

CLASSIC TYLER MOTORS, INC.

EMPLOYEE HANDBOOK

Employee Handbook

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Purpose Of This Employee Handbook

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

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

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

**Michael Allare
General Manager**

Our Customer Relations Philosophy

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

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

Let's Communicate

Employee Relations Philosophy

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

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

If You Have a Problem

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

1. Any concern should first be discussed with your immediate supervisor.
2. If your supervisor cannot solve the problem, or if you are not satisfied after Step 1, you should ask to speak to your department head, human resources, and if necessary, the General Manager.

In the event you have a concern, and for personal reasons you cannot follow the steps in this procedure, you may go directly to the General Manager, who is 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.

Also note that we utilize a system of binding arbitration for disputes with employees that cannot be resolved by other means, and which would otherwise be subject to resolution in court.

What You Can Expect From Us

Equal Employment Opportunity

We are committed to providing equal opportunity in all of our employment practices, including selection, hiring, promotion, transfer, and compensation, to all qualified applicants and employees without regard to race, religion, color, sex, national origin, ancestry, citizenship status, uniform service member status, pregnancy, age, medical condition, handicap, disability, or any other protected status in accordance with the requirements of all federal, state and local laws.

Introductory Period

For every new employee, the first ninety (90) days of full-time employment is an introductory period. During this time, you are able to learn about our Company, your job, and your new surroundings.

During this introductory period, your job performance, attendance, attitude, and overall interest in your job will be observed. During this period, you will not be eligible for most Company benefits, such as holiday pay, vacation pay, and employee discounts. Throughout the introductory period, management will be assessing your selection as an employee. Employees who fail to demonstrate the commitment, performance, and attitude expected by our Company may be terminated at any time during the introductory period. However, completion of the introductory period does not change or alter the "at-will" employment relationship. You continue to have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right.

Please note that as a result of an excused absence during your introductory period, or for other reasons identified by management, the Company may choose to extend your introductory period, as necessary, to give you a further opportunity to demonstrate your ability to do the job. If your introductory period is extended, you will be notified.

Policy Against Harassment

We do not tolerate unlawful harassment of any of our employees, customers or clients, vendors, suppliers, or independent contractors. Any form of harassment that violates federal, state or local law, including but not limited to, harassment related to an individual's race, religion, color, sex, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, medical condition, handicap, disability, or any other protected status pursuant to federal, state and local laws is a violation of this policy and will be treated as a disciplinary matter. For these purposes the term "harassment," includes slurs and any other offensive remarks, jokes, other verbal, graphic, or physical conduct.

- unwanted sexual advances;
- offering an employment benefit (such as a raise or promotion or assistance with one's career) in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) for an employee's failure to engage in sexual activity;
- visual conduct, such as leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- verbal sexual advances, propositions or requests;
- verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- physical conduct, such as touching, assault, impeding or blocking movements.

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

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

If you feel that you are being harassed by another employee, you should immediately notify your immediate supervisor, department head, or Human Resources. You may be assured that you will not be penalized in any way for reporting a harassment problem.

All such complaints of unlawful harassment that are reported will be investigated as promptly as possible and corrective action will be taken where warranted. The Company prohibits employees from hindering our own internal investigations and our internal complaint procedure. Note that such complaints of unlawful harassment will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation.

Harassment of employees in connection with their work by non-employees may also be a violation of this policy. **Any employee who experiences harassment by a non-employee, or who observes harassment of an employee by a non-employee, should report such harassment to his immediate supervisor, department head, or Human Resources.** Appropriate action will be taken against violation of this policy by any non-employee.

Harassment of our customers/clients, or employees of our customers/clients, vendors, suppliers or independent contractors, by our employees is also strictly prohibited. Such harassment includes but is not limited to sexual advances, verbal or physical conduct

of a sexual nature, sexual comments and gender-based insults. Any such harassment will subject an employee to disciplinary action, up to and including termination.

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

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

Employee Classification

Employees are designated as either non-exempt or exempt from federal and state wage hour laws. Non-exempt employees are entitled to overtime pay under specific provisions of federal and state laws. Exempt employees are excluded from specific provisions of federal and state wage and hour laws and do not receive overtime pay.

In addition to the non-exempt or exempt classification, employees are divided into the following categories for the purpose of compensation and benefits. Company policies apply to all categories of employees.

Full-Time Employees

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

Part-Time Employees

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

Any errors or complaints in regards to hours worked and overtime pay should be directed to your direct supervisor or Human Resources.

Meal Breaks

All employees may take a one hour meal break. The Company may provide you a longer meal break, at its discretion. You must have authorization from your supervisor or the Controller if you will be taking an on-the-job meal break or will not be taking a meal break. Employees taking their meal breaks must clock in and out when they begin and end their meal periods.

All missed meal periods are to be reported to your supervisor immediately. Authorized meal periods cannot be used to shorten your workday or be accumulated for any other purpose.

Company Benefits

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

Paid Holidays

After completion of the 90 day introductory period, full-time employees will receive the following days off with pay any time they fall on the employee's regularly scheduled work day:

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

Some departments may be open on a holiday due to business necessity. Employees will be given as much advance notice as possible if they are required to work on a holiday, although advance notice may not always be possible.

Managers and other salaried personnel do not receive additional holiday pay, but will continue to receive their regular compensation, regardless of whether they work on a holiday. Employees eligible for holiday pay should contact Human Resources regarding how holiday pay is calculated for their job position.

If a holiday falls on a Sunday, its observance will be at management's discretion. Holiday pay does not count as "hours worked" for purposes of calculating an employee's entitlement to overtime during the week in which the holiday occurs.

- Full-time employees who have completed 90 days of continuous employment are eligible for holiday pay.
- An employee must work the regularly scheduled workdays before and after a holiday to be eligible for holiday pay, unless previously authorized by management.
- Non-sales employees scheduled to work on an observed holiday will receive regular pay for hours worked, plus holiday pay.

Paid Holidays are a company benefit and are subject to change or amendment at

any time.

Paid Time Off

The company provides paid time off to all regular full-time employees. Paid time off is a company benefit and may be subject to change or amendment at any time. In an effort to meet the staffing needs for our business to run efficiently, no more than five (5) unscheduled days may be taken within a calendar year. Special exceptions may be approved by your supervisor.

Paid Time Off Schedule is as follows:

- Employees completing one (1) year of full-time service are eligible for ten (10) days of paid time
- Employees completing two (2) years of full-time service are eligible for fifteen (15) days of paid time
- Employees completing ten (10) years of full-time service are eligible for twenty (20) days of paid time
- Senior Department Managers completing five (5) years of full-time service in their management position are eligible for twenty (20) days of paid time

Upon the approval of the department manager, any service or body shop advisor, service or body shop technician, or vehicle sales representative will be eligible to cash out PTO in lieu of time-off, provided the amount cashed out does not exceed 50% of their current employment year's earned PTO. Any unused PTO remaining at the end of these individuals' employment year is eligible for this cash out option with the same limitation of 50% of the full employment year's earned PTO. Any unused PTO exceeding 50% of their annual earned PTO limitation is forfeited upon the individual's employment year anniversary.

Example 1: Upon the department manager's approval, an eligible individual that has earned 10 days PTO may cash out up to 5 days at any point during that employment year, in increments or in its entirety.

Example 2: Upon the department manager's approval, an eligible individual that has earned 10 days PTO but has unused PTO at the end of their employment year, may cash out all or part of the remaining PTO provided it does not exceed the 5 days maximum allowance under the 50% limitation.

Requests for the cash out option shall be submitted by the individual to the department manager and a written check request with the manager's signature shall be submitted to the payroll department.

Hourly employees are paid based on their hourly rate at a maximum of 40 hours. Commissioned technicians are paid based on an average of previous year earnings.

Salespeople are paid based on an average of previous year earnings, or a maximum of \$300 per day. Managers and salaried personnel are given time off, but do not receive additional pay. They simply continue to receive their regular compensation during their time off based on their pay plan.

All requests for time off or pay must be done in writing on the Paid Time Off Request Form. This form must be completed and turned in to your Department Manager. After your Department Manager approves the request it will be forwarded to the human resources department.

Any employee who is terminated by the employer loses any right to any remaining paid time off past or present. Any employee electing to quit, after giving proper notice, will be considered for payment of any unused paid time off benefit at the time of departure. Without proper notice, no consideration is given and paid time off is forfeited.

Unused paid time off does not roll over from year to year. Unused paid time off is forfeited. Use it or lose it.

Maternity Leave

Upon completion of one (1) year, continuous employment the Company's full-time female employees are eligible to receive four (4) weeks paid maternity leave and full-time male employees are eligible to receive one (1) week paid paternity leave for the birth of a child. An employee may use any available earned unused paid time off in lieu of additional necessary maternity or paternity leave.

Upon learning of the pregnancy and expected due date of the child the employee will be expected to communicate their intentions for taking leave with their supervisor as early as possible in an effort to meet the staffing needs for our business to run efficiently.

Hourly employees are paid based on their hourly rate at a maximum of 40 hours. Commissioned technicians are paid based on an average of previous year earnings. Salespeople are paid based on an average of previous year earnings, or a maximum of \$300 per day. Managers and salaried personnel are given time off, but do not receive additional pay. They simply continue to receive their regular compensation during their time off based on their pay plan.

This paid leave benefit runs concurrently with, not in addition to, any applicable FMLA leave.

Bereavement Leave

Upon completion of one (1) year, continuous employment the Company's full-time employees are eligible to receive three (3) days bereavement leave on a case-by-case basis. An employee may use any available earned unused paid time off in lieu of

additional necessary bereavement leave. Bereavement leave is available for employees who require time off during the working week due to the death of, or to attend the funeral of, a member of the employee's immediate family, defined as the employee's spouse, children, stepchildren, parents, grandparents, grandchildren, siblings, spouse's parents, and any other relative permanently residing in the same household of the employee.

An employee who is notified of the death of an immediate family member while at work and leaves for the day will be paid for the remainder of the scheduled hours that day. The bereavement leave will commence on the employee's next regularly scheduled work day. If an employee is requesting bereavement leave, he/she should contact his/her supervisor immediately to make the arrangements.

Hourly employees are paid based on their hourly rate at a maximum of 40 hours. Commissioned technicians are paid based on an average of previous year earnings. Salespeople are paid based on an average of previous year earnings, or a maximum of \$300 per day. Managers and salaried personnel are given time off, but do not receive additional pay. They simply continue to receive their regular compensation during their time off based on their pay plan.

Medical, Dental, Vision Insurance

We offer medical and dental insurance coverage for our eligible employees, beginning on the first day of the month after completion of sixty (60) days of full-time service.

The Company will pay a flat-rate each month for medical insurance. Remaining costs of insurance coverage are paid by the employee. The cost to the employee of this coverage is subject to change at any time. Dependent coverage is also available at the employee's expense through payroll deductions, but only if the employee includes their dependents at time of enrollment. Dental and vision insurance are available to both employee and their dependents for which the employee is responsible for paying the entire cost of this insurance. Consult the insurance Plan Document for all information regarding eligibility, coverage and benefits. It is the Plan Document that ultimately governs your entitlement to insurance benefits.

Life Insurance

The Company provides Life Insurance coverage and Accidental Death or Dismemberment coverage for eligible employees, beginning on the first day of the month after completion of sixty (60) days of full-time service. You may obtain additional information about the Plan through the Human Resources. The language in the insurance plan document regarding eligibility and benefits ultimately governs your entitlement to these benefits.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

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

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

Social Security Insurance

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

Workers' Compensation Insurance

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

You should be aware that state law may make it a crime to file a knowingly false or fraudulent claim for Workers' Compensation benefits, or to submit knowingly false or fraudulent information in connection with any Workers' Compensation claim. Filing a false or fraudulent Workers' Compensation claim is also a violation of Company policy, and will result in disciplinary action, up to and including termination.

**CLASSIC TYLER MOTORS, INC.
Actively Investigates and Pursues
Fraudulent
Workers' Compensation Claims**

401(k) Plan

The Company offers a 401(k) Savings Plan upon completion of sixty (60) days of either full-time or part-time employment. The terms and conditions of the 401(k) Savings Plan are controlled by the Plan Document. Contact **Human Resources** for more information on the Plan.

The Company will automatically enroll every employee at a 3% contribution rate unless the employee personally changes the election percentage on the 401(k) provider's website. Employees will be vested in The Company's contributions based on the following vesting schedule:

Years of service	Percentage vested
After 2	20%
After 3	40%
After 4	60%
After 5	80%
After 6	100%

Employee Discounts

All employees are encouraged to use the Dealership's products and services. Depending on availability, and at the sole discretion of the Department Manager, the following discounts are available to full-time employees who have completed their introductory period. These discounts are available to our employees only for their personal use (defined as the employee's vehicle and the employee's spouse's vehicle) and cannot be used by or for friends or other relatives of the employee. This discount is not available or applicable if an insurance company or other third-party is paying for the product or service. Under no circumstances may this discount be used for personal profit, or to compete with the Company.

New and Used Vehicles

- Employees may purchase New Toyota vehicles at a maximum of factory invoice less holdback and incentives plus \$100.
- Employees may purchase Used vehicles based upon the following schedule:
 - For inventory less than 30 days old, Dealer Cost plus \$1000
 - For inventory 31-60 days old, Dealer Cost plus \$500
 - For inventory over 60 days old, Dealer Cost only
 - For wholesale vehicles, Dealer Cost only
- All Mercedes-Benz new and used vehicles may be negotiated with the Mercedes Sales Manager on an individual basis.
- Limit two (2) vehicle purchases per employee per year.
- Vehicle purchases must be for personal use only, not for resale.
- Employees will not be reimbursed for profit as a result of the sale of their

traded-in vehicle

This special arrangement will be available to employees based on availability and model with the understanding that the best interest of the dealership and customer comes first. All vehicles sales to employees are subject to management discretion.

Parts and Service

- Employees will be allowed to purchase parts for their personal vehicles at cost plus 10%.
- Service on an employee's personal vehicle is available at our regular internal shop rate.
- Discounts on vehicles, parts and service are restricted to employees and their personally owned vehicles. Discounts do not apply to collision repairs involving insurance companies and third parties.

Training and Educational Assistance

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

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

Civic Duties

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

Jury Duty - If you receive a call to jury duty, please notify your supervisor immediately, so he or she may plan the department's work with as little disruption as possible. Employees who are released from jury service before the end of their regularly scheduled shift each day are expected to call their supervisor as soon as possible and report to work, if requested.

The Company will continue to provide all employer-paid insurance benefits until the end of the calendar month in which the unpaid jury duty leave begins.

Voting - Although polls are open for extended hours, we realize that in some

instances our employees are required to work overtime and may find that these hours are not sufficient to enable them to make it to the polls. If you have a problem in this respect, please let your supervisor know so that we can make arrangements for you to have the necessary time off to vote.

Pregnancy Disability Leave Of Absence

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

Prior to the start of the leave, the employee may be required to provide the Company with a statement from the treating physician that such employee is unable to perform her job and the anticipated date of her return to work. In the event that the leave is longer than the anticipated date of return, additional verification from the treating physician is required, stating that the employee is unable to return to her position and the revised anticipated date of return. Depending on eligibility, medical insurance may be continued during the leave in accordance with the Plan Document, COBRA, or provisions of federal/state law relating to unpaid medical leave. In certain circumstances, the Company may require an employee to use her accrued paid time off concurrently with her Pregnancy Disability leave. This paid leave benefit runs concurrently with, not in addition to, any applicable FMLA leave.

Family and Medical Leave Act

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

Employee Eligibility

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

- Have worked at least 12 months for the Company;
- Have worked at least 1,250 hours for the Company over the preceding 12 months; and
- Work at a location where there are at least 50 employees within 75 miles.

- Two employee Households: If a husband and wife both work for the company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent with a serious health condition, the husband and wife may only take a combined total of 12 weeks of leave, If a husband and wife both work for the company and each wishes to take leave to care for a covered injured or ill service member, the husband and wife may only take a combined total of 26 weeks of leave.

Conditions Triggering Leave

FMLA leave may be taken for the following reasons:

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

Duration Of Leave

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

Leave taken pursuant to FMLA may be taken all at once, intermittently, or through a reduction of an employee's normal hourly weekly or daily work schedule, when medically

necessary. Intermittent leave for birth of a child, to care for a newly-born child or for placement of a child for adoption or foster care may be available, but may be subject to additional restrictions. Employees who require intermittent leave or a reduced schedule leave should consult with their supervisor to work out a schedule that will be the least disruptive to the Company.

Benefits During Leave

Depending on the purpose of your leave request, you may choose to use accrued paid time off, if available, before or concurrently with some or all of the FMLA leave. In certain circumstances, the Company may require an employee to use his/her accrued paid time off concurrently with FMLA leave. During FMLA leave, an employee will not be eligible to accrue seniority or benefits, including vacation and holidays.

Maintenance Of Health Benefits

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

Job Restoration

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

Notice and Medical Certification

When seeking FMLA leave, you must provide:

- Thirty (30) days' advance notice of the need to take FMLA leave, if the need is foreseeable, or notice as soon as practicable in the case of unforeseeable leave;
- Medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member must be submitted before your leave begins, or if not possible, within 15 days of the Company's

request to provide the certification. If you fail to do so, we may delay the commencement of your leave or withdraw any designation of FMLA leave, in which case your leave of absence would be unauthorized, subjecting you to discipline, up to and including termination. Additional medical opinions and periodic re-certifications may also be required;

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

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

Failure To Return After FMLA Leave

Any employee who fails to return to work as scheduled after FMLA leave, or who exceeds the 12-week FMLA entitlement, may be subject to termination.

Limited Nature Of This Policy

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

Personal Leave Of Absence

The Company, at the sole discretion of management, may allow an employee to take an unpaid personal leave of absence on a case-by-case basis.

An employee's failure to report to work as scheduled following a leave of absence may result in discipline, up to and including termination. An employee will not accrue benefits, such as paid time off, or holiday time, during his/her personal leave of absence. During a personal leave of absence, an employee and his/her eligible dependents may maintain medical insurance benefits under our medical insurance plan by electing and paying for continuation of coverage. If applicable, an employee must make arrangements to pay for his/her portion of health plan premiums while on leave. An employee's failure to pay such portion, if any, of the premium may result in loss of coverage. Where undertaken, the Company may recover employee-paid premiums it paid on the employee's behalf to maintain health coverage or other benefits for an employee and dependants. Ultimately, it is the Plan documents that govern the eligibility and entitlement to these benefits.

On an employee's return from a personal leave of absence, the Company will attempt to return the employee to his/her regular position, if it is available. If such position is not available, the Company will attempt to place the employee in a similar job for which the employee is qualified, if such a job is available. If jobs are not available at the time of the employee's return, such employee will be given preference in consideration for a

position for which he/she is qualified if/when they become available. Such preferential consideration will be given to the employee for a period of sixty (60) days following his/her written notification to the Company that he/she is able to return to work, and upon the employee's application for the open position.

Every employee should consult with **Human Resources** before taking a personal leave of absence to ensure that he/she is aware of his/her obligations while on leave, including but not limited to, periodic reporting and verification obligations. Failure to comply may substantially affect an employee's ability to return to work under this policy.

Military Leave Of Absence

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

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

What We Expect of You

Rules to Protect Us All

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

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

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

Absenteeism and Tardiness

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

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

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

Alcohol and Drug Policy

1. Purpose

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

2. General Policy

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

3. Drug Use/Distribution/Possession/Impairment

All employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing or using any illegal drugs, unauthorized substances, mind-altering substances, or intoxicating substances while on Company property (including parking areas and grounds), or while otherwise performing their work duties away from the Company's property. Lawfully controlled substances, which have been illegally or improperly obtained, are also prohibited. However, the possession and proper use of lawfully prescribed drugs, which are taken in accordance with the prescription and instructions by a physician, are excluded from the prohibition.

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

4. Alcohol Use/Distribution/Possession/Impairment

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

5. Prescription Drugs

Any medication that is prescribed by your physician and that is used in accordance with that prescription is not prohibited at work so long as you can safely perform your job duties. However, employees are prohibited from misusing prescribed medication. Prescription drug use can create a safety hazard and affect the job performance of an

employee by causing dizziness or drowsiness. Employees can report the use of prescription or non-prescription drugs that may affect drug tests by providing written notification/consent from their prescribing physician. It is the responsibility of the employee to determine from his/her physician whether a prescribed drug may impair job performance and if so to provide the required documentation.

6. Notification of Impairment

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

7. Who Is Tested

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

- a. **Application for Employment.** A drug/alcohol test is required from all job applicants. Refusal to submit or a positive confirmed drug/alcohol test may be used as a basis for refusal to hire the applicant.
- b. **Reasonable Suspicion.** If the Company has a reasonable suspicion that an employee may have violated any of the rules set forth in this policy, the employee may be required to submit to drug/alcohol screening at any time. Reasonable suspicion may arise from: supervisory observation, co-worker reports or complaints, performance decline, attendance or behavioral changes, results of drug searches or other detection methods.
- c. **Random.** On random basis
- d. **Post-Accident.** Upon any occurrence that causes injury to any employee, customer, damage to property of the Company or that of another employee or customer, the employee may be required to submit to drug/alcohol screening.

8. Discipline

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

9. Enforcement Policy

In order to enforce this policy and procedures, the Company may investigate potential violations and require personnel to undergo drug/alcohol screening, including urinalysis, blood tests, hair tests, saliva tests or other similar tests and, where appropriate, searches of all areas of the Company's premises, including but not limited to, personal vehicles on Company premises, Company vehicles, lockers, work areas, toolboxes, desks, purses, briefcases, and other locations or belongings on Company premises. Employees have no right to privacy with regard to any containers, purses, briefcases or any other storage devices brought onto the company premises. Employees will be subject to

discipline, up to and including termination, for refusing to cooperate with searches or investigations, to submit to screening, or for failing to execute consent forms when requested.

10. Investigations/Searches

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

11. Employee Assistance

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

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

12. Confirmation Testing

All urinalysis drug tests will utilize an initial immunoassay methodology or an equivalent. All positive results shall be confirmed by a licensed laboratory using gas chromatography/mass spectrometry (GC/MS), or an equivalent.

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

All employees who test positive in a confirmed substance test will be subject to discipline, up to and including termination. In those rare circumstances in which an employee is not immediately terminated for testing positive, or for some other violation of the policy, the Company, in its sole discretion, may allow the employee to return to work contingent upon the employee executing an agreement acknowledging:

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

14. Returning/Continuing To Work

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

Attitude

Every employee should display a positive attitude towards their job. A bad attitude creates a difficult working environment and prevents us from providing quality service to our customers.

Breaks

The Company allows for paid rest breaks at the department managers' discretion. The employee may be allotted not more than two (2) rest breaks per eight (8) hour work shift and will be allowed for a duration of not more than twenty (20) minutes each. At this time the employee may conduct all personal business (i.e. personal phone calls, text messaging; tobacco use; getting snacks or beverages; etc.) The employee is expected to report back to their workstation promptly when the break period ends and to return to their business-related duties. All personal business is expected to be conducted during the break period as to not interfere with business operation.

- Breaks must be used at the allotted times during the day for the allotted period of time. Break time may not be accumulated. Use it or lose it.
- Employees may not leave the premises during break time to run personal errands. If an employee wishes to leave the premises they must clock out.

The Company maintains a smoke- and tobacco-free office. No smoking or other use of tobacco products (including, but not limited to, cigarettes, pipes, cigars, snuff, e-cigarettes, vapes, or chewing tobacco) is permitted in any part of the building or in vehicles owned, leased, or rented by the Company. Employees may smoke outside in designated areas during breaks. When smoking or otherwise using tobacco or similar products outside, do not leave cigarette butts or other traces of litter or tobacco use on the ground or anywhere else. **No additional breaks** beyond those allowed under the Company's break policy may be taken for the purpose of using tobacco or similar products. Dispose of any litter properly in the receptacles provided for that purpose.

All employees are expected to abide by this policy in all respects while at work, whether on company premises, at a customer's site, or while in transit between work locations or assignments, as well as while the employee is off duty, if the employee is on company premises or in vehicles owned, leased, or rented by the company. Being permitted to use tobacco products during breaks is a privilege, as long as such use does not interfere with the employee's work, fitness for duty, or professional appearance. If that privilege is abused, it may be withdrawn altogether.

Bulletin Boards

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

Business Travel

The Company will reimburse employees for reasonable business travel expenses incurred while on assignments away from the Company. The Department Manager must approve all business travel in advance. For approved travel, the actual costs of travel, meals, and lodging will be reimbursed. Employees are expected to limit expenses to reasonable amounts. Movies, entertainment, alcohol, and extra-curricular activities are not reimbursable expenses. Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, travel advances, expense reports, reimbursement for specific expenses, or any other business travel issues.

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by the Company may not be used for personal use without prior approval. All vehicle rentals must be approved prior to renting.

Cash advances to cover reasonable anticipated expenses may be made to

employees, after travel had been approved. Employees should submit a written request to their supervisor when travel advances are needed. When travel is completed, employees should submit completed travel expense reports within seven (7) days. All individual expense reports should be accompanied by receipts. Abuse of this business travel policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination.

Cash Reporting Policy

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

The employee who is administering the cash transaction is responsible for completing the required documentation and submitting it to the office manager for proper submission and filing. Failure to comply with federal regulations will subject an employee to disciplinary action, up to and including termination, and could result in a felony conviction.

Cell Phone Policy

We prohibit the use of cell phones, two way radios or other personal communication devices for personal or business calls while operating a motor vehicle in performance of your job duties. The only exception is for genuine emergencies, such as an accident or a car breakdown.

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

- Transmitting, retrieving, downloading, or storing harassing messages or

images that are offensive, derogatory, defamatory, harassing, off-color, sexual in content, or otherwise inappropriate in a business environment.

- Taking inappropriate pictures or digital images of another employee, vendor, customer, or other person.
- Sending, receiving or taking pictures or digital images of confidential, private or copyrighted materials without prior authorization. All written records, files and computer data of the company, or customer and/or vendors are the property of the company and are considered confidential. No employee is authorized to take pictures or digital images of any confidential transactions with customers, proprietary information concerning transactions or dealership purchases, customer lists, payroll or personnel records of past or present employees, financial records of the company, all records pertaining to purchases from vendors or suppliers, correspondence and agreements with manufacturers or distributors and documents concerning operating procedures of the company.
- Soliciting personal business opportunities or personal advertising.

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

Computers, E-Mail, Voice Mail, Instant Messaging and the Internet

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

Company Property

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

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

from Company-owned computers.

Licenses

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

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

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

Prohibited Use

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

- Sending or posting messages or material that could damage the Company's image or reputation, or that disparages another organization's products or services.
- The transmission, retrieval, downloading, or storage of content, including messages or images, which are offensive, derogatory, defamatory, off-color, sexual in content, or otherwise inappropriate in a business environment.
- Jeopardizing the security of the Company's computer systems.
- Transmission of threatening or harassing messages to co-workers, vendors, customers or other outside parties.
- Using the Company's time and resources for personal gain.
- The transmission, retrieval, downloading, or storage of content, including messages or images, which relate to race, color, national origin, citizenship status, sex, religion, age, handicap, disability, sexual orientation, or any other status protected under local, state and federal laws.
- Stealing, using, or disclosing someone else's credentials for any software application.
- File sharing of confidential copyrighted materials, including sending or

receiving confidential or copyrighted materials, without prior authorization from the General Manager.

- Copying, pirating, or downloading software and/or electronic files without authorization.
- Solicitations for personal business opportunities, or personal advertising.
- Failing to observe and comply with licensing agreements.
- Gambling, regardless of the type, playing electronic games and monitoring sports scores.
- Attempting to access computer systems of the Company or others without authorization.
- Sending or posting messages or material that defames or slanders any other person or entity.
- Engaging in day trading, or otherwise purchasing or selling stocks, bonds or other securities or the transmission, retrieval downloading or storage of information, including messages or images that relate to the purchase or sale of stocks, bonds or other securities.

Unsolicited E-Mail (SPAM)

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

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

Monitoring

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

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

System Integrity

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

Social Media Policy

Classic recognizes its employees' rights to voice their opinions regarding factual matters relating to working conditions and other matters protected by Federal law. Classic also recognizes that many of its employees actively participate in various social media internet sites and online discussion groups. However, employees should not post statements electronically (such as to online message boards or discussion groups or other social media sites) relating to the Company, its employees, customers or vendors that are false, defamatory, or that rise to the level of harassment as defined by Federal and State law and in the Company's Policy on Harassment . Employees who violate this policy may be subject to discipline, up to and including termination of employment.

Enforcement

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

Confidentiality

All records and files of the Company are property of the Company and considered confidential. No employee is authorized to copy or disclose any file or record. Confidential information includes all letters or any other information concerning transactions with customers, customer lists, payroll or personnel records of past or present employees, financial records of the Company, all records pertaining to purchases from vendors or

suppliers, correspondence and agreements with manufacturers or distributors and documents concerning operating procedures of the Company. All telephone calls, letters, or other requests for information about current or former employees should be immediately directed to the Office Manager or General Manager.

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

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

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

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

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

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

Conflict Of Interest

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

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

Courtesy

Since courtesy is the responsibility of each employee, it is the expectation of the Company that all employees will be considerate, respectful and pleasant to customers, vendors and suppliers, as well as to co-workers. Use of disrespectful, profane, vulgar, or any other language that harms the Company's image or reputation is prohibited.

Customer Information Security

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

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

You should only have conversations about company and customer matters with those who have a need to know, and take care to avoid such conversations where those

who do not need to know may overhear. Conversations about such information in public places, such as restrooms, elevators, restaurants, and airplanes should be avoided, and confidential matters should not be discussed with spouses, other relatives, or friends.

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

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

All financial information shall be kept confidential and locked in file cabinets each evening. Employees are not to take any financial information of the company or its customers' home to work on or otherwise remove it from the office unless there is specific business need to do so and you receive permission from the Security Program Coordinator. Employees are not permitted to keep financial information, including credit applications, credit reports or contracts at their desks or on the fax machine for any purpose other than to collect the information and to immediately transfer/transmit the information to the financial institution or to management staff to be placed in locked storage. Customers and vendors should not be left alone in your office unless all customer information is in locked storage. Financial information and other personal information should never be left unlocked at your desk for any reason or for any period of time, regardless of the reason or the fact that you are working on the information. You should never share financial information or other personal information with anyone else in the dealership unless it is necessary for the purpose of completing the business transaction. Such information should only be shared on a need-to-know basis. Customer information must be in a locked storage area at all times. You should check to make sure the storage area (whether it is a room, a cabinet or your desk drawer) is locked each time you access the storage area.

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

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

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

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

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

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

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

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

In the event that you inadvertently release confidential information, you should immediately inform your department manager so the appropriate action may be taken. Any release of information, whether or not intentional, may be grounds for disciplinary action, up to and including termination. You must also notify the department manager immediately if any anticipated threats or hazards to the security of customers' personal information is suspected or detected or if you are aware of unauthorized access or sharing of customer information.

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

You shall not disclose, copy, communicate, or divulge to, or use the direct or indirect benefit of any person, firm, association, or company other than the company, any material provided by the company, including but not limited to business methods, business policies, procedures, techniques, research, client lists, client information, development projects or results, trade secrets, or other knowledge or process of or developed by the

company or any other confidential information relating to our dealing with the business operations or activities of the company made known to you or learned or acquired by you while an employee of the company.

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

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

Customer Record Disposal

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

Damage to Property

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

Dealership Keys

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

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

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

Dealership Vehicles

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

A valid state driver's license for the class of vehicle you are operating is required. Use of a motorcycle to conduct Company business, or to transport a customer or another employee, is not permitted. While operating a Company vehicle, the driver and all passengers must use seatbelts. Failure to use a seatbelt could result in disciplinary action, up to and including termination. Supervisor approval is required before non-employees may ride as passengers in Company vehicles. Transporting unauthorized passengers may result in disciplinary action, up to and including termination.

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

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

A citation for "driving while impaired" (D.W.I.), or for any other serious moving violation, constitutes an unacceptable driving record for employees whose job duties include operation of Company or customer vehicles, and the employee's continued

employment will be subject to review. If there is a change in your driving record, you are required to immediately notify your Department Manager. If an employee's job duties include the operation of Company or customer vehicles, and that employee becomes uninsurable under the Company's liability policy, the employee will be considered to have an unacceptable driving record and the employee's continued employment will be subject to review.

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

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

Demonstration Drives

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

Detrimental Activity

Employees are not permitted to engage in any kind of activity, either on Company property or while off the job, which reflects detrimentally or adversely on the Company's reputation.

Disability Accommodation

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

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

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

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

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

This policy is neither exhaustive nor exclusive. The Company is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

Document Preparation

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

Driving Records

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

Emergency Closings

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

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

Personal Relationships in the Workplace

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

the Company requires Workplace Relationship Disclosure Form to be completed and submitted to Human Resources.

Anyone in close personal relationships with employees may be ineligible for employment with The Company if the prospective employee would be employed, (1) at the same facility as his or her relative, or (2) in job positions in which a conflict of interest could arise. "Close personal relationship" are defined to include spouses, partners, significant others, children, siblings, parents, in-laws, and step-relatives.

Err on the side of disclosure as openness helps to avoid future misunderstandings. The Company will work with the employees involved to determine whether it is appropriate and possible to adjust reporting or working relationships or whether other changes or actions are necessary.

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

Fraud, Dishonesty and False Statements

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

Gambling

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

Gifts and Gratuities

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

Hazardous and Toxic Materials

If your job requires that you use hazardous or toxic materials, you are expected to

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

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

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

Honesty and Credibility

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

Housekeeping

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

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

Illegal Activity

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

Insubordination

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

Job Posting and Employee Referrals

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

Transfer of employees from one department to another or from one location to another for the Company's convenience may be made to meet the Company requirements. A request for transfer should be made in writing and submitted to the department supervisor for consideration. A transfer may be made if management determines it is in the best interest of the Company and the employee.

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

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

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

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

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

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

Legal Requirements

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

- **Manufacturer Monroney Label, FTC Used Car Buyers Guide, And Seat Belt Notification.** These stickers must be intact on all new, demo, or used cars at time of presentation and delivery. No employee is authorized to remove them for a customer.
- **Odometer Disclosure.** The odometer disclosure form must be signed for all customer trade-ins and for any Dealership vehicle sold.
- **Contract Disclosure.** Anyone signing a contract must show proof of identity. Also, the truth in lending and truth in leasing laws require that certain disclosures be made. Failure to make these disclosures can result in voiding of the deal and damages.
- **Damage Disclosure.** Vehicle damage whether occurring in transit, on the lot, or in a collision must be disclosed to the customer, in writing, in accordance with applicable law and Dealership policy.
- **Equal Credit Opportunity Act (ECOA).** The ECOA prohibits discrimination in any aspect of a credit transaction. The ECOA is not limited to consumer loans. It applies to any extension of credit, including extensions of credit to small businesses, corporations, partnerships, and trusts. The ECOA prohibits discrimination based on: race, color, religion, national origin, sex; marital status, age (providing the applicant has the capacity to contract), the applicant's receipt of income derived from any public assistance program; and the applicant's exercise, in good faith, of any right under the Consumer Credit Protection Act.

Meetings

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

Misuse of Property

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

New and Used Parts

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

Non-Disclosure

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

- Compensation data
- Computer programs and codes
- Customer lists
- Customer email list
- Customer preferences
- Financial information
- Marketing strategies
- Proprietary competitive practices

Employees may be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose (pass along to outside parties) confidential business information will be subject to disciplinary action, up to and including termination **and** legal action, even if they do not actually benefit from the disclosed information.

Off-Duty Social and Recreational Activities

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

Off-Duty Use of Facilities

Employees are prohibited from making use of Company facilities, or being on Company premises while not on duty. In addition, employees are expressly prohibited from using Company facilities, Company property or Company equipment for personal use, without express written permission from the General Manager.

Office Machines

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

Operation of Customer Vehicles

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

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

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

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

Outside Employment

Circumstances may exist where employees have the opportunity or the need to have two jobs at one time. It is important that such outside interests do not interfere in any way with an employee's primary job with the Company. All employees also must be careful that extra hours of work do not affect the safe performance of his/her duties for the

Company by leaving him/her tired and slow to react. If your second job could create a potential conflict of interest, for example, working for a competitor, you are required to seek and obtain written approval from the General Manager before beginning the second job.

Overtime

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

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

Parking

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

Personal Appearance and Behavior

We do have a formal "Dress Code," and expect every employee to comply and dress appropriately for a business such as ours and the job he or she is performing. All Company employees are expected to present a neat, professional, well-groomed appearance and a courteous disposition. We feel that these qualities are critical to making a favorable impression on the public and your fellow workers. A Company approved uniform may be required and will be expected to be adhered to upon reporting to work each day.

Employees who are provided with Company uniforms should keep them in a neat and clean condition, and must wear them at all times when on duty. Reasonable exceptions will be made for religious accommodation. Employees are required to return their uniforms in a timely manner upon termination of their employment or upon request. If an employee fails to timely return a uniform, the company may deduct the cost of the uniform from the employee's final paycheck. Similarly, if the employee returns a uniform damaged beyond normal wear and tear, the company may deduct the repair cost from the employee's final paycheck.

Further, unprofessional behavior in the workplace, such as sexually-related conversations, inappropriate touching of another employee (i.e., kissing, hugging,

massaging, sitting on laps) and any other behavior of a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination.

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

Personal Mail

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

Personal Telephone Calls and Visits

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

Personal visits by friends or relatives during work hours can be disruptive to our operations and are discouraged. If you receive a non-business-related visit from a friend or relative, you must notify your Department Manager at the time of your guest's arrival and departure.

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

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

If an unauthorized individual is observed on the Company's premises, employees should

immediately notify their supervisor or, if necessary, escort the individual to the General Manager.

Poor Performance

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

Positive Outlook

Employees should maintain a positive outlook about their job. The Company and co-workers can be affected by a poor attitude. Having a negative outlook creates a tough working environment and prevents us from providing excellent customer service.

Publicity

The Company may utilize media resources in the course of advertising, public relations or other similar conduct for business purposes. As such, the Company may use your photograph, picture and/or voice for promotion or advertising at any time, without notice and additional compensation. If you are approached by any member of the media and asked about any company information, please do not comment and kindly refer the person to your manager.

Safety

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

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

Sales Code of Ethics

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

Authority

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

Vehicle Representation

The salesperson must not knowingly misrepresent a vehicle's status as new if it is used or if it has been previously used as a demonstrator. The salesperson must not represent a fleet or rental car buyback as an executive or demonstrator vehicle. Any vehicle which has been previously sold or registered constitutes a used vehicle.

Vehicle Advertisements

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

General Statements

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

Scrap, Waste and Old Parts

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

Searches and Inspections

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

Similarly, all files and records stored on Company computers are the property of the Company and may be inspected at any time. Company computers are for business purposes only and should not be used for non-work related matters. Use of Company computers for unauthorized purposes is prohibited. Electronic mail and voice mail messages are to be used for business purposes only and are considered Company

property. The Company may access these items at anytime, with or without prior notice, and employees should not assume that such messages are confidential.

Service and Repair Work

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

Sleeping

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

Smoking

Some customers and co-workers may find smoking and vaping in their presence to be offensive. Therefore, employees who choose to smoke or vape must exercise good judgment as to when and where they smoke. Smoking and vaping is never permitted in the presence of a customer. Smoking and vaping also is prohibited in all Company buildings and vehicles. Smoking must be confined to designated outdoor areas. And smoking is prohibited in all areas where paint and flammable materials are present.

Telemarketing

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

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

Theft

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

Timekeeping Procedures

Unless otherwise notified, each employee is required to record his or her hours of work for the Company. Under no circumstances may any employee punch another employee's time card: physical or electronic. You will be informed your first day on the job whether you are required to keep your time by a time clock, a time sheet or electronically. Whatever your method of timekeeping, you are expected to follow the established procedures in keeping an accurate record of your hours worked. Accurately recording all your time is required in order to be sure that you are paid for all hours worked. Any changes or corrections to your time card or time record must be initialed by you and your Department Manager.

Tools

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

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

Unauthorized Interviews

As a means of protecting yourself and the Company, no unauthorized interviews are permitted to be conducted by individuals representing themselves as attorneys, peace officers, investigators, reporters, or someone who wants to just "ask a few questions." If you are asked questions about the Company or its current or former employees, you are to immediately refer such individual(s) to your Department Manager. A decision will then be made as to whether that individual may conduct any interview and they will be introduced to you by your Department Manager with a reason for the questioning. Similarly, if you are aware that an unauthorized interview is occurring at the Company, you must immediately notify your Department Manager or the General Manager.

Workplace Monitoring

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

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

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

Workplace Violence Policy

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

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

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

If arrested for sexual assault or any crimes against children, employment will be suspended pending outcome.

Changes in Status

Changes in Personnel Records

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

Outside Inquiries Concerning Employees

Due to privacy requirements, all inquiries concerning employees from outside sources should be directed to the Human Resource Manager. All other employees are prohibited from providing information about co-workers and managers to any outside source. Only certain designated management level employees are authorized to provide references or information concerning our employees.

Notice of Resignation

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

Exit Interview

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

To Sum It All Up

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

ACKNOWLEDGEMENT

I, _____ acknowledge receipt of the Classic Tyler Motors,
(Name of employee)
Inc. Employee Handbook on _____, 20____. I have read
and understand and agree to comply with all policies and procedures contained in the
handbook and further understand that I am employed at will by Classic Tyler Motors, Inc.

Signature of Employee