employee who fails to return to work as scheduled after FMLA leave or exceeds the 12-week FMLA entitlement (or in the case of military caregiver leave, the 26-week FMLA entitlement), will be subject to the Dealership's standard leave of absence and attendance policies. This may result in termination if you have no other Dealership-provided leave available to you that applies to your continued absence. Likewise, following the conclusion of your FMLA leave, the Dealership's obligation to maintain your group health plan benefits ends (subject to any applicable COBRA rights).

## **Other Employment**

The Dealership generally prohibits employees from holding other employment. This policy remains in force during all leaves of absence including FMLA leave and may result in disciplinary action, up to and including immediate termination of employment.

## **Fraud**

Providing false or misleading information or omitting material information in connection with an FMLA leave will result in disciplinary action, up to and including immediate termination.

## **MILITARY-RELATED FMLA LEAVE**

FMLA leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, and the second is Qualifying Exigency Leave. Each of these leaves is detailed below.

## **Definitions**

A "covered servicemember" is either: (1) a current servicemember of the Armed Forces, including a member of the National Guard or Reserves, with a serious injury or illness incurred in the line of duty for which the servicemember is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list; or (2) a "covered veteran" who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

A "covered veteran" is an individual who was discharged under conditions other than dishonorable during the five-year period prior to the first date the eligible employee takes

FMLA leave to care for the covered veteran. The period between October 28, 2009 and March 8, 2013 is excluded in determining this five-year period.

The FMLA definitions of “serious injury or illness” for current servicemembers and veterans are distinct from the FMLA definition of “serious health condition.” For current servicemembers, the term “serious injury or illness” means an injury or illness that was incurred by the member in the line of duty while on active duty in the Armed Forces or that existed before the beginning of active duty and was aggravated by such service, that may render them medically unfit to perform the duties of their office, grade, rank or rating.

For covered veterans, this term means a serious injury or illness that was incurred in the line of duty while on active duty in the Armed Forces or that existed before the beginning of active duty and was aggravated by such service and manifested itself before or after the individual assumed veteran status, and is: (1) a continuation of a serious injury or illness that was incurred or aggravated when they were a member of the Armed Forces and rendered them unable to perform the duties of their office, grade, rank or rating; (2) a physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of fifty percent (50%) or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; (3) a physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would be so absent treatment; or (4) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

“Qualifying exigencies” include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the deployment, rest and recuperation, counseling, parental care, and post-deployment debriefings.

### **Military Caregiver Leave**

Unpaid Military Caregiver Leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. Military Caregiver Leave is a special leave entitlement that permits eligible employees to take up to twenty-six (26) weeks of leave to care for a covered servicemember during a single 12-month period.

To be “eligible” for Military Caregiver Leave, the employee must be a spouse, son, daughter, parent, or next of kin of the covered servicemember. “Next of kin” means the nearest blood relative of the servicemember, other than the servicemember’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the servicemember has specifically designated in writing another blood relative as his or her

nearest blood relative for purposes of Military Caregiver Leave. The employee must also meet all other eligibility standards as set forth within the FMLA Leave policy.

An eligible employee may take up to twenty-six (26) workweeks of Military Caregiver Leave to care for a covered servicemember in a “single 12-month period.” The “single 12-month period” begins on the first day leave is taken to care for a covered servicemember and ends twelve (12) months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If an employee does not exhaust his or her twenty-six (26) workweeks of Military Caregiver Leave during this “single 12-month period,” the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each servicemember. Consequently, an eligible employee may take separate periods of caregiver leave for each and every covered servicemember, and/or for each and every serious injury or illness of the same covered servicemember. A total of no more than twenty-six (26) workweeks of Military Caregiver Leave, however, may be taken within any “single 12-month period.”

Within the “single 12-month period” described above, an eligible employee may take a combined total of twenty-six (26) weeks of FMLA leave including up to twelve (12) weeks of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the “single 12-month period,” an eligible employee may take up to sixteen (16) weeks of FMLA leave to care for a covered servicemember when combined with up to ten (10) weeks of FMLA leave to care for a newborn child.

An employee seeking Military Caregiver Leave may be required to provide appropriate certification from the employee and/or covered servicemember and completed by an authorized health care provider within 15 days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding employee eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

### **Qualifying Exigency Leave:**

Eligible employees may take unpaid “Qualifying Exigency Leave” to tend to certain “exigencies” arising out of the covered active duty or call to covered active duty status of a “military member” (i.e. the employee’s spouse, son, daughter, or parent). Up to twelve (12) weeks of Qualifying Exigency Leave is available in any 12-month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of twenty-six (26) weeks of leave in a “single 12-month period”). Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed twelve (12) weeks in

any 12-month period (with the exception of Military Caregiver Leave as set forth above). The employee must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include active and retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

A call to active duty refers to a *federal* call to active duty, and *state* calls to active duty are not covered unless under order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

1. Short-notice deployment. To address any issue that arises out of short notice (within seven (7) days or less) of an impending call or order to covered active duty.
2. Military events and related activities. To attend any official military ceremony, program, or event related to covered active duty or call to covered active duty status or to attend certain family support or assistance programs and informational briefings.
3. Childcare and school activities. To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.
4. Financial and legal arrangements. To make or update various financial or legal arrangements; or to act as the covered military member's representative before a federal, state, or local agency in connection with service benefits.
5. Counseling. To attend counseling (by someone other than a health care provider) for the employee, for the military member, or for a child or dependent when necessary as a result of duty under a call or order to covered active duty.
6. Temporary rest and recuperation. To spend time with a military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to 15 calendar days of leave for each instance of rest and recuperation.
7. Post-deployment activities. To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored

- by the military for a period of up to 90 days following termination of the military member's active duty status. This also encompasses leave to address issues that arise from the death of a military member while on active duty status.
8. Parental care. To care for the military member's parent who is incapable of self-care. The parent must be the military member's biological, adoptive, step, or foster father or mother, or any other individual who stood in loco parentis to the military member when the member was under 18 years of age.
  9. Mutually agreed leave. Other events that arise from the military member's duty under a call or order to active duty, provided that the Dealership and the employee agree that such leave will qualify as an exigency and agree to both the timing and duration of such leave.

An employee seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the military member's active duty or rest and recuperation orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member, within 15 days. Qualifying Exigency Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

**Limited Nature of This Policy:**

This Policy should not be construed to confer any express or implied contractual relationship or rights to any employee not expressly provided for by FMLA. The Dealership reserves the right to modify this or any other policy as necessary, in its sole discretion to the extent permitted by law. State or local leave laws may also apply.

**Failure to Return from Leave or to Comply with Dealership Policy:**

Employees may be subject to immediate termination for:

1. Failing to return to work as scheduled following the end of a leave;
2. Providing false or misleading information or omitting certain information in connection with a leave;
3. Violation of any of the Dealership's rules and regulations relating to leave; or
4. Violation of any Dealership policy or performance standard.

### **Workers' Compensation:**

If an employee is away from work due to a Workers' Compensation injury or illness and is also eligible for FMLA, the two types of leave will run concurrently.

### **MILITARY LEAVE OF ABSENCE**

We are proud that some of our employees are members of the U.S. Reserve or the National Guard, and we thank you for your service to our country. If you need time off to fulfill your military obligation, whether it is over a weekend or for a longer period, please let your manager know as far in advance as possible and give him or her a copy of your orders. Your job will be protected during your absence and you will be afforded all of the benefits provided by state and federal law.

### **LACTATION BREAK**

The Dealership will provide a reasonable amount of break time to accommodate a female employee's need to express breast milk for the employee's infant child up to one (1) year of age. The break time should, if possible, be taken concurrently with other break period already provided. Non-exempt employees should clock out for any time taken that does not run concurrently with normally scheduled rest periods, and such time generally will be unpaid in accordance with state law. The Dealership will also make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee's work area, for the employee to express milk in private.

### **BEREAVEMENT LEAVE**

Employees are eligible for up to three (3) days of paid bereavement leave if they miss work due to the death or funeral of a member of the employee's immediate family. Your immediate family includes your spouse and either you or your spouse's children/stepchildren, parents, grandparents, grandchildren, or sibling.

### **TRAINING PROGRAMS**

Our manufacturers and this Dealership require that many of our employees complete ongoing training to stay current on new models and equipment as well as new repair techniques. Completing all required training in a timely manner is a condition of employment with us. If an employee fails to complete the required training in the time allowed, the employee may have their compensation reduced or may be subject to termination. If you have any questions concerning what training is required for you or the deadline for completing it, please consult your manager.

## **WHAT WE EXPECT OF YOU**

This section of your Handbook outlines many of our policies and sets forth your responsibilities to the Dealership, your coworkers and our customers. Please familiarize yourself with these policies. Compliance with them will ensure a more efficient, productive, and pleasant atmosphere for all of us.

Violation of any of these policies may result in various degrees of discipline from verbal and written warnings to suspension and termination, as the Dealership deems appropriate under the circumstances. If an employee is terminated for violation of any of these policies, it may additionally result in a denial of unemployment benefits.

If you have any questions about these policies or what we expect of you, please discuss this with your Department Manager.

### **ABSENTEEISM AND TARDINESS**

Each of our employees plays an important role in getting the day's work done. Absenteeism or tardiness, even for good reasons, is disruptive to our operations and interferes with our ability to satisfy our customers' needs. Therefore, every employee is expected to be at work on time each day. Excessive absenteeism or tardiness can result in discipline, up to and including discharge.

If you are going to be late or absent from work for any reason, you must personally notify your manager 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 cases, we expect you to notify your manager as soon as possible. PLEASE NOTE: Leaving a voicemail with the receptionist or sending a text message to a coworker or manager does not qualify as notifying your manager. You must personally contact your manager each day you are going to be late or absent.

When absence is due to illness, we may require appropriate medical documentation.

### **CARE OF CUSTOMER VEHICLES**

While a customer's vehicle remains on our property we all must accept responsibility for its care and treatment. If a customer's vehicle is damaged in any way, stolen or improperly used while in our possession, the Dealership could be held responsible. 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:

- Be sure to use paper or plastic floor and seat covering;
- Do not play the radio except to repair it;

- Do not change the radio or CD player selections;
- Do not move the seat;
- Do not change the air conditioning or heat settings; and
- Do not smoke or eat in a customer's vehicle.

Normally, employees should avoid removing a customer's property from the vehicle. However, if you observe valuable property (laptop computers, smart phones, tablets, radar detectors, etc.) or dangerous property (guns, knives, etc.), you are to turn the property over to the Service Manager for safe keeping and make a notation on the repair order so that we can return it to the owner when they pick up the vehicle.

If you are required to test drive a vehicle to ensure proper repairs, you are expected to complete the test drive as quickly as possible. Employees are never permitted to conduct personal business (e.g., go to lunch or the bank) while on a test drive. Occasionally, it may be necessary for a technician to take a vehicle home overnight to properly troubleshoot a problem. This may be done only with the express permission of the customer and the Service Manager, and only the employee may operate the vehicle. Service employees conducting test drives must comply with all traffic regulations.

If you accidentally damage a customer's vehicle or if you observe what appears to be "new" damage, you are required to report it to your manager in a written memo immediately.

Customer satisfaction is essential to the continued success of our Dealership. Therefore, we require strict adherence to these rules.

### **CASH HANDLING**

To avoid misunderstandings, no employee other than our cashiers may accept cash from a customer unless a manager is present. If you are receiving cash from a customer, you are required to give the customer a proper receipt indicating the exact amount paid, its purpose and your full signature. If your job involves handling the Dealership's or customer's money, you must take great care to ensure that it is never left unattended and is always properly accounted for. Any employee who fails to follow these procedures may be held responsible for any monetary loss, up to the extent allowed by law.

Employees are not permitted to cash personal checks at the Dealership

### **CHANGES IN PERSONNEL RECORDS**

To keep your personnel records up to date, to ensure that the Dealership has the ability to contact you, and to ensure that the appropriate benefits are available to you, we ask

that you notify the Business Office promptly of any change of name, address, phone number, marital status, number of dependents, or other applicable information.

### **CONFIDENTIAL CUSTOMER AND COMPANY INFORMATION**

In performing your job, you may come into contact with or have access to a wide variety of customer information. All personal information that we obtain concerning a customer whether directly from the customer or through a credit report is to be treated as strictly confidential and may only be used for the legitimate business purposes directly related to our sale or lease of a vehicle. Federal law and good business practices require that we carefully safeguard this information from disclosure to any unauthorized person whether in this Dealership or outside. To accomplish this, we have adopted detailed policies concerning the proper handling, safeguarding and destruction of customer information. Be familiar with these policies. If you are not sure what to do with this information, ask your Department Manager. Never leave customer information on your desk unattended. Never leave it in an unlocked office. Never provide it to another employee or someone outside our company unless that individual has a legitimate business "need to know". Never remove it from the Dealership in paper or electronic format. Always treat our customers' personal information as you would treat your own personal information.

Dealership financial data and other non-public proprietary information related to our business operations is also to be treated as strictly confidential. Such information includes, but is not limited to, our monthly financial statements, current and historical sales figures, CSI data, information concerning current and prospective customers and lease customers, inventory lists, vehicle invoices, contracts and other financial arrangements with our vendors and finance sources, information concerning our performance relative to other dealerships, and information related to our relationship with our manufacturers. This information may not be disclosed to any other dealership employee except on a "need to know" basis. Nor may it be disclosed to any person or entity outside the Dealership. All such information, whether in electronic or paper format, must be returned promptly when you leave our employment. Failing to return this information, removing it from our premises or using it while working for another employer is considered theft of Dealership property and a violation of the federal Computer Fraud and Abuse Act and will be dealt with as such.

If you have any questions as to what is covered by this policy or what is to be treated as "confidential", ask your Department Manager for clarification before you disclose it to anyone.

### **CONFLICT OF INTEREST**

We prohibit all employees from engaging in any conduct which represents an actual or potential conflict of interest. Engaging in any activity at or away from work that competes with our Dealership is a violation of this policy. This includes purchasing, selling or repairing vehicles for our customers or potential customers for personal profit except as a part of your job with us. Employees are also prohibited from purchasing or accepting as

a gift any vehicle from a customer, without the prior permission on the General Manager. Performing service or repair work on a personal vehicle which is titled in your name or a family member's name is not considered to be for personal profit and is permitted. Employees are strictly prohibited from becoming involved in any way with any transaction involving a vehicle which is not officially in our inventory.

We also prohibit employees from engaging in any kind of financial transaction with the Dealership – directly or indirectly – without full disclosure. If you think that there is a possibility that you may have a conflict in this regard, it is your responsibility to discuss this with your Department Manager.

No employee or manager may request or accept any gift or gratuity of any kind from a customer, supplier, wholesaler, broker, auction operator or vendor without the knowledge and express authorization of the General Manager. If you are offered any form of "rebate," gift or gratuity by a company or individual with whom the Dealership does business, you must promptly report the matter in writing to the General Manager.

This policy also prohibits employees from engaging in any form of personal business for financial gain while at work or on Dealership time. This includes requesting or accepting any form of referral fee from any company or individual. Full-time employees are normally prohibited from performing services in a "consultant" capacity, unless full disclosure has been made and the work approved by the General Manager.

Finally, managers and supervisors are strictly prohibited from engaging in any kind of financial transaction with a subordinate, whether at or away from work. This includes both borrowing and lending money, buying or selling vehicles or other personal property, renting apartments or homes, employing a subordinate to perform work not related to the Dealership's business either during or after work hours, etc. Any exception to this rule must be approved in writing in advance by the General Manager.

### **COURTESY AND COOPERATION**

Courtesy is the responsibility of every employee. We expect everyone to be courteous, polite and friendly both to our customers and to their fellow employees. Rude, unprofessional or offensive conduct or language directed at a customer or coworker damages our reputation and will not be tolerated.

You may from time to time be asked to perform tasks that are outside your normal duties. We expect you to perform these new duties as requested unless they pose a safety hazard.

We expect every employee to follow the lawful instructions of the managers and other Dealership officials. If you believe that you are being directed to do something that is illegal or unethical, you are expected to report it to the General Manager or the Dealer immediately. Each employee is expected to abide by Dealership policies and to cooperate fully in any investigation that the Dealership may undertake. If you are given a written

notification or warning of any kind, and asked to acknowledge your receipt of that document, we expect your full cooperation. If you disagree with the content of the document, you are always free to attach an explanation or a rebuttal.

## **CREDIT BUREAU REPORTS**

Credit Bureau reports will only be obtained in accordance with the requirements of the Fair Credit Reporting Act. No employee may pull a credit report on any customer unless the customer has signed a credit application authorizing the credit report. If the customer intends to use a cosigner, the cosigner must also sign a credit application before a credit report is pulled. Credit bureau reports may not be pulled on anyone other than a bona fide customer.

## **CUSTOMER RELATIONS**

Customer satisfaction is our #1 priority. Therefore, all customers are to be treated with courtesy and respect – even if they are not treating you this way. If you feel that a customer is being abusive or if a situation is getting out of hand, do not let things escalate. Refer the customer to your Department Manager.

## **DRUG AND ALCOHOL POLICY**

We will not tolerate the use of illegal drugs or other mind-altering substances by any employee. For purposes of this policy, “illegal drugs,” as defined by the Federal Government, means street drugs such as marijuana, cocaine, methamphetamines as well as prescription drugs used by a person who does not have a valid current prescription for such drug. We also do not tolerate any employee reporting to work, consuming alcohol while at work or working with alcohol in their system. To ensure compliance with this policy, employees are subject to drug and alcohol testing through blood tests, urinalysis, breathalyzer or other testing procedure prior to initial employment and under any of the following circumstances:

- When a manager has reason to believe that the employee is working or has reported to work with alcohol or illegal substances in their system or is otherwise in violation of this policy; or
- When an employee is involved in an accident while at work, whether or not their suffers an injury and there is reasonable suspicion that this policy may have been violated, or
- Upon return from a leave of absence, or
- Under any other circumstance permitted by law.

The presence of any illegal drug or measurable amount of alcohol in the employee's system is a violation of this policy. Refusal of an employee to undergo testing, failing to

cooperate fully when asked to submit to a test, and tampering with or providing a diluted specimen are also violations of our policy and grounds for immediate termination.

Our employees are strictly prohibited from possessing, using or participating in any transaction involving alcohol, illegal drugs or other mind-altering substances on Dealership property, in Dealership vehicles or while on Dealership business. We do not permit the use of alcohol during the workday, including at meals.

Off-premises possession, use, sale or purchase of illegal drugs or mind-altering substances outside of working hours may reflect unfavorably on our reputation as a Dealership and is also prohibited.

This policy does not prohibit the proper use of medication including prescription drugs by an employee under the direction of a physician. However, the misuse or abuse of a prescription drug, including sharing your prescription drug with another person and the use of a prescription drug prescribed for another person are violations of this policy. Employees who are taking prescription or non-prescription drugs that could affect their ability to perform their job safely must discuss this with their physician before reporting to work. Any impairment on the job from the use of prescription drugs can result in discipline.

To protect the safety and property of all employees and to effectively enforce this policy, we may inspect employees' lockers, tool boxes, desks and cabinets as well as motor vehicles and any other personal belongings brought onto Dealership property. Failure to cooperate with such inspections is a violation of this policy.

Violation of any aspect of our drug and alcohol policy will result in discipline up to and including immediate termination.

## **ELECTRONIC EQUIPMENT AND COMMUNICATIONS**

Dealership computers, telephones and internet are intended to be used for company business during working hours. They may never be used for gambling, day trading, playing games, shopping, etc. All information on these systems is the sole and exclusive property of this Dealership. Any employee who violates any aspect of this policy will be subject to discipline up to and including termination. If the violation causes damage our systems, infects them with a virus or interferes with our business operations, the employee will also be held responsible for all damages. Nothing contained herein will preclude an employee from engaging in conduct that is protected by Section 7 of the National Labor Relations Act.

### **Computers**

Our computers contain a wide range of confidential information concerning sensitive financial aspects of our business and our relationships with our manufacturers and vendors. Our computers also contain lists of current, former and prospective customers which we consider to be a valuable Dealership asset. In addition, our computers contain

confidential non-public information concerning our customers. Because of the confidential nature of this information and because we are required by federal law to carefully safeguard our customers' information, employees are not permitted to bring personal computers onto our premises or to load any customer information onto a PDA, flash drive, "memory stick" or other electronic device.

**Anyone who removes such confidential Dealership or customer information from our premises either in paper or electronic form or by e-mailing it to a third-party site or who uses such information to benefit any person or entity other than our Dealership is guilty of theft and a violation of the federal Computer Fraud and Abuse Act.**

We may access all information stored on Dealership computers, even in files where personal passwords have been assigned. We also may access data on any computer or portable drive that an employee uses while at work. Therefore, employees should not put personal data or other information on these computers.

To prevent the introduction of viruses into our computer systems, employees are prohibited from:

1. Installing any kind software on our computers;
2. Using disks they have brought from home on a Dealership computer;
3. Downloading any files not directly related to our business; or
4. Accessing any of our systems through a personal, non-Dealership computer, except where approved by the General Manager.

### **Passwords**

You will be assigned one (1) or more personal passwords for use in accessing our systems and programs. Proper use of these passwords is critical to ensuring that our systems are accessed only by those employees who are authorized to do so. If a system or program is accessed using your personal password, we will assume that you were the individual who accessed it and you will be held accountable if there is a problem. Therefore, we expect you to keep your personal password confidential. Never share your password with another employee under any circumstances. If you think that someone else may know your password, contact Human Resources or IT and have your password changed immediately.

### **Telephones**

Our telephone system is intended to allow us to quickly and effectively communicate with our customers and others. Therefore, we expect that personal calls will be kept short and kept to a minimum. While we do not routinely monitor incoming or outgoing calls, we do may monitor and record such calls for customer relations and other lawful, business-related purposes. We also may access any message left on our voice mail system,

including employee's voice mailboxes, even though personal passwords have been assigned.

### **Cell Phones**

Employees are permitted to use personal cell phones for calls or texting while at work, provided their use does not interfere with our service to our customers or adversely affect the employee's productivity. Whenever you are working with a customer, your cell phone should be turned off or set to vibrate so that you can give your full attention to the customer.

Our employees are prohibited from using hand-held cell phones and similar devices while driving any vehicle. If you need to use your cell phone or if you need to send a text message, you are required to pull over to a safe location and stop. Hands free devices may be used while driving provided you can do so safely. Employees are also prohibited from performing any mechanical service work while talking on a cell phone. We and our customers expect that you will devote your full attention to the work you are performing. Of course, employees are required to follow all laws related to distracted driving.

Possessing a cell phone or other device containing offensive pictures or video on our premises can be a violation of our no harassment policy and grounds for discipline.

If we provide you with a cell phone, we may monitor its use and to review calls made and received as well as voice and text messages and other functions available on the phone. If your Dealership-provided phone has GPS tracking capability, we may access this function.

### **E-mail**

We may access all incoming and outgoing e-mails, even where personal passwords have been assigned. Again, employees may not use the Dealership's e-mail system to send or receive personal messages or to access their personal e-mail account or other non-business accounts or sites during working time. Placing inappropriate, offensive, off-color or sexual or racial messages on our systems or forwarding such messages to coworkers or others is a violation of our no harassment policy and can result in termination. E-mailing Dealership or customer information to a non-Dealership site is a violation of this policy.

To avoid misunderstandings, employees are not permitted to "personalize" their dealership e-mails with any message that is not business-related.

All e-mail and test communications with prospective, current and former customers must be made via the Dealership's systems only. Personal e-mail accounts may not be used for these communications nor may personal e-mail accounts be used to conduct Dealership business at any time.

## **Video and Audio Recordings**

Many cell phones, iPhones and similar personal devices contain cameras which can take still pictures and record video and audio. There are a number of state and federal laws which restrict an individual's right to photograph or record another person without the person's knowledge and consent. In addition, photographing or recording a customer or coworker without their knowledge and consent can give rise to invasion of privacy claims and serious customer relations problems. As a result, we have adopted a policy which prohibits all employees from using any personal device to take still pictures or to record video or audio of any individual or document while on the Dealership's premises or in a Dealership vehicle. Likewise, employees may not post a picture of a customer or customer car without written permission of the customer.

## **Internet Use**

Employees who have access to the Internet at our Dealership may use the Internet for business purposes during working hours. To ensure compliance with this policy, we may monitor the web sites that our employees visit via our computers. The use of Dealership computers to trade securities, gamble, shop, view or download sexually explicit materials or for any other improper purpose while at work or on Dealership premises is grounds for termination. Nothing contained herein will preclude an employee from engaging in conduct that is protected by Section 7 of the National Labor Relations Act.

## **EMPLOYEE PHOTOS**

From time to time, we feature photos of our employees on our website, in newsletters, in print advertising or on our bulletin boards. These may be individual or group shots and may be accompanied by your name, position and Dealership contact information. These images may continue to be used after you leave the Dealership.

If, for personal or other reasons, you do not wish to have your likeness used by the Dealership on our website or elsewhere, please notify the Controller by written memo or by e-mail and we will do our best to ensure that your photo is not used. Otherwise, we will assume that you have no objection to our use of your photo for our legitimate business purposes during and after your employment.

## **FRAUD AND FALSE STATEMENTS**

Falsification of any application, medical history record, invoice, work order, emissions inspection, warranty claim, purchase order, time record or any other document is strictly prohibited. Taking a test for another employee is considered fraud on the part of both employees. No employee may ever sign the name of a customer to any document. Sales and finance personnel are required to make full disclosure of all costs and charges associated with all sales or leases.

If you observe a violation of any of these rules or become aware of any other conduct of a questionable nature, it is your responsibility as an employee of this Dealership to report it directly to the General Manager immediately.

### **HAZARDOUS AND TOXIC MATERIALS**

If your job requires that you use hazardous or toxic materials, you are expected to comply with all federal, state and local laws and regulations concerning their safe handling and disposal. Please be sure to familiarize yourself with proper handling and safety procedures. Also, be sure to review the SDSs for chemicals used in your department. If you have any questions, please discuss them with your Department Manager.

### **HOUSEKEEPING**

It is everyone's responsibility to help keep our facilities looking their best. Please keep your work areas as clean as your work permits. Eating is prohibited in the showroom, the customer lounge and at your desk. Please use the break room and be sure to clean up after yourself.

### **IRS CASH REPORTING REQUIREMENTS**

To prevent those involved in illegal activities from laundering their money through legitimate transactions, Federal law requires that any time we accept \$10,000 or more in cash from a customer in connection with the sale or lease of any vehicle, we must file a report with the Internal Revenue Service. The law also covers transactions involving a series of payments that are each less than \$10,000 in cash but which in the aggregate exceed \$10,000.

Failure to comply with these reporting requirements can result in criminal and civil penalties of up to \$100,000. In addition, it is a felony to aid in structuring a transaction to avoid these reporting requirements.

Therefore, you are not to discuss this cash reporting rule with any customer or potential customer. If a customer asks about the reporting requirement or asks about structuring the transaction to avoid the \$10,000 cash transaction amount, you are required to notify the General Manager or the General Sales Manager immediately. In addition, if you have any reason to believe that the transaction may involve "drug money" or money from other illegal activities, you are also required to notify the General Manager. Finally, if you have any questions at all as to what the law requires or what we expect of you, please discuss them with your manager.

It is the policy of this Dealership to comply with the letter as well as the intent of this law. Any employee who violates this policy is subject to immediate termination and possible criminal prosecution.

## **LEGAL REQUIREMENTS**

Dealerships are covered by many different federal, state and local laws. We expect all employees to comply strictly with each of these laws. The following is a brief list of laws and regulations that we feel merit special attention.

- Contract Disclosure/Consumer Protection. All contracts must be signed in the Dealership. Anyone signing a contract must show proof of identity. Also, the truth-in-lending and the truth-in-leasing laws require that certain disclosures be made. Failure to make these disclosures can result in voiding of the deal and damages. If you observe what you think might be a violation of these laws or regulations, report it to the General Manager or Dealer immediately.
- Credit Bureau Reports. No employee may pull a credit report on any customer without a signed authorization from that customer. This policy also applies to cosigners. Employees who violate this law are subject to being sued personally for compensatory and punitive damages.
- Customer Information. To protect our customers from identity theft, federal law and our Dealership policies require that all customer information be safeguarded at all times. We require strict adherence to these rules.
- Damage Disclosure. All damage whether occurring in transit, on the lot, or in a collision must be reported to your manager immediately. The damage must also be disclosed to the customer in writing to the extent required by law.
- Environmental Compliance. Employees working with chemicals, paints, waste oil, CFC and emissions testing equipment are required to be familiar with and comply with the applicable laws and regulations. If you observe something which you feel may be in violation of a law or regulation, report it to the General Manager or Dealer immediately.
- Odometer Disclosure. The odometer disclosure form must be signed for all customer trade-ins and for any Dealership vehicle sold.
- Tax Withholding. We are required to make certain deductions from your wages for taxes. Every employee is required to provide us with all documentation necessary to comply with state and federal tax withholding laws and to cooperate fully with this process. We will comply with all of these laws unless the IRS notifies us that you are exempt.
- Time Records. Federal law requires that all employees, unless exempt, must keep an accurate record of their hours worked each day and each week and your hours must be properly recorded. Employees are required to clock out for meals and any other time they leave the Dealership on personal business.

- Window stickers and FTC stickers. These stickers must be intact on all new, demo, or used cars at time of presentation and delivery. These stickers should not be removed except at the customer's request after sale.

## **MAINTENANCE OF VALID DRIVER'S LICENSE**

If your job with us requires that you drive either customer or Dealership vehicles, you must have a valid driver's license appropriate to the vehicles that you drive. Maintaining a valid driver's license and a driving record acceptable to our insurance company are conditions of your continued employment. If, for any reason, you lose your license or if our insurance carrier declines to insure you because of your driving record, you are subject to immediate termination.

Any employee whose duties involve the operation of motor vehicles, or who may be called upon to operate a vehicle in the course of their duties or who is assigned a demonstrator, who receives a citation for a moving violation or DUI/DWI, whether on or off the job, must report that fact in writing to their supervisor immediately. Similarly, any employee whose license is suspended or revoked for any reason must also report this in writing to their supervisor immediately.

We will then review the employee's driving record with our insurance company and make a determination as to whether or not we can continue to employ the individual in his or her current position. If we cannot, we will consider moving the employee to another position that does not require driving if one is available. However, if an employee fails to disclose a citation, revocation or suspension and we later learn about it, the employee will be subject to immediate termination and will not be considered for another position.

## **ON THE JOB INJURIES**

If you are injured while at work or while on Dealership business, you may be eligible for workers compensation benefits. To qualify for these benefits, you must report your injury to your Department Manager or the Business Office as soon as reasonably possible and make a written report of the injury. Failure to promptly report an injury can result in your being denied benefits. Therefore, we require employees to promptly report all accidents and injuries, no matter how minor they may be.

A list of authorized treating physicians is posted on the bulletin board and is available in the Business Office. If you are injured, you must first see one of the doctors on the list. Failure to visit an authorized doctor can result in your claim being denied.

If you have any questions about Workers Compensation, please contact the Human Resources Department.

## **OPERATION OF CUSTOMER AND DEALERSHIP VEHICLES**

- **Business Purposes Only:** No employee may operate a customer or Dealership vehicle unless authorized to do so as a part of his or her job. Vehicles may be used only for legitimate business purposes. The use of such vehicles for personal errands, even in conjunction with an actual demo ride or service test drive, is strictly prohibited. All demo rides and test drives must be limited to the approved routes unless a deviation is approved by the appropriate Department Manager in advance.
- **Golf Carts:** Golf carts are considered to be Dealership vehicles. Therefore, their operation is subject to these rules.
- **Safe Operation:** Employees are required to wear seat belts and comply with all traffic regulations any time they are operating a customer or Dealership vehicle on the public roads. Employees under the age of eighteen (18) may not, under any circumstances, drive a vehicle on the public roads.
- **Accidents:** Any employee who is involved in an accident while operating a customer or Dealership vehicle which results in personal injury or property damage of any kind, must notify the police and their supervisor or manager immediately. If an employee fails to report such injury or damage, the employee is subject to termination.
- **Cell Phone Use:** Employees are not permitted to make or receive cell phone calls while they are operating a vehicle. If you need to make or receive a cell phone call, pull over in a safe location and stop.
- **GPS Tracking:** Technology now permits the Dealership to monitor the location of our vehicles. This equipment may be installed either temporarily or permanently on any Dealership vehicle.
- **Demo Use:** Employees who have demonstrators are required to comply with the demonstrator policy. Failure to do so will result in the loss of that privilege.

## **OUTSIDE EMPLOYMENT**

There have been times when many of us have had the opportunity or the need to have two jobs at one time. If you do choose to work two jobs, it is important that other employment and outside interests do not interfere in any way with your job at this Dealership. We expect that you will be careful that extra hours of work do not affect your performance here. We also expect that no outside business will be conducted while you are here at work.

If your second job could create a potential conflict of interest, for example, working for a competitor, or buying, selling or repairing vehicles, we expect you to discuss the matter with your Department Manager and make a full disclosure.

## **PARKING**

It is important that we have sufficient convenient parking for our customers. Therefore, we require all employees to park their vehicles in the area designated for employee parking, which is located in the rear portion of the parking lot. If you have any questions as to where you should park, please ask your manager. Repeated violations of this policy will result in the employee losing the privilege of parking on our premises.

We cannot be responsible for theft from personal vehicles. Therefore, please be sure to remove any valuables and lock your vehicles when they are parked on our lot.

## **PERSONAL APPEARANCE AND GROOMING**

We strive to present a positive image to our customers and to the general public. Therefore, we require our employees to exercise good judgment in their dress and grooming. All employees are expected to present a well-groomed, business-like appearance at all times while on Dealership premises. Of course, this will vary from department to department, depending on your duties. Generally, from Memorial Day to Labor Day, employees may wear corporate polo shirts.

The following clothing items are never acceptable at work: Jeans, stretch pants, shorts and t-shirts, tube tops, worn or torn clothing and tight or revealing clothing. If you wear a Dealership uniform, please be sure that it is kept as clean and neat as possible, properly buttoned with shirt tails tucked in.

Employees are generally prohibited from wearing political slogans or logos; which can be distracting in the workplace. Nothing contained herein will preclude an employee from engaging in conduct protected by Section 7 of the National Labor Relations Act.

With the exception of employees who may wear earrings, employees are not permitted to have visible body piercings while at work. In most cases, visible tattoos are not permitted and must be covered while at work.

Employees are also expected to pay close attention to their personal grooming.

Any employee who fails to meet our standards will be sent home to correct the problem and may be subject to further discipline. Therefore, if you have any questions as to what is expected of you in terms of dress or appearance, please discuss them with your Department Manager.

## **PERSONAL MAIL**

Our customers often send money, titles and other business documents to employees of this Dealership. Therefore, all mail addressed to anyone at the Dealership is presumed to be related to our business. Mail addressed to an employee will be opened by the Business Office and if it is personal in nature, either routed to the employee's department or forwarded to the employee's home address. If you do not wish to have your correspondence handled in this manner, please have it delivered directly to your home.

Employees may not use Dealership stationery or postage for personal mail.

## **PERSONAL RELATIONSHIPS**

Personal relationships between non-supervisory co-workers are permitted provided they are consensual and do not adversely affect the work performance of the parties involved or their co-workers. Because of concerns about favoritism and harassment, supervisors and managers are strictly prohibited from dating or engaging in any kind of personal relationship with any employee of this Dealership.

Employment of family members and relatives will be considered on a case-by-case basis. In no case may a family member supervise the work of another family member nor may one family member be employed in a position where he or she could affect the compensation or advancement of the other.

Employees are prohibited from engaging in any kind of personal relationship with a customer or from using any information obtained in the course of business to further a personal or social relationship.

## **PERSONAL TELEPHONE CALLS AND VISITS**

Personal telephone calls during business hours are disruptive and directly impact our service to our customers. Therefore, we ask our employees to refrain from making or receiving personal calls during their work hours, except of course in emergencies. Personal calls should be made or returned when you are on a break or at lunch or dinner. This also applies to personal cell phones.

Employees may not make personal long-distance calls charged to the Dealership without the permission of his or her Manager. Permission will normally be given only in emergency situations. The employee making the call will be expected to reimburse the Dealership for the call.

Visits by friends or relatives can be disruptive to our operations and may pose a safety hazard. Therefore, we strongly discourage such visits during work hours. Visitors may never enter the service areas of the Dealership.

## **SAFETY**

It is our policy to promote safety on the job. The health and well-being of our employees is foremost among our concerns. For this reason, we expect all of our employees to learn the safety rules for their departments and to follow common sense safety practices. Employees are also responsible for reporting any unsafe condition, defective tool, or equipment to their manager, and for helping us to maintain a safe and healthy workplace. Horseplay and practical jokes can cause accidents and injuries and therefore are not permitted.

Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: SAFETY FIRST.

## **SECURITY**

Every employee is responsible for helping us to protect the property of their coworkers, our customers and this Dealership. Be sure that all vehicles, equipment, desks and gates are locked when not in use and especially at the end of the day. All tools and keys must be properly secured and accounted for at all times. If you see something or someone who looks suspicious, check into it or notify your Department Manager immediately.

Technicians are responsible for ensuring the security of their own tools and equipment. Be sure to keep your tool boxes locked when you are not present. The Dealership's insurance will not cover lost or stolen tools.

To protect you, your coworkers, our customers and the Dealership, we may inspect all lockers, desks, tool boxes, purses, briefcases, computers, cell phones, vehicles and any other personal property which is brought onto Dealership property.

## **SEVERE WEATHER**

Severe weather conditions can disrupt our operations and interfere with work schedules, as well as endanger employees' well-being. If extreme weather conditions require closing the Dealership, you will be notified by your supervisor. If weather or traveling conditions delay or prevent you from reporting to work, you should notify your supervisor as soon as possible. If you are delayed or unable to report for work at all due to severe weather conditions, and the Dealership is officially open, you will be expected to use personal leave, vacation, or leave without pay. The Company will not terminate or discipline an employee for failing to report to work due to a closure of roads in the county of the Company's place of business or the county of the employee's residence, resulting from a state emergency declared by the Governor.

## **SMOKING**

Because smoking and the use of tobacco products is considered to be a health hazard in the workplace, we prohibit the use of all tobacco and related products, including e-

cigarettes, in all of our buildings and facilities. Employees who wish to smoke or use these products may do so in designated areas outside the buildings and away from all public entrances. We do not have "smoke breaks" and employees must not let smoking or their use of tobacco and related products interfere with their work. Smoking and the use of tobacco and related products never permitted in Dealership or customer vehicles.

## **SOCIAL MEDIA**

The purpose of this policy is not to restrict the flow of useful and appropriate information or violate any employee rights, but to create a positive working environment. We understand that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers. However, the use of social media also presents certain risks and carries with it certain responsibilities. To assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use.

*Social media* includes all means of communicating or posting information or content of any sort on the internet, including to your own or someone else's blog, journal or diary, personal web site, social networking or affinity web site (e.g. Facebook, LinkedIn, YouTube, Instagram, TikTok, etc.), web bulletin board or a chat room, whether or not associated or affiliated with our Dealership, as well as any other form of electronic communication.

You are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of your coworkers or otherwise adversely affects the legitimate business interests our customers, our manufacturers or our vendors may result in disciplinary action up to including termination.

## **Know and Follow the Rules**

Carefully read these guidelines, as well as our policies concerning harassment, confidentiality and proper business conduct, and ensure your postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct or will not be tolerated and will subject you to disciplinary action up to and including termination.

## **Do Not Be Malicious**

Always be fair and courteous to your coworkers, our customers and our vendors. Also keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our If You Have A Problem Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, manufacturers, vendors or other companies with which we partner to do business, or that

might constitute harassment or bullying. Examples of such conduct might include posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law.

### **Be Honest and Accurate**

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the internet archives almost everything; therefore, even deleted postings can be searched.

### **Post only Appropriate Content**

- Maintain the confidentiality of the Dealership's trade secrets and private or confidential information. Trade secrets may include all personal and financial information regarding our customers and information concerning confidential financial aspects of our business. Do not post internal reports, policies, procedures or other internal business-related confidential communications.
- Do not create a link from your blog, website or other social networking site to a Dealership website without identifying yourself as an employee of this Dealership.
- Express your personal opinions. Never represent yourself as a spokesperson for the Dealership. If this Dealership is subject to the content you are creating, be clear and open about the fact that you're an employee and make it clear that your views do not represent those of the Dealership or our customers. If you do publish a blog or post online related to the work you do or subjects associated with this Dealership, make it clear that you are not speaking on behalf of the Dealership. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of my employer."

### **Using Social Media at Work**

We require employees to refrain from using social media on work time or on equipment we provide, unless it is work-related and authorized in advance by your manager. Do not use the Dealership's email addresses to register on social networks, blogs or other online tools used for personal use.

### **Retaliation**

We prohibit taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

## **Media Contact**

The Dealership strives to deliver appropriate and timely responses to any media inquiry. To best serve this objective, the Dealership will respond to any media inquiry in a timely and professional manner only through the designated spokespersons. Employees should not speak to the media on the Dealership's behalf without contacting the President in advance.

## **For More Information**

If you have questions or need further guidance, please contact the Human Resources Manager.

## **SOLICITATION AND DISTRIBUTION**

Solicitation and distribution during working hours can be distracting and can affect our service to our customers. Therefore, solicitation by an employee of another employee during the working time of either employee for any reason is strictly prohibited. Distribution of advertising materials, handbills or other literature is prohibited in all working areas at all times. Solicitation and distribution by non-employees is prohibited on Dealership premises at all times. By way of example, non-working time would include time taken during lunch or a break and a non-working area would include the break room.

## **THEFT AND DISHONESTY**

We do not tolerate theft or dishonesty in any form. Failing to install all parts charged out on a repair order is considered theft. Taking a coworkers property without their knowledge and permission is considered theft. Reporting that you have performed service or other work which you have not performed is considered theft. Vehicles that we have taken in trade are the property of this Dealership, even if they are going to be wholesaled. Therefore, removing parts or equipment from any such vehicle is considered theft of Dealership property. Failing to return all customer lists when you leave the Dealership is considered theft. Employees involved in any form of theft are subject to termination, as well as criminal prosecution.

## **TIMEKEEPING PROCEDURES**

Unless otherwise notified, all Dealership employees are required to keep an accurate record of his or her hours worked through the use of a time card. All employees are expected to follow the established procedures in keeping an accurate record of your hours worked, including recording all time worked for the Dealership. Accurately recording all your time is required to ensure that you are paid for all hours worked as required by wage and hour laws. Time must be recorded as follows:

- Immediately before starting work in the morning;
- Immediately after finishing work before lunch;

- Immediately before resuming work after lunch;
- Immediately after finishing work in the evening; and
- Immediately before and after any other time away from work.

You are also required to punch or log out and back in any time you leave the Dealership for any personal reason. Of course, if you have to leave the Dealership during the day for reasons other than lunch or dinner, you are expected to notify your manager.

If you forget to log or punch in or out, or if your entry is incorrect, notify the Human Resources Department immediately so that the entry can be corrected. Any changes or corrections to your time card or time record must be initiated by you and the Human Resources Department. Under no circumstances may any employee punch or log in or out for another employee or ask another employee to record his or her time. Recording another employee's time or asking another non-management employee to record your time may result in discipline, up to and including immediate termination.

Your obligation to accurately record all hours worked does not relieve you of your obligation to obtain advance approval from your supervisor before working overtime hours or hours beyond your regular work schedule. If you perform any work outside your normal work hours, you are required to notify your immediate supervisor and the Human Resources Department by e-mail the following business day, reporting the amount of time you worked and the work you performed. Such time will be counted as "hours worked."

Please understand that no Dealership manager or supervisor is authorized to instruct you to work "off the clock." You should immediately report any manager's or supervisor's instruction to do so to the Human Resources Department.

## **OVERTIME**

The Dealership may periodically schedule mandatory overtime or weekend work to meet business or customer needs. We will attempt to give employees advance notice, if possible. We expect that all employees who are scheduled to work overtime will be at work, unless excused by their Manager. Failure to report for scheduled overtime work may result in discipline, up to and including immediate termination.

### **Overtime Hours**

All hours worked in excess of forty (40) hours in a workweek are overtime hours. For purposes of calculating overtime hours, only actual hours worked will be counted. Paid time off (e.g. vacation pay, holiday pay and sick pay) is not counted as hours worked for purposes of calculating overtime hours. If a state or other law requires overtime hours to be calculated in a different manner, we comply with the applicable law.

## **Overtime Compensation**

Overtime compensation varies depending on the employee's pay plan, job duties, and other regulatory factors. For example, our exempt employees paid on a salary basis normally do not receive extra pay for overtime hours. These employees' salaries are intended to compensate all of their hours worked in a workweek – not just forty (40) hours, or their scheduled or normal hours, or any other particular number of hours. Likewise, certain other employees not paid on a salary basis are exempt from overtime premium pay, so we pay those employees straight-time pay for overtime hours. Our non-exempt employees paid on an hourly basis receive straight-time pay plus half-time pay (the time-and-one-half their regular rate) for overtime hours. In any event, all overtime work will be paid properly and in compliance with applicable state and federal law.

Some exempt employees are paid on a commission-basis. Those employees' performance is evaluated over a representative period of one (1) year to determine their exemption status. Employees paid commissions may be exempt from receiving overtime premiums if they receive more than one-half (1/2) of their earnings during a representative period from commissions.

Some non-exempt employees are paid on a salary-plus-overtime basis. How their overtime premium is computed is described in more detail in their pay plans.

All employees (other than exempt employees paid on a salary basis) must receive approval from their Department Manager prior to performing overtime work or they may be subject to disciplinary action up to and including immediate termination.

## **Employee Training**

When the Dealership requires or authorizes training, salaried and hourly employees receive their daily pay while being trained.

## **USE OF DEALERSHIP EQUIPMENT AND PROPERTY**

We have made a tremendous investment in our facilities and equipment to better serve our customers and to make your job easier. Deliberate or careless damage to our property will not be tolerated.

Employees are not permitted to use any Dealership facilities to work on personal vehicles without the prior permission of the Service Manager. All personal vehicles in our shops must have an open repair order and all parts must be properly charged to the ticket. For safety reasons, working on vehicles after normal work hours is prohibited.

Dealership property and tools may not be removed from our premises without the prior written permission of your manager. All used parts that are not returned to the customer are the property of this Dealership. No employee may remove any used part – including scrap – from the Dealership without the prior written permission of the Service Manager.

## **WEAPONS AND VIOLENCE**

Employees are prohibited from bringing weapons of any kind onto our premises or into our vehicles. This includes our parking lots.

We have a “zero tolerance” for violence and threats of violence. If you are threatened by a coworker, a vendor or a customer notify your Department Manager immediately

## **WORK SCHEDULE AND OVERTIME**

Your work schedule will vary, depending upon your department and duties. Please contact your manager if you have any questions about your schedule.

## **IF YOU LEAVE US**

### **RESIGNATION**

If you choose to resign from your position, we ask that you give us at least two (2) weeks' notice. Depending on the circumstances, we may or may not allow you to work out the notice. We expect you to take care of all your outstanding accounts with the Dealership and return all Dealership property prior to picking up your final paycheck.

### **EXIT INTERVIEW**

Any employee leaving the Dealership is required to attend an exit interview conducted by the employee's Department Manager. The purpose of the interview is to determine the reasons for leaving and to resolve any questions of compensation, insurance continuation, return of Dealership property, or other matters related to leaving.

Please keep in mind that all customer information is the exclusive property of the Dealership. Removing this information from the Dealership, failing to return it when you leave the Dealership or using the information at another dealership constitutes theft and will be treated as such. In addition, federal regulations prohibit removing any customer information from our premises or using it at or on behalf of another employer.

### **TO SUM IT ALL UP**

This Handbook highlights your opportunities and responsibilities here at Conicelli Autoplex. By always keeping the contents of the Handbook in mind, you should be successful and happy working with us. Once again, welcome to our Dealership, and we look forward to working with you.

### **ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK**

I acknowledge that I have received the Conicelli Autoplex Employee Handbook. I understand that the Handbook contains current policies and benefits of the Dealership and that the Dealership may add, delete, or modify these policies as it deems appropriate. I will familiarize myself with its contents.

I understand that my employment is for an indefinite period of time and is terminable "at will". This means that I may terminate my employment at any time, with or without cause, and the Dealership has the same right. I understand that my "at will" status may not be changed except in writing signed by the President.

### **AGREEMENT TO ARBITRATE**

I accept the Dealership's offer to arbitrate and agree that any dispute of a legal nature arising under federal, state, or local law between me and the Dealership, including any such claim regarding Dealership property, discrimination, harassment, wage-hour, or any other legal dispute relating to my employment or arising under any labor, employment, or civil rights law, will be subject to final and binding arbitration. I understand that the arbitrator, who will serve as judge and jury, has the same authority to award money damages and other relief as does a court or jury. I also understand that, while the Employee Handbook is otherwise subject to change at the Dealership's discretion, this Agreement to Arbitrate will be binding and irrevocable for the Dealership and me as written, with respect to any claim arising while this Agreement is in effect.

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Employee Signature

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Employee Name (please print)

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Date