

Sam Boswell



Benefits
And
Policies and Procedures
Handbook

April 27, 2020

NOTICE TO EMPLOYEES

This handbook has been written to serve as the guide for the employer/employee relationship. The rules set out in this manual are as complete as we can reasonably make them; however, they are not necessarily all-inclusive, because circumstances that we have not anticipated may arise. The company may vary from the policies and provisions in this manual if, in its sole discretion, the circumstances require.

This manual provides answers to most of the questions you may have about benefit programs, as well as the company policies and procedures. In addition to clarifying responsibilities, we hope this employee manual also gives you an indication of the company's interest in the welfare of all who work here. If you wish to discuss or have questions regarding the policies or procedures of the company, please have your handbook ready and the item in question located prior to discussing it with your immediate supervisor. If you need further information, you and your supervisor may ask to meet with the General Manager or Dealer Principal.

It is very important for your supervisor or the General Manager or Dealer Principal to know immediately if any person is abusing any of the guidelines set forth in this handbook.

This handbook supersedes all previous handbooks, policies and practices that are in any way inconsistent with the contents of this handbook. We reserve the right to add, change or delete benefits and policies as we deem appropriate. We will try to inform you of any changes as they occur.

Some subjects described in this handbook are covered in detail in official policy documents. Refer to these documents for specific information because the handbook only briefly summarizes those guidelines and benefits. Please note that the terms of the written insurance policies are controlling and override any statements made in this or other documents.

Sam Boswell Honda Buick GMC will be referred to as the "Company" for the remainder of this handbook.

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SECTION 1: INTRODUCTION

1.1 WELCOME FROM LEADERSHIP TEAM

Whether you have just joined our staff or have been at Sam Boswell Honda Buick GMC for a while, we are confident that you will find our company a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. You are part of an organization that has established an outstanding reputation for quality products and services, and credit for this goes to every one of our employees. We know that your contributions will assist us in remaining a leader in this community and in our industry. We hope that you, too, will find satisfaction and take pride in your work here.

As an employee, you can expect certain things from the dealership: competitive wages, valuable benefits and good working conditions. Your job carries with it certain responsibilities, including: providing the best and most courteous service possible to all customers, cooperating with fellow employees and the management, exhibiting quality workmanship, and abiding by the rules and regulations which are necessary for the benefit of all dealership employees. Please remember that your success, as well as that of the dealership, depends upon all employees providing the desired services to customers better and faster than our competition.

Compensation and personal satisfaction gained from doing a job well are only some of the reasons most people work. Most likely, many other factors count significantly among your reasons for working. Pleasant relationships and working conditions, career development and promotion

opportunities, and health benefits are just a few. The Company is committed to doing its part to assure you a satisfying work experience.

1.2 HISTORY OF SAM BOSWELL HONDA BUICK GMC

Sam Boswell Honda is a second generation, family-owned and –operated business that has proudly served the automotive needs of Enterprise, Fort Rucker, and the Wiregrass area for 43 years. Sam Boswell, the founder of Sam Boswell Honda, is a military veteran as are many of our employees. We realize that freedom isn't free, and proudly support the military, Fort Rucker, and veteran's organizations. Sam left the military in 1969 and began working at a local dealership as a sales consultant. Success in that position led to a management position and a lucrative career, but his dream was to own a dealership. That dream was realized in 1989 when he became the minority owner of Tommy Thomas Honda (previously Honda of Enterprise), then bought the controlling interest in 1995 and changed the name to Sam Boswell Honda. O'Neal Boswell, Sam's son, had moved away in 1986 to attend college and start his own successful business, Performance Solutions; he returned to Enterprise in 2007 to help with the business. It was decided that O'Neal would take over operation and ownership of the business, and he has continued to carry on the legacy of serving people's automotive needs with honesty and integrity. The dealership has flourished under his ownership, going from selling an average of 40 units per month in 2009 to selling an average of 135 units per month in 2014 – an increase of more than 230%. Likewise, revenue for the parts and service departments has increased more than 160% for the same time period. In March 2020, O'Neal purchased Action Buick GMC. The company is committed to doing the "right" thing, as illustrated in our tagline: "Vehicles you can depend on, People you can trust."

1.3 MISSION STATEMENT AND VALUES

Our mission is simple: we strive to be a company that our community and our customers want to exist, and that our associates are proud to be a part of.

Our objective is to achieve this every day by providing exceptional customer care and service, by providing our employees with a great work atmosphere, and by strongly supporting and giving back to the community. We have found great success with the processes and ways of doing business as outlined in this handbook.

“Vehicles you can depend on, People you can trust”

SECTION 2: EMPLOYMENT AND HIRING RELATED POLICIES

2.1 EMPLOYEE STATUS DEFINITIONS

New employees are hired on the basis of their ability and we hope that you will develop your skills and abilities with the company. Each employee is the best or has the ability to be the best person for their individual job, and each person and every job is important for the security of every person's job.

There is a benefits waiting period for new employees who have been employed with us less than 90 days. This is a trial period for both you and the dealership; this will give you time to become familiar with the job and the dealership, and will allow us to determine whether you can perform

your assigned job satisfactorily. During this time, we will be reviewing your job performance, attendance, attitude, relationships with customers and employees, and overall interest in your job.

A temporary employee will normally be employed for 90 days or less. A part time employee is normally scheduled less than 8 hours per day or at least 17.5 hours but less than 40 hours per week. Full time employees are employees who are normally scheduled to work 40 hours per week. The preliminary designation between full time and part time will be made at the time of hiring and a final designation will be made after the benefits waiting period. An employee may change categories at any time, based on mutual agreement of the employee and management.

All full time employees are entitled to employee benefits after the 90 day benefit waiting period. Temporary and part time employees do not qualify for benefits.

2.2 EQUAL EMPLOYMENT OPPORTUNITY / DISCRIMINATION

This dealership is committed to providing equal opportunities in all of our employment practices, including selection, hiring, promotion and compensation, to all qualified applicants and employees. The dealership does not discriminate against anyone, regardless of race, religion, color, age, sex, national origin, marital status or family or family responsibilities, disability or handicap, service in the military or veteran's status, etc. or any other status protected by law. The existence of discrimination is a primary factor in determining whether an employee has been treated fairly. Federal and state laws prohibit employee selection, advancement, compensation, etc., on the basis of certain factors, and for good reason; the prohibited factors are irrelevant to the selection of the best candidate or employee for the position. While an employer must be "discriminating" in selecting the person best qualified for the position, the decision must not be based to any extent on any prohibited factors. Employers may be discriminating, but may not unlawfully discriminate.

Our non-discrimination policy also extends to our customers. Every customer must be treated properly and with respect regardless of their race, color, sex / gender, religion, national origin, citizenship status, age or disability. Failure to comply with this policy is grounds for immediate dismissal.

If you believe you have been discriminated against, you must follow the steps outlined in Section 8 of this handbook, and report the discrimination to your supervisor immediately. If you feel uncomfortable doing so or if your supervisor is the source of the problem, condones the problem, or ignores the problem, report to the Office Manager / Controller.

If neither of these alternatives is satisfactory to you, then you can direct your questions, problems, complaints, or reports to the General Manager or Dealer Principal. You are not required to directly confront the person who is the source of your report, question, or complaint before notifying any of those individuals listed. Nevertheless, you are required to make a reasonable effort to make the discriminatory conduct known should it exist.

You will not be subject to any form of retaliation for making a complaint concerning yourself or another employee, or otherwise assisting an investigation. However, if an individual intentionally falsely accuses someone of discrimination, appropriate disciplinary action up to and including termination will be taken against the accuser.

The Company will not pay wages to any employee at a rate less than the company pays employees of the opposite sex for comparable skills and experience.

2.3 HARASSMENT POLICY

All employees should be able to enjoy a work place free of harassment, and this company does not and will not tolerate harassment of any of our employees, applicants or customers. **EMPLOYEE HARASSMENT** is any unwelcome conduct that illegally discriminates against you or another employee, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. This would include discrimination or harassment based upon an individual's age, race, color, creed, national origin, religion, gender, gender identity, genetic characteristics, physical or mental disability, or other protected classifications.

SEXUAL HARASSMENT is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of sexual nature where submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment; or submission to or rejection of such conduct is used or threatened to be used as the basis for employment decisions affecting such individual; or such unreasonable conduct interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment. In other words, no manager has the authority to suggest, in any way, to any employee, that the employee's continued employment or future advancement will be affected in any way by the employee entering into (or refusing to enter into) any form of personal relationship with the manager.

Customers are also covered under the harassment policy. Customers should be able to transact business with the dealership without any form of harassment, be it verbal, physical touching, or unwanted or unwelcome advances. Any employees who witness this behavior should report it to their supervisor immediately for investigation; customer reports will also be investigated. If merited, disciplinary action will be taken.

Any disciplinary action taken in response to the findings of a harassment complaint will be based on the individual circumstances of each situation. Disciplinary actions may include, but are not limited to: written warnings, suspensions without pay, or termination. In addition, if it is determined that a person has falsely and intentionally accused someone of harassment, appropriate disciplinary action will be taken, which may include termination.

If you feel that you are being harassed in any way by another employee or by a customer or vendor, you should make your feelings known to your supervisor immediately. The matter will be

thoroughly investigated and where appropriate, disciplinary action will be taken. If you do not feel that you can discuss the matter with your supervisor or if you are not satisfied with the way your complaint has been handled, please contact the Controller, General Manager or Dealer Principal. Upon receipt of a complaint under this policy, the company will initiate an investigation of the situation and document the responses of all individuals involved. If your complaint is not handled to your satisfaction, then you should follow-up with a written statement to the company president, Controller, or Dealer Principal.

You may be assured that your complaint will be kept as confidential as possible. You will not be subject to any penalties or any form of retaliation for making a complaint concerning yourself or another employee, or otherwise assisting an investigation. However, if an individual intentionally falsely accuses someone of harassment, appropriate disciplinary action up to and including termination will be taken against the accuser.

Because of the nature of harassment, things that may be offensive to one employee may not be offensive to another. In addition, harassment can sometimes take subtle forms and may not occur in front of witnesses. Please don't assume that a manager or another employee is aware of any improper conduct; notify your supervisor or the General Manager or Dealer Principal immediately. It is your responsibility to bring your complaints and concerns to the dealership's attention so that they may be resolved. Further steps and guidelines for employee relations can be found in Section 8 of the handbook.

2.4 DRUG FREE WORKPLACE SUBSTANCE AND ALCOHOL ABUSE POLICY

Effective August 1, 2006 The Company has qualified as a Drug-Free Workplace in compliance with Sections 25-5-330 through 340, Code of Alabama, 1975.

The Drug-Free Workplace Substance Abuse Policy and Procedures and Policy Statement are found in section 11 of this handbook, and are also posted in the break room on the bulletin board for your use.

Reporting to work or performing any business on behalf of the company under the influence of alcohol or any illegal drug which may pose a significant risk to the employee, the company, and / or the public is strictly prohibited. All employees are prohibited from possessing, distributing, manufacturing, or using illegal drugs while on company property (including parking areas and grounds), while otherwise performing their duties away from the dealership, and while in company or customer vehicles. Possession of any drug related material, equipment or paraphernalia is also prohibited. When a manager has reasonable suspicion that an employee has violated this policy and is in possession of prohibited items, or at any time the dealership management believes appropriate, the General Manager or Dealer Principal will be notified and without prior notice a search will be conducted. Searches on dealership premises and of dealership property can be conducted at any time. All employees will be expected to cooperate as a condition of continued employment, with possible searches of personal vehicles on dealership premises, purses, clothing,

briefcases, files and computer files, work areas, lunch and tool boxes, lockers, desks, and/or any other personal belongings. It is in everyone's best interest to ensure that the dealership remains free of prohibited substances and items.

Never drive a vehicle or operate machinery while taking prescription drugs that might cause dizziness or drowsiness. Violation of this policy will result in termination.

The sale, purchase, transfer or possession of an illegal drug or unauthorized controlled substances is a violation of the law. The dealership will report information concerning such possession, distribution, or use to law enforcement officials and will turn over to the custody of law enforcement officials any such substances found during a search of an individual or property. The dealership will cooperate fully in the prosecution and / or conviction of any violation of the law.

This policy applies to all employees of the dealership regardless of rank or position and includes temporary and part time employees as well as full time employees. *Refer to Section 11 of this guide for further policies and procedures related to a Drug Free Workplace.*

2.5 SAFETY POLICY / INJURY ON THE JOB

Safety is everyone's responsibility. It is the responsibility of each employee to conduct all tasks in a safe and efficient manner complying with all local, state and federal safety and health regulations and program standards, and with any special safety concerns for use in a particular area or with a client. It is the policy of The Company to help provide a safe working environment for all employees. The need exists for recognizing that *no job is so important and no order is so urgent that we cannot take time to perform our work safely.*

To accomplish this, management will provide reasonable safeguards to help ensure safe working conditions and support the safe and efficient development of all work activities.

Employees are expected to use the safety equipment provided. Rules of conduct and rules of safety shall be observed. Safety equipment shall not be destroyed, disabled, or abused.

Safety is a primary concern, so please use common sense at all times and in all jobs. Management requires that every person in the organization assumes the responsibility of individual and organizational safety. Failure to follow company safety and health guidelines or engaging in conduct that places the employee, client or company property at risk can lead to employee disciplinary action and / or termination. If safety precautions are called for, please follow them carefully. Several important safety rules to follow, but not limited to, are:

- Always wear appropriate and required apparel and devices
- Never remove safety guards or devices from machinery
- Never use equipment unless trained and authorized

- Know where all fire extinguishers are kept and keep fire extinguishers, aisles and doors clear
- Keeps areas clean and free of clutter
- Use proper lifting techniques
- Use equipment only for its intended purpose
- Store flammable and hazardous waste materials in proper containers
- Turn off equipment when not in use
- Most importantly, use sound judgment in all activities

If you are injured or see another employee get injured, report it to your supervisor. It is the responsibility of the employee to complete an Accident and Incident Report for each safety and health infraction that occurs by an employee or that the employee witnesses. A report of injury must be written up for workman's compensation insurance, even if medical attention is declined at that time. If a report is not made at the time of injury and problems arise later from that injury, the workman's comp insurance is within their rights to reject the claim. If medical attention is required, check with your supervisor or the Controller to see which doctor / medical facility is designated for our workman's comp injuries. Failure to use the doctor or medical facility designated by the workman's comp insurance will result in the employee being financially responsible for all bills incurred. Failure to report such infractions may result in employee disciplinary action, including termination.

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

Management shall have the responsibility to develop and the authority to implement a safety and health program in the interest of a safer work environment.

The joint cooperation of employees and management in observance of this policy will help provide safe working conditions, help reduce work-related accidents, and will be to the mutual advantage of all.

2.6 WORKPLACE SAFETY

The Company has a longstanding commitment to provide a safe and productive work environment. This policy outlines the practice and procedure designed to correct instances of identified safety concerns in the workplace.

Employee Assistance and Drug-Free Awareness

As noted in Section 2.4 and outlined in detail in Section 11, this organization supports a Drug Free workplace. Alcohol and drug abuse poses a threat to the

health and safety of employees and to the security of our equipment and facilities. The company will assist and support employees who voluntarily seek help for such problems before they become subject to discipline and / or termination under this or other policies. Such employees may be allowed to use accrued paid time off, placed on leaves of absence, referred to treatment providers and otherwise accommodated as required by law. Such employees may be required to document that they are successfully following prescribed treatment and to take and pass follow-up tests. These tests will be mandatory if the employee holds a job that is safety sensitive or requires driving, or if they have violated this policy previously.

Workplace Bullying

The Company defines bullying as “repeated inappropriate behavior, either direct or indirect, whether verbal, physical or otherwise, conducted by one or more persons against another or others, at the work place and/or in the course of employment.” Such behavior violates employee conduct policies, which clearly states that all employees will be treated with dignity and respect.

The purpose of this policy is to communicate to all employees, including members of management, that the Company will not tolerate bullying behavior. Employees found in violation of this policy will be disciplined up to and including termination.

Bullying may be intentional or unintentional. However, it must be noted that where an allegation of bullying is made, the intention of the alleged bully is irrelevant and will not be given consideration when meting out discipline. As in sexual harassment, it is the effect of the behavior upon the individual that is important. The Company considers the following types of behavior examples of bullying:

- **Verbal Bullying:** Slandering, ridiculing or maligning a person or his/her family; persistent name calling that is hurtful, insulting or humiliating; using a person as the butt of jokes; abusive and offensive remarks.
- **Physical Bullying:** Pushing, shoving, kicking, poking, tripping, assault or threat of physical assault; damage to a person’s work area or property.
- **Gesture Bullying:** Nonverbal threatening gestures or glances that convey threatening messages.
- **Exclusion:** Socially or physically excluding or disregarding a person in work-related activities.

Violence in the Workplace

All employees, customers, vendors and business associates must be treated with courtesy and respect at all times. Employees are expected to refrain from conduct that may be dangerous to others.

Conduct that threatens, intimidates or coerces another employee, customer, vendor or business associate will not be tolerated. Company resources may not be used to threaten, stalk, or harass anyone at the workplace or outside the workplace. The Company treats threats coming from an abusive personal relationship the same as it does other forms of violence.

Direct or indirect threats of violence, incidents of actual violence, and suspicious individuals or activities should be reported as soon as possible to a supervisor, department manager, Controller, General Manager or Dealer Principal. When reporting a threat or incident of violence, the employee should be as specific and detailed as possible. Employees should not place themselves in peril, nor should they attempt to intercede during an incident.

Employees should **promptly** inform the General Manager or Dealer Principal of any protective restraining orders that they have obtained that lists the workplace as a protected area. Employees are encouraged to report safety concerns with regards to intimate personal violence. The Company will not retaliate against employees making good-faith reports. The Company is committed to supporting victims of intimate partner violence by providing referrals to community resources and providing time off for reasons related to intimate partner violence.

The Company will promptly and thoroughly investigate all reports of threats of violence or incidents of actual violence and of suspicious individuals or activities. The identity of the individual making the report will be protected as much as possible. The Company will not retaliate against employees making good-faith reports of violence, threats or suspicious individuals or activities. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees suspected of workplace violence or threats of violence, either with or without pay, pending investigation.

Anyone found to be responsible for threats or actual violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action, up to and including termination of employment.

The Company encourages employees to bring their disputes to the attention of their supervisor or the Controller before the situation escalates. The Company will not discipline employees for raising concerns. Please refer to Section 8.3 for steps on how to report / deal with a problem.

2.7 FIREARMS AND WEAPONS

Ensuring a safe work environment and the prevention of workplace violence is of paramount importance to the Company. Weapons inside the workplace pose a potential threat to the safety and security of our employees. Possession of firearms of any type and other weapons on dealership premises or in dealership vehicles is strictly prohibited at all times. This policy applies to both on- or off-site while you are engaged in work or business.

The carrying of a fire arm of any kind while inside a company building or leased space, on company property, inside a company-owned vehicle, or while conducting company business on- or off-site, is strictly prohibited, is a violation of company policy, and will subject an employee to discipline, up to and including termination.

Pursuant to Alabama Act 2013-283, the Company may not restrict an employee from transporting or storing lawfully possessed firearms in the employee's **privately-owned** vehicle, while the vehicle is in company designated parking areas, if and only if **all** of the following requirements are satisfied:

- 1.) The employee's vehicle is operated or parked where it is permitted to be; and
- 2.) The firearm is either:
 - a. kept inside the vehicle or out of sight, while the employee is attending the vehicle; or
 - b. kept out of sight, locked in a compartment, container, or in the interior of the vehicle or in a compartment or container securely affixed to the vehicle, when the vehicle is attended; and
- 3.) The employee has a valid Concealed Weapons Permit; or
- 4.) If the employee does not have a valid Concealed Weapons Permit, they may have in their vehicle a firearm that is not a pistol and is legal for hunting in Alabama if:
 - a. The employee has a valid Alabama hunting license; and
 - b. The firearm is unloaded at all times; and
 - c. It is during season in which hunting is permitted in Alabama law; and
 - d. The employee has not been convicted of any crime of violence, nor is subject to a Domestic Violence Order, as those terms are defined by law; and
 - e. The employee has no prior documented incidents or workplace threats or violence; and
 - f. The employee has not been committed to a psychiatric hospital or similar treatment facility for inpatient or outpatient treatment.

If you do not meet requirements of both (1) and (2) and one of either (3) or (4), you are prohibited from having a firearm in a vehicle on company property.

Please note that neither the law nor dealership policy allows persons to possess firearms in vehicles owned by another individual.

In the event the Company believes an employee poses a risk of danger to themselves or others, the Company reserves the right to make further inquiry as to whether an employee has a weapon on company property. In the event the Company learns that an employee has a firearm in his or her vehicle, the Company has the right to question any employee in order to determine that the mentioned conditions are satisfied.

If it is found that the employee is not in compliance with the law and company policy, the employee may be subject to disciplinary actions, up to and including terminations.

In order to protect you, your coworkers, our customers, and the dealership, the Company reserves the right to inspect all lockers, desks, tool boxes, purses, briefcases, computers, vehicles, and any other personal property which is brought onto dealership property.

Reporting weapons in the building

Any employee who is aware of a weapon of any type or form within the building or that an employee has a weapon in their possession while engaging in company business on- or off-site, has an obligation to report this information to his / her manager or the Dealer Principal. It is the responsibility of the Dealer Principal to do what is necessary to ensure the safety of all individuals in the company.

Other Weapons

To further ensure a safe working environment, weapons of any type, including, but not limited to: knives with a 3-inch or longer blade, fighting weapons *i.e.* nunchuks, daggers, etc., brass knuckles and stun guns are strictly prohibited inside a company building or leased office space, on company property, inside a company-owned vehicle, or while conducting company business, on- or off-site, is strictly prohibited and is considered an intolerable offense and subject to discipline, up to and including termination.

2.8 TEEN WORKER SAFETY

Hiring teenage workers presents employers with added responsibility associated with inexperienced employees. Most teenagers work only at summer jobs, however, many supplement incomes during school months. Some tasks present more of a hazard than others do. Many hazardous activities are prohibited by the Fair Labor Standards Act (FSLA). Some simple steps used to help prevent injuries to working teens are:

1. Understand and comply with the child labor laws and occupational safety and health regulations that apply to your business. The FSLA limits the hours that minors under 16 years of age can work and prohibits employing minors under age 18 for certain hazardous occupations.

2. **Stress safety**, particularly by first-line supervisors, who have the greatest opportunity to influence teens and their work habits. Make sure that adolescent workers are appropriately trained and supervised to help prevent injuries and reduce hazardous exposures.
3. Work with supervisors and experienced workers to develop an injury and illness prevention program and to help identify safety and health problems. Many injuries can be prevented through simple work re-design.
4. Assess and eliminate hazards for adolescent workers. The FLSA prohibits assigning teens to tasks and from using tools that have accounted for a large number of injuries.
5. Train adolescent workers to recognize hazards and use safe work practices. This is especially important since teens may have little work experience, and new workers are at a disproportionate risk of injury.

The FLSA child labor provisions are designed to protect minors by restricting the types of jobs and the number of hours they may work.

Seventeen hazardous non-farm jobs have been identified by the Secretary of Labor. Teen workers under the age of 18 are prohibited from the identified tasks. They may not work at jobs that involve:

1. Manufacturing and storing of explosives;
2. Driving a motor vehicle or being an outside helper on a motor vehicle;
3. Coal mining;
4. Logging or sawmilling;
5. Power-driven woodworking machine;
6. Exposure to radioactive substances and to ionizing radiation;
7. Power-driven hoisting apparatus;
8. Power-driven metal-forming, punching, or shearing machine;
9. Mining, other than coal mining;
10. Meat packing or processing (including power-driven meat slicing machines);
11. Power-driven bakery machines;
12. Power-driven paper-product machines;
13. Manufacturing brick, tile, or related products;
14. Power-driven circular saws, band saws, or guillotine shears;
15. Wrecking, demolition, and shipbreaking operations;
16. Roofing operations;
17. Excavation operations.

Limited exemptions are provided for apprentices and student learners under specified standards.

A youth **18 years or older** may perform any job, whether hazardous or not.

A youth **16 or 17 years old** may perform any **non-hazardous** job.

Currently, 16 year olds may not drive on public roads as part of their job. Seventeen year olds may drive as much as one-third of their work day or twenty percent of their workweek. Seventeen year olds may, as part of their job, drive cars and light trucks, but only during daylight hours. The teen worker must hold a state license valid for the type of driving being performed, have successfully completed state approved driver education, and **have no record of any moving violations at the time of hire**. In addition, the driving performed by a 17 year old employee may **not** involve:

- Towing vehicles;
- Route deliveries or route sales;
- The transportation for hire of property, goods, or passengers;
- Urgent, time sensitive deliveries;
- Transporting more than three passengers, including employees of the employer;
- Driving beyond a 30 mile radius from the youth's place of employment;
- More than two trips away from the primary place of employment in any single day for the purpose of delivering the employer's goods to customers;
- More than two trips away from the primary place of employment in any single day for the purpose of transporting passengers, other than employees of the employer.

Hours Limitations

	Minors Age 14/15	Minors Age 16/17
Employment Certificate (Renewed Annually)	Class I Certificate To employ minors age 14/15	Class II Certificate To employ minors age 16/17
Work Time Restrictions (Minors Under age 19)	<p>During the Months when Public Schools are in Session No more than 3 hours on any school day No more than 8 hours on a non-school day No more than 6 days per week No more than 18 hours per week Not before 7am or after 7pm on Any Day of the Week Not during school hours (8am-3pm)</p> <p>During Months when Public Schools are NOT in Session No more than 8 hours per day No more than 6 days per week No more than 40 hours per week Not before 7am or after 9pm each day</p>	<p>During the Months when Public Schools are in Session Minors 16-17-18 years old who are enrolled in public or private school, may NOT work after 10pm or before 5am on a night preceding a school day.</p> <p>During Months when Public Schools are NOT in Session Minors 16 and older do not have an hour restriction during this time.</p>
Breaks	A documented 30 minute break is required for any 14 or 15 year old who is employed for more than 5 hours continuously.	No breaks are required for employees 16 and older.

1. Youths 18 and older may perform any job, whether hazardous or not, for unlimited hours, in accordance with minimum wage and overtime requirements.
2. Youths 16 and 17 years old may perform any non-hazardous job, see hours above.

2.9 HIRING FROM WITHIN

As the dealerships continue to grow, new job opportunities and responsibilities may develop. This company encourages upward mobility within its ranks. Whenever possible, existing qualified employees will be selected for positions of higher responsibility. Some factors considered in such promotion decisions are: assignment history, performance history / appraisals, dealership needs, and employee interests. However, if there is not a current employee as qualified as someone from the outside, we will hire from outside. The objective will always be to fill a position taking into account the best interest of the company and the best candidate that will help the company better achieve its goals.

2.10 OUTSIDE APPLICANTS

All interested persons must complete the online employment application package. Upon review of the applications, the person responsible for hiring for the vacant position will interview the prospective applicants who are qualified. There may be more than one interview. Each applicant must have a valid driver's license and must have and maintain an acceptable driving record (the company reserves the right to check driving records periodically, without prior notice), references, and other certifications or training that may be required. The company may, at its discretion, check any and all references provided by the applicant, and may also contact an outside company to

perform a background or credit check. Questions concerning employment may be verified even after an employee has been hired.

2.11 BACKGROUND AND REFERENCE CHECKS

To ensure that individuals who join the Company are well qualified and to ensure that the Company maintains a safe and productive work environment, it is our policy to conduct pre-employment background checks on all applicants who accept a conditional offer of employment. Background checks may include verification of any information on the applicant's resume or application form.

All offers of employment are conditioned on receipt of a background check report that is acceptable to the Company. All background checks are conducted in conformity with the Federal Fair Credit Reporting Act, the Americans with Disability Act, and state and federal privacy and antidiscrimination laws. Reports are kept confidential and are only viewed by individuals involved in the hiring process.

If information obtained in a background check would lead the Company to deny employment, a copy of the report will be provided to the applicant, and the applicant will have the opportunity to dispute the report's accuracy. Background checks may include a criminal record check, although a criminal conviction does not automatically bar an applicant from employment.

Additional checks, such as driving record or credit report, may be made on applicants for particular job categories if appropriate and job related. The Company reserves the right to conduct a background check for current employees to determine eligibility for promotion or reassignment in the same manner as described above.

2.12 DEPARTMENT OF CORRECTIONS CONTRACTORS

The dealership may choose to use Department of Corrections inmates as contract labor. It is very important for all employees to be aware of the following regulations regarding these personnel:

1. Inmates cannot be on premises without being punched in and working. For example, it is not permissible for inmates to punch out at 5:00 but stay on premises and not have the van pick them up until 7:00.
2. Inmates are not allowed to mail anything out or receive mail while away from the work release facility. Company employees are not allowed to mail anything out or receive anything at your personal address for an inmate.
3. Inmates are not allowed to use the phone unless there is an emergency. This applies to dealership phones and employee cell phones. In case of the emergency, only the service manager, General Manager or Dealer Principal have the authority to approve the inmate's use of the phone, and if approval is given, they must notify the work release facility.

4. Inmates are not allowed to go shopping or bring anything back to the facility that they didn't possess when they left the facility. Employees cannot take an inmate off premises to go shopping, or purchase anything and bring it back to the inmate, no matter how legitimate or pressing the request sounds. The only exception is that employees may purchase lunch and bring it back to the dealership for inmates.
5. Inmates contact with visitors, including family members, etc. is prohibited while the inmate is away from the facility.
6. Inmates are not allowed to directly receive money, gift cards, or any other cash or compensation – it must go through the dealership to the DOC. It is not acceptable slip the inmate cash under any circumstances!

If any employee notes a violation of any of these regulations, please notify the service manager, General Manager or Dealer Principal. Any violations will result in the employee facing disciplinary action from the dealership, and the inmate and dealership facing disciplinary action from the Department of Corrections.

2.13 LEGAL REQUIREMENTS

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

- **Time Records:** Federal law requires that all employees, unless exempt, must keep an accurate record of their hours worked each day and each week and your hours must be properly recorded on your time card. Employees are required to punch out for meals and for any time they leave the dealership on personal business.
- **Window stickers and FTC stickers:** These stickers must be intact on all new, demo, or used cars at the time of presentation and delivery. These stickers should not be removed except at the customer's request AFTER sale.
- **Odometer Disclosure:** The odometer disclosure form must be signed for all customer trade-ins and for any Dealership vehicles sold.
- **Contract Disclosure / Customer Protection:** All contracts must be signed in the Dealership. Anyone signing a contract must show proof of identity. Also, the truth-in-lending laws require that certain disclosures be made. Failure to make these disclosures can result in voiding of the deal and potential financial damages to the dealership. If you observe what you think might be a violation of these laws and regulations, report it to the General Manager or Dealer Principal immediately.

- **Damage Disclosure:** All damage, whether occurring in transit, on the lot, or in a collision must be reported to your manager immediately. The damage must also be disclosed to the customer in writing, to the extent required by the law.
- **Tax Withholding:** We are required to make certain deductions from your wages for taxes. Every employee is required to provide us with all documentation necessary to comply with state and federal withholding laws and to cooperate fully with this process.
- **IRS Cash Reporting Requirements:** All sales and finance personnel are required to be familiar with the IRS Regulations pertaining to the reporting of large cash transactions. We require strict compliance with these regulations.
- **Credit Bureau Reports:** No employee may pull credit on any customer without a signed authorization from the customer. This policy also applies to cosigners. Employees who violate this law are subject to being sued personally for compensatory and punitive damages.
- **Environmental Compliance:** Employees working with chemicals, paints, waste oil, CFC and emissions testing equipment are required to be familiar with and comply with applicable laws and regulations. If you observe something which you feel may be in violation of a law or regulation, report it to the General Manager or Dealer Principal immediately.
- **Privacy Laws:** There is a large financial penalty that may be imposed by various governmental agencies if customer information is not safeguarded, not the mention the liability created for the dealership. Never leave any items that have customer information on them out in plain sight. Ideally, these items should be in a drawer or otherwise secured; at the very least, they should be flipped over or covered during the day and locked up at night. Any paperwork that has customer information on it that must be disposed of should be placed in the shred container, not in the garbage can. With the advent of cell phones with cameras, identity theft has become much easier to commit, and we owe all of our customers the peace of mind of knowing that we make every effort to protect their personal information. Violations of this policy will result in disciplinary action, up to and including termination.

2.14 EMPLOYEE PERSONNEL FILES

Employee files are maintained by the Controller and are considered strictly confidential. Managers and supervisors may only have access to personnel file information on a need-to-know basis. A manager or supervisor considering the hire of a former employee or transfer of a current employee may be granted access to the file, or limited parts of it, in accordance with antidiscrimination laws.

Personnel file access by current employees and former employees upon request will generally be permitted within three days of the request unless otherwise required by state law. Personnel files are to be reviewed by the Controller. Personnel files may not be taken outside the department.

2.15 EMERGENCY EVACUATION PLAN

Although most safety regulations are consistent throughout each department and program, each employee has the responsibility to identify and familiarize her / himself with the emergency plan for his / her work area. Each facility shall have posted an emergency plan detailing procedures in handling emergencies such as fire, weather-related events and medical crises

In the event of an emergency, please proceed to the nearest exit closest to you. If the emergency requires you to leave the building, employees are instructed to meet at the back of the parking lot, near the water tower. Keep the parking lot entrances clear for emergency vehicles, and stay away from the shop for your own safety. If the emergency requires you to seek shelter, employees are instructed to proceed to the employee break / lunch room. The break room at Sam Boswell Honda has steel-reinforced concrete walls and is designed as a safe room.

SECTION 3: WORKPLACE POLICIES AND EXPECTATIONS

3.1 WARNINGS FOR FAILURE TO FOLLOW POLICY & DISCIPLINARY PROCEDURES

Every employee has the duty and the responsibility to be aware of and abide by existing rules and policies. Employees also have the responsibility to perform his / her duties to the best of his / her ability and the standards as set forth in his / her job description or as otherwise established.

The company supports the use of progressive discipline to address issues such as poor work performance or misconduct. Our progressive discipline policy is designed to provide a corrective action process to improve and prevent a recurrence of undesirable behavior and / or performance issues. The progressive discipline policy has been designed to be consistent with our organization values, human resources best practices, and employment laws.

Outlined below are the steps of our progressive discipline policy and procedure. The Company reserves the right to combine or skip steps in this process depending on the facts of each situation and the nature of the offense. The level of disciplinary intervention may also vary. Some of the factors that will be considered are: whether the offense is repeated despite coaching, counseling and / or training; the employee's work record; and the impact the conduct and performance issues have on the organization.

The following outlines the Company's progressive discipline process:

- **Verbal Warning:** A supervisor verbally counsels an employee about an issue of concern, and a written record of the discussion is placed in the employee's personnel file for future reference.
- **Written Warning:** Written warnings are used for behavior or violations that a supervisor considers serious, or in situations when a verbal warning has not helped change unacceptable behavior. If a written warning is given, you will be asked to sign it. Written warnings are placed in an employee's personnel file, and the employee will be given the opportunity to write a response that will also be kept on file. Employees should recognize the grave nature of the written warning.
- **Performance Improvement Plan:** Whenever an employee has been involved in a disciplinary situation that has not been readily resolved or when he / she has demonstrated an inability to perform assigned work responsibilities efficiently, the employee may be given a final warning or placed on performance improvement plan (PIP). PIP status will last for a predetermined amount of time, not to exceed 90 days. Within this time period, the employee must demonstrate a willingness and ability to meet and maintain the conduct and / or work requirements as specified by the supervisor and the Company. At the end of the performance improvement period, the PIP may be closed or, if established goals not met, dismissal may occur.

The Company reserves the right to determine the appropriate level of discipline for any inappropriate conduct, including oral and written warnings, suspension with or without pay, demotion, and discharge. **Note: because Alabama is an "at will" employment state, no warnings, verbal or written, are required for immediate termination.**

3.2 PERFORMANCE EVALUATIONS

The Company has developed a performance review program for the equitable evaluation and recognition of individual employee performance. Performance improvement may be suggested when management believes that an employee's performance is less than satisfactory and can be resolved through adequate counseling and training. Corrective counseling is completely at the discretion of the company. The company desires to protect its investment of time and expense devoted to employee orientation and training, whenever that goal is in the company's best interest.

All employees whose total compensation package does not include pay based on bonuses or commissions will participate in the performance review process at intervals appropriate to the position and length of employment. This appraisal is an analysis of the employees' performance, as well as the skills utilized to achieve their performance results such as quality, judgment, planning and relationships with other people. Employees are encouraged to inquire about their

performance from time to time, accept additional responsibilities, show initiative and review opportunities for advancement within the department or job classifications. A major purpose of the performance evaluation is to plan for the employees' future development. The employees' immediate supervisor will submit to the General Manager or Dealer Principal their desire for pay reviews; however, pay raises are not guaranteed at the time of the review. Often, schooling and certifications will have a bearing on this decision. Being on time, ability to learn, teamwork and length of employment will also have a bearing.

Recertification may be required to stay at a current pay level. It is the employees' responsibility to stay current in their chosen profession. Certain jobs could max out on a pay plan for an unlimited time.

3.3 WORK HOURS AND ATTENDANCE

When you are at work, we ask that you give us 100% of your work, time, experience and good attitude. Your supervisor will schedule your normal working hours, and regular attendance by the employee is required. You are expected to be at your assigned work area on time, ready and able to work.

Occasionally unexpected situations arise, which may prevent you from reporting to work on time. You must *personally* notify your department manager (not a co-worker) *every day*, before work hours, if you are going to be late or absent – having your spouse / parent / significant other call in for you is not acceptable. Managers must report absences to the General Manager, Dealer Principal or Controller. All absences of three consecutive days or longer due to illness or other medical reason will require a physician's statement in order to return to work. Employees with excessive tardiness or absences may be subject to disciplinary action, up to and including termination. If an employee fails to report for work for three days without notification, this will be considered job abandonment, and a voluntary termination.

Due to the nature of our business, working hours may vary in order to satisfy customer needs. Please note that times are approximate, until the last customer is served. Times may also change due to heavy traffic or workloads, holidays, special events, or daylight savings time. The anticipated schedule is as follows:

SALES:	Monday through Friday:	8:00 a.m. – 7:00 p.m.
	Saturday:	8:00 a.m. – 5:00 p.m.
SERVICE / PARTS:	Monday through Friday:	7:30 a.m. – 5:00 p.m.
	Saturday	8:00 a.m. – 4:00 p.m.
OFFICE:	Monday through Friday:	8:00 a.m. – 5:00 p.m.

Be aware that there may be times you are required to be present at the dealership or off-site for functions and events. This expectation applies to flat rate technicians, salespeople, and service advisors. Examples of these types of events include, but are not limited to: credit union sales and off-site sales events.

The Company is not required by either federal or state law to give employees any sort of break in the morning or afternoon, but the Company recognizes that breaks have been shown to increase productivity. In order to be able to monitor breaks and make sure that they are not abused, all employees who are scheduled to work more than six (6) hours per day are welcome to take a 10-minute break in the morning from 10:00 to 10:10 and in the afternoon from 3:00 to 3:10. Please use this time, and not company time, to smoke, check your Facebook page, check your personal emails, send text messages, or make or receive personal calls, and any other personal activities. Any exceptions to these times must be worked out with your supervisor, and restroom breaks are exempt from this time requirement. If your job has telephones or a work station that must be covered for customers, you may not leave your station for a break unless there is someone else present to maintain coverage. Any additional breaks taken will be viewed as a violation of this policy and will be grounds for disciplinary action. Employees must punch in and out for lunch breaks. Please notify your supervisor when you take a break or lunch period.

Salespeople may qualify to create their own model week / schedule to provide flexibility with their time. The following are outlines requirements to achieve this status:

Executive Club: (You make your own weekly schedule.)

- Production Level of > 16 units per month on a 90-day rolling average
- Must attend every Monday morning sales meeting
- Must attend every Friday morning sales meeting
- Must participate and be present in all dealership functions and events, including off-site sales events

Professional Club: (One Saturday off per month.)

- Production Level of > 13 units per month on a 90-day rolling average
- Qualification benefits start first week of month following attaining Professional status
- Must attend every Monday morning sales meeting
- Must attend every Friday morning sales meeting
- Must participate and be present in all dealership functions and events, including off-site sales events
- Saturday off must be approved and scheduled with your Manager.

3.4 TIPPING

It is our policy that tipping is prohibited. Should you receive a tip, it is your responsibility to notify your supervisor immediately and turn the tip over to them.

3.5 TAKING COMPANY (OR CUSTOMER) PROPERTY OFF THE PREMISES

Any customer vehicles being test driven should simply be taken for a test drive; do not use them to go to lunch in or run an errand in while it is tested. Likewise, company vehicles should also never be used for personal errands. If an employee is on a personal errand in a customer's vehicle and has an accident, the insurance company can reject the claim (in which case the employee would be charged in full for the amount of the damages). This also subjects the dealership to unnecessary additional liability.

All other company property, such as paperwork, tools, books, equipment, computers, etc. should never leave the premises. If you have a valid reason for needing to remove any company property, (i.e. studying for or taking a test, etc.), get prior written permission from your supervisor. If you fail to do so, it becomes theft of property and will be treated accordingly. NOTE: The Company has purchased items (i.e. Trailer, Equipment, Tools, Audio / Electronics) for the benefit and sole use of the Company. Do not ask to borrow these items. This simply results in putting management in an uncomfortable position of having to respond, "NO".

3.6 AUTHORITY TO ENTER INTO CONTRACTS / PURCHASE ORDERS

Only the Owner, General Manager or Dealer Principal (or another manager explicitly designated by the owner or GM) have the authority to enter into contracts. If you enter into a contract without prior approval, you may be held personally liable for any charges incurred.

Purchase orders are issued by departments at the time that work is contracted to be completed, or at the time parts or supplies are ordered. Even if the final amount due is not known, issue a purchase order number and update it when the figure is known. The purchase order should be given to the vendor before any work is started, not taken at the time the vehicle is picked up. If there is a question on an invoice and a vendor cannot produce a purchase order number, the invoice will not be paid. Giving an employee name or repair order number in lieu of a purchase order number is not acceptable under any circumstance. Any employee who orders a part or authorizes work without having a valid purchase order number issued by the appropriate department before the work is commenced or the part is delivered will be personally charged for the full invoice amount.

If an employee orders a part or service from an outside source for personal use, it can only be charged to the company with the **prior** approval of the General Manager or Dealer Principal, **AND** approval must also be given **prior** to the purchase order number being obtained. Any employee who charges items to the company without the proper authorization will be subject to disciplinary action.

3.7 GAS PURCHASES

It is necessary to have a purchase order for ALL gas purchases, and the purchase order MUST be signed by a manager. You must have the purchase order (PO) BEFORE you got to the station to get fuel. It is imperative that the POs get turned back into the office with the gas ticket stapled to the front. This allows the tickets to be properly coded and entered into the computer system.

When using gas cards, the purchase order must be entered at the mileage prompt, not the reading from the car.

Everyone has their own gas code assigned to them. **DO NOT SHARE YOUR NUMBER WITH ANYONE. YOU ARE RESPONSIBLE FOR 100% OF THE TRANSACTIONS SHOWN ON YOUR NUMBER.**

- If you get a PO for fuel and don't turn in the fuel ticket to the office, the full amount of purchase will be charged to your accounts receivable account- no excuses, no exceptions.
- If you get gas and fail to get a purchase order, the entire amount of the purchase will be charged to your accounts receivable account – no excuses, no exceptions.
- If the purchase order is not entered as the odometer reading, it will be assumed that you did not get the PO before getting the fuel and the full amount will be charged to you.
- You are responsible for the card from the time you receive it from a manager until the time that it is returned to them. If you lose a card, you will be fined \$50, pay the shipping to have the card replaced, and will be 100% responsible for any unauthorized usage before the card is cancelled.

3.8 BIRD DOG / REFERRAL FEES

At the Company, our sales come from several different sources. We are located in a premier location with a traffic count of over 50,000 vehicles per day going past our businesses. We spend quite a bit of money each month on television, radio, newspaper, and internet advertising to let people know who and where we are. Some people know about us from our community involvement including Relay for Life, Ft. Rucker Moral Welfare and Recreation (MWR), flag retirement ceremonies; as well as supporting local sports teams and various veterans' organizations. The majority of our business is repeat business. The Company has been serving the automobile needs of the Wiregrass for over 45 years. We have some families that have four generations who have purchased a vehicle with the Sam Boswell family of dealerships. All this being said, our best source of business, and the most flattering compliment we can receive, is a referral from one of our own customers. In fact, we believe in it so much that we will reward those who send us business.

All customers must be directed to the Company website to submit referrals. If they refer someone who is not currently a customer, not an active prospect, and not received from another source of advertising as determined by CRM, AND the referral purchases a new or used vehicle from us within 30 days of referral submission, then the referee will be entitled to choose one of the following:

- \$100.00 in service credit at the Sam Boswell Honda's service department
- \$100.00 donated to the charity of their choosing
- \$50.00 check made payable to them and mailed to their address

All referrals must be referred through the website to be entitled to referral fee, and the request must be approved by a sales manager prior to payment. In addition, all referrals from outside sales persons that are to receive a fee for the referral will be directed to the sales manager and will be "house" deals with no commission paid to a staff sales person.

3.9 DRIVING A COMPANY OR CUSTOMER'S VEHICLE

A company vehicle is defined, but not limited to: the parts and service trucks, shuttle vehicles, and all other company vehicles. Employees who are required to drive company or customer's vehicles must: a) have and maintain a valid driver's license, b) will be required to prove insurability, and c) are subject to motor vehicle record inquiries. If an employee cannot be insured, loses driving privileges or whose driving record indicates, in the opinion of the management of the dealership, that the employee is not a safe driver, employment may be terminated. Whether driving a company or customer vehicle, every precaution should be taken to drive the vehicle as carefully as possible, obeying all traffic regulations including use of seat belts and NO TEXTING. For each employee where driving is a part of his / her job, management will conduct an annual review of the employee's driving performance. Based on the outcome of the annual review, the driving exposure, and the losses experienced during the past year, MVRs may then be ordered and reviewed. As a company policy, MVRs are checked every year on all employees where driving is part of their job description, annually on drivers under the age of 25, and annually on drivers identified during the annual driving review. If the employee's driving record does not meet the criteria set by management or our insurance company, driving privileges may be revoked, or other disciplinary action may be taken.

The parts and service truck is to be used only for dealership business, such as transporting customers, delivering or picking up parts, etc. Company vehicles (parts truck and any vehicles on the sales lot) are not to be used for personal business or errands. If you are picking up lunch or going to the bank, your personal vehicle must be used. ONLY if you are on company business is it allowable to use a company vehicle.

If you have an accident with a company or customer's vehicle, no matter whose fault and no matter how slight, immediately notify your supervisor and the Controller as a report will need to be made to our insurance company. If the accident occurs off of dealership property, contact the police as a police report will be required for insurance purposes. Any employees driving a demo will be required to carry an endorsement for a non-owned vehicle on their personal vehicle insurance policy. This endorsement extends your coverage to a company vehicle and is available at a cost of around \$5 per month. A copy of this endorsement must be kept in the employee's personnel file. If you are driving a company or customer's vehicle *on company business* and are found to be at fault

for an accident, you will be responsible for any and all deductibles (generally \$1,000 per vehicle) as well as depreciation to the vehicle caused by it being in an accident. This policy applies to both regular employees as well as managers who have a demo. If you have an accident in a company vehicle while *not on company business*, you will be responsible for the full insurance deductible amount. Any tickets or fines incurred while driving a company or customer's vehicle are solely the financial responsibility of the employee who incurred it. NOTE: If you are involved in an accident, you are required to contact your manager who will accompany you to go get a *mandatory* drug test.

3.10 CARE OF CUSTOMER VEHICLES

Customers and their vehicles should be treated in a manner exemplifying our standards of excellence. Customer vehicles may only be driven for road testing purposes as required by your job. Any other use of customer vehicles will be grounds for disciplinary action.

While working in or leaving a customer's vehicle, be sure to follow these expectations:

- Confirm all windows have been closed and the vehicle is properly parked and secured.
- Smoking of any kind, dipping, eating, and drinking is not permitted in a customer's vehicle.
- Do not change the radio station or CD in a customer's vehicle.
- Adjusting the seat, if necessary, and turning down the volume on the radio are allowed.
- Be sure that there is a protective mat on the driver's side floorboard and plastic covering the seat so these areas are not soiled.

When the vehicle is returned to the customer, they should be unable to tell that there was an employee in the vehicle.

3.11 LOANER VEHICLES / RENTAL CARS

For Sales Department – the Sales Manager, General Manager or Dealer Principal are the only persons authorized to release a vehicle for a drive out on an anticipated sale. The appropriate form must be filled out and signed by both the customer and the manager authorizing the drive out, and a copy of the customers' driver's license and insurance card must be attached. This form must be turned in to the sales managers, not kept at the employee's work station. If an employee releases a vehicle and does not have the form filled out and signed with the proper manager's authorization, any damage to the vehicle will be charged to the employee.

For Service Department – If a customer does not wish to wait for their vehicle while it is being serviced, the company owns a vehicle that can be used to take customers home or to work, or to deliver a serviced vehicle to a customer. Due to insurance restrictions, we *do not* loan vehicles except under extenuating circumstances. Customers have access to the Honda Rental Program at Sam Boswell Honda and the GM Rental Car Program at Sam Boswell Buick GMC.

If a dealership vehicle is rented to a service customer, the appropriate forms (including the rental agreement) must be completed and signed before the vehicle is released to customer. Proof of insurance and a valid driver's license is also required for all rental vehicles. It must be confirmed that your insurance coverage is transferable to the rental vehicle. Rentals participating in the Honda Rental Program get right of refusal. If the customer has a warranty or extended service contract that will pay for a rental vehicle for them and the dealership has no units available for rental, the service department will assist with arranging this for the customer. If the customer takes it upon themselves to arrange for a rental, they will be responsible for payment of said rental. Any exceptions to this policy are to be approved by the General Manager or Dealer Principal.

3.12 PAYMENT FOR PARTS AND SERVICE WORK

All parts must be paid in full before they leave the dealership, and all service work must be paid in full before the vehicle is released to the customer. If the customer has an accounts receivable account with the company, it is acceptable to charge the part or service to them. Businesses may have an account; individuals generally do not. Please verify with the office whether or not a receivable account exists before releasing anything. If an employee allows a part or service work to exit the dealership without being paid, the employee will be charged for the bill in full. If the employee is successful in collecting the amount due from the customer, the amount will be credited back to the employees account. **All employees must pay for parts and repairs in full before the parts or vehicle leaves the premises.** If a customer has an extended service contract, we must have the repair paid in full by a credit card number from the service company before the vehicle is released – preapproval or authorization numbers only are not acceptable. US Warranty and Honda are the only companies excepted from this policy. If the customer does not wish to wait for this, they are welcome to pay the repair in full themselves and then seek reimbursement from the company. Only the General Manager, Dealer Principal, Service Manager and Controller have the authority to make exceptions to this policy.

3.13 CONSIGNMENT

The Company may agree to consign a customers or employees vehicle under the following circumstances:

- Customer agrees to pay for a professional detail done by a company of our choosing, agrees to pay for a used car inspection (same as we do on our vehicles) and must repair any items necessary to meet minimum safety requirements and make the car safe to drive.
- Customer must agree on a price they will accept from us *prior* to us putting the car on our lot or website.
- Customer must give us a 48 hour notice if they wish to terminate the consignment, allowing us to attempt to close any prospect we may have been attempting to do business with.
- Customer must pay for the cost of detailing vehicle, and any repairs that have been done while in our possession prior to leaving with the vehicle.

With regards to repairs to consignment vehicles, a repair order must be generated, the owner must maintain insurance coverage on the vehicle, and they must agree in advance to a limit on the costs of the repairs.

The Company reserves the right to refuse to consign a customer's vehicle for any reason, but not limited to, if we feel the price we would have to ask to make it financially beneficial to the Company would make us appear unrealistic in our pricing, or if we feel that selling the vehicle would be a poor representation of our business.

3.14 CUSTOMER COMPLAINTS

Customer satisfaction is our #1 priority. Therefore, all customers are to be treated with courtesy and respect – even if they are not treating you this way. If you feel that a situation is getting out of hand, refer the customer to your department manager. If a customer calls and asks to speak to the General Manager, please ensure that they have spoken with the department manager first. If the manager is unable to resolve the complaint, then they will then take the customer to the General Manager or Dealer Principal.

The company will try to work with the customer to reach a solution that is mutually agreeable; unfortunately, not everyone will always be 100% satisfied.

3.15 CUSTOMER SATISFACTION INDEX (CSI)

This is basically our report card from the factory and we strive to meet or exceed the manufacturer's benchmark. It is based on surveys and information gathered from our customers, as well as new vehicle sales and repairs done by the service department. All customers are important for this rating; even if a customer isn't yours, they are still a customer of the dealership and therefore very important to us. Our goal, as a company, is to strive to maintain a CSI score of at least the minimal standard to receive the Honda President's Award, GM Dealer of the Year Award, or any other manufacturer awards for which we may be eligible.

3.16 SOLICITATION

The Company prohibits the solicitation, distribution and posting of materials on or at company property by any employee or non-employee, except as may be permitted by this policy. The sole exceptions to this policy are charitable and community activities supported by the Company management, and company-sponsored programs related to the Company's products and services.

Provisions:

- Non-employees may not solicit employees or distribute literature of any kind on company premises.
- Employees may only admit non-employees to work areas with management approval or as part of a company-sponsored program. These visits should not disrupt workflow. An employee must accompany the non-employee at all times. Former employees are not permitted onto company property except for official company business.
- Employees may not solicit other employees during work time, except in connection with a company-approved or sponsored event.
- Employees may not distribute literature of any kind during work times or in any work area at any time, except in connection with a company-sponsored event.
- The posting of materials and electronic announcements are permitted with prior approval from the Office Manager / Controller.

Violations to this policy should be reported to the Office Manager / Controller.

Distribution of advertising materials, handbills or other literature is prohibited in all working areas at all times. Solicitation and distribution by non-employees is prohibited on dealership premises at all times.

3.17 SECURITY

It is everyone's responsibility to maintain the security of the dealership's buildings, our vehicles, and other company property. All employees are encouraged to practice good safety habits, for example: a) be sure that all cash, purses and other valuable company and personal belongings are properly secured; b) know the location of all company alarms and other emergency equipment, and familiarize yourself with the proper procedure for using them should the need arise; c) make sure that all vehicles (company, inventory, and customer's) are locked and that the keys are secured in the building; and d) when leaving the dealership, be sure that all doors and entrances are securely locked and that all alarms are properly engaged. If a member of the management team is the last to leave, you are responsible, regardless of job title, to make sure all entrances/exits are secure. If an employee feels unsafe, or that the property is unsafe, notify the General Manager or Dealer Principal.

3.18 GIFTS

Employees may not request or accept gifts, money, meals or entertainment in excess of \$25 per year from any current or prospective vendor or customer of the dealership without approval of the General Manager, Dealer Principal or Owner. Rewards directly from the manufacturer (sales incentives, training incentives, etc.) are exempt from this limit.

3.19 PARKING AREAS

So that we will have sufficient convenient parking for our customers, we require all employees to park their vehicles in the area designated for employee parking. If you park in an area not specified for employee parking, you will be asked to move your vehicle. If you have any questions as to where you should park, please ask your manager. Note: If you park in any area that is striped and signed "No Parking" your vehicle may be towed at your expense in accordance with the sign. NOTE: The Company cannot be responsible for theft from your vehicles. Therefore, please be sure to lock your vehicles when they are parked in the lot.

3.20 CHECK CASHING AND CHANGE

The office is unable to cash checks for employees for more than \$20.00, and unable to cash any third-party checks (checks not made out directly to the dealership). If a bill larger than \$20.00 needs to be changed, please visit one of the banks down the street. There is not a large cash supply kept in-house, and in most cases, to break a bill larger than that will shortchange the cash drawer that is maintained for *customer* use.

3.21 CASH HANDLING

To avoid misunderstandings, if you are receiving cash from a customer, you are required to give the customer a proper computer-generated receipt indicating the exact amount paid, its purpose, and your full signature. You must then process the cash according to the process and guidelines set forth by the Company. If your job involves handling the Company's or customer's money, you must take great care to ensure that it is never left unattended and that it is always properly accounted for. Any employee who fails to follow these procedures may be held liable for monetary losses.

3.22 CHILDREN IN THE WORKPLACE

Employees are expected to have reliable child care for their children. It is not acceptable to bring children to work during summer vacation, school breaks, or for after school care. This creates liability for the dealership, as well as dividing the employee's attention. If an emergency arises, such as a sick child care provider or a few hours before or after a medical appointment, it may be acceptable to bring the child to work with you. This is only acceptable on a very limited basis, with prior approval from the department manager, and is at the discretion of the department manager. If a manager approves bringing a child to work, it is expected that the child will be quiet, well-behaved, and be capable of entertaining themselves and not constantly interrupting the employee. It is never acceptable to bring a sick child to work, instead of staying home with them.

SECTION 4: EMPLOYEE CONDUCT STANDARDS

4.1 EMPLOYEE CONDUCT

The company maintains certain rules of behavior but it is impossible to cover every situation. Some examples of conduct that are unacceptable are as follows:

- Falsifying or misrepresenting facts on any company paperwork or document, including but not limited to: any application, medical history record, invoice, work order, emissions inspection, warranty claim, purchase order, time record, or any other document
- Falsifying or misrepresenting facts to any dealership customers, for any reason
- Signing a customer's name on any documents
- Dishonesty
- Repeatedly being tardy or absent
- Stealing from or cheating a customer
- Giving unauthorized discounts on merchandise

- Intentionally allowing merchandise to leave the physical control of the company premises without completing the proper paperwork or financial transaction
- Unauthorized acceptance or solicitation of gifts from suppliers
- Unauthorized use or dissemination of company proprietary information
- Interference with business or production
- Inefficiency, incompetence, or neglect of duties
- Refusing to follow instructions or perform work properly
- Sleeping while on duty
- Leaving the premises or your work area without approval of your supervisor
- Unauthorized use of facilities, vehicles or materials
- Possession or removal from the dealership of property belonging to the dealership or others without authorization of the property owner
- Violating the dress code or wearing inappropriate attire to work
- Abusive or discourteous language
- Being insubordinate or refusing to follow supervisor's instructions
- Threats, fighting or injury to the person or property of dealership employees, customers or vendors
- Possession, sale or use of alcohol or unauthorized drugs on dealership time or property

We expect that all employees read this handbook. Employees are responsible to follow all procedures, policies, guidelines, and expectations found within the handbook.

We expect that all of our employees will cooperate with the company and their managers. We also expect that all employees will treat co-workers and managers cordially and respectfully at all times. You may from time to time be asked to do things that are outside your normal duties. We expect you to perform these new duties unless they pose a safety hazard.

We expect every employee to follow the lawful instructions of supervisors and other management officials. If you believe that you are being directed to do something that is illegal or unethical, you are expected to report it to the General Manager or Dealer Principal immediately. We also expect every employee to cooperate fully with any internal investigation we conduct. If you are given a written notification or warning of any kind and are asked to acknowledge your receipt of that document, we expect your full cooperation. If you disagree with the content of the document, you are always free to attach a rebuttal with an explanation. However, you may not refuse to acknowledge you have received it.

We expect every employee to conduct themselves in a manner which will reflect favorably on the employee and dealership. This rule applies whether the employee is on or off the job. Rude, unprofessional or offensive conduct toward customers or coworkers damages our dealership's reputation and therefore can be grounds for termination. Contact with customers away from the dealership for personal reasons is strictly prohibited.

No employee may engage in any unlawful activity either on or off the job as this can adversely affect the dealership's reputation.

4.2 CUSTOMER RELATIONS AND CONFIDENTIAL INFORMATION

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

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

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

Our most important goal is customer satisfaction. Customers are the most important people in the world. Without them, we would not be here. Therefore, employees are expected to treat every customer with the utmost courtesy and respect and to observe the following Ten Commandments:

1. CUSTOMERS are the most important people in our business, whether we are dealing with them in person or over the telephone.
2. CUSTOMERS are not dependent on us – we are dependent on them.
3. CUSTOMERS are not an interruption of our work. They are the purpose for it.
4. CUSTOMERS favor us with their patronage. We are not doing them a favor by serving them.
5. CUSTOMERS are an essential 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 just someone to argue with or match wits with.
8. CUSTOMERS are people who bring us their wants. It's 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 lifeblood of our business. Our survival and profitability depends on them.

The bottom line is this: we must view each person visiting our dealership as a valuable asset for our job security.

Satisfying our customers requires all employees to work as a team. All employees are expected to give the best possible service to all customers, and all customers should receive the same courteous treatment with no exceptions or favoritism. This dealership's reputation is influenced by its employees' consideration shown to dealership customers. Every employee is responsible for maintaining and improving service to the customer.

This dealership takes great pride in the services it provides to its customers. Employees are expected to conduct themselves in a courteous and professional manner at all times. As a matter of common courtesy, please refrain from eating, drinking, smoking, chewing or dipping while speaking with a customer, whether in person or by telephone. Even though electronic cigarettes are not technically smoking, their usage inside the building is not allowed as it is unprofessional and looks like you are smoking. Watch what you say and refrain from vulgar, abusive or discourteous language no matter where you are in the dealership; your voice carries farther than you may think and customers should never hear this language from an employee. Disagreements between employees should never occur within hearing distance of customers; this presents a negative and unprofessional image and injures the reputation of the dealership.

Because of the sensitive information kept in the main office, employees should not enter the office unless necessary. Due to the services we provide, some employees may become aware of confidential information that our customers entrust to us. *It is the dealership's policy to keep all information pertaining to all affairs of the customer in strictest confidence. You are also expected to reserve the confidentiality of the dealership's internal affairs including, but not limited to, the financial condition of the dealership and wholesale price information.* All dealership records are to be treated as confidential. It is your responsibility to maintain that confidentiality by not discussing information with anyone other than those individuals within the company who are authorized to receive the information. The confidentiality requirement survives termination of employment (meaning that even after you are no longer employed by the company, you are still bound to maintain confidentiality). ***The complete company confidentiality agreement is found in the Supporting Materials Section in this handbook.***

4.3 DRESS CODE

The Company takes pride in the image we present to our customers. Therefore, personal grooming habits and dress must be in good taste and in accordance with the dealership's business standards. If there is a question about the dress code or grooming requirements required for your position, check with your department manager, General Manager or the Dealer Principal.

Any employee that comes in contact with customers should present a neat and professional appearance.

- For sales professionals and managers, business casual attire is acceptable. There is a requirement for you to wear a Sam Boswell shirt. Check with the Sales Manager for details regarding the color of the day you are expected to wear.
- For office personnel, you should present a neat appearance as well with business casual attire (i.e. no shorts, no skirts unless the hemline is no shorter than the knee, no tank tops or camisoles without a jacket or sweater over it, blue jeans in good condition with no holes or frayed seams or hems, etc.).
- For Service Advisors and Parts Personnel, there is a requirement for you to wear a Sam Boswell shirt. Check with the Parts and Service Director for details regarding the color of the day you are expected to wear. For service advisors, a Sam Boswell polo shirt and business casual attire is acceptable. There is also a requirement that you wear closed toed footwear, due to OSHA requirements.
- Service Technicians and Detail Personnel should wear a uniform with proper footwear (traction soles and steel toes recommended).
- Any employees in customer-facing positions need to have any and all tattoos covered.

4.4 HOUSEKEEPING

Housekeeping is everyone's responsibility. All employees are responsible for keeping their work area neat and clean, looking professional at all times. If you see something that needs attention anywhere in the dealership, please take care of it. The break room / kitchen area should be kept clean, with all garbage, food and beverage litter cleaned up and thrown away in the trash can. If you use dishes, don't just leave them in the sink – wash them and put them away. Remember, customers may see this area and it needs to be maintained as such. Please help keep all customer areas neat and clean as well. Clean up after yourself!

4.5 TELEPHONES

The telephone is for business use, and social / personal calls should be limited. Employees should not make personal long distance calls charged to the dealership without the permission of their manager. Permission will normally be given only in emergency situations, and the employee making the call will be expected to reimburse the dealership for it.

Employees may use personal cell phones at work (when they are not driving) during their break or lunch period, provided that their use does not interfere with the performance of the employee's job or with service to our customers.

If there is a telephone in your work area, you share responsibility for answering the phone when it rings. Make every attempt to answer within three rings, and be polite and professional. Either page the employee that the call is for, or transfer the call to the employee's direct extension. A customer should never be left on hold until they hang up. If an employee is paged that you know is at lunch, out on the lot, day off, etc., please attempt to help the customer or transfer the call to the employee's voice mail. If the customer has a service question, please have them speak to the service department – don't simply tell the customer to bring the vehicle in. Scheduling for the service department needs to be done by the service department, not employees answering the phone.

4.6 PERSONAL MAIL

The use of mail in the workplace is reserved exclusively for Company business. Employees are not permitted to receive any incoming mail of a personal nature at work, nor may outgoing mail be used for anything other than Company business.

4.7 INTERNET / COMPUTER USAGE / INTELLECTUAL PROPERTY

The company provides computers and access to the vast information available on the Internet to help you perform your job better and more efficiently. They are business tools, provided for employees for business use. EMPLOYEES SHOULD HAVE NO EXPECTATION OF PRIVACY ON COMPANY COMPUTERS.

The following policies apply to internet / computer usage:

- 1) Conduct yourself honestly and appropriately on the Internet, and obey all copyrights, software licensing rules, and property rights.
- 2) The company reserves the right to access all information on dealership computers, and / or to use security systems that are capable of recording all activity on any computer. No employee should have the expectation of privacy as to their computer or Internet usage. The company also reserves the right to inspect any and all files stored anywhere on a company computer or network.
- 3) Accessing any form of pornographic or other potential offensive image is prohibited. It is also a violation of the harassment policy to view or display any kind of sexually explicit or other offensive image or document, and violators may be disciplined for violating either policy.
- 4) Any files or software downloaded on to a company computer becomes the property of the company.
- 5) Use of company computers and Internet to commit infractions such as misuse of company assets or resources, sexual harassment, or misappropriation or theft of intellectual property is strictly prohibited. If a company computer is used to commit such an offense, the company may be found liable for damages along with the employee.

- 6) Do not open any emails from unknown senders. Too often these contain viruses, which can infect the whole computer network.
- 7) Due to privacy laws, any and all dealership business or contacts with customers, suppliers, vendors, etc. should be conducted through the @boswellhonda.com email address – using personal email addresses is not allowed. Using personal email addresses for business purposes will result in disciplinary action, up to and including termination for repeated offenses. If you are not assigned a company email address and need one, please see the office manager.
- 8) Report any security problem or misuse of computers or the Internet to your supervisor or the General Manager or Dealer Principal.
- 9) Run an antivirus scan and spy ware detection scan regularly on any computer in your work area and promptly correct any and all problems found.
- 10) Employees should only use their Sam Boswell Honda Buick GMC email to communicate with clients and prospects. This is the also the primary email for internal communications.

Any passwords or programs that you are assigned or use in the course of your job duties are considered the intellectual property of the dealership. Your authority to use these passwords and / or programs ceases with termination of your employment. If you use these items after termination of your employment for any malicious reason or to cause any harm to the dealership, you will be prosecuted to the fullest extent of the law.

If you have a computer in your work area, it is important to protect the privacy and security of the computer's use and contents. You must set windows to idle with a minimal time limit, and the security settings should be set to require use of a password to log back in. You should NEVER share login or password information. NOTE: Passwords should be changed / updated monthly. At the end of the day, logging the computer out to where a password is needed in order to sign back in is a necessary security measure, as well as ensuring that everyone is logged out of DMS to assure proper posting for end of day.

Right to Monitor

All company-supplied technology and company-related work records belong to the Company and not to the employee. The Company reserves the right to routinely monitor use of company-supplied technology. Inappropriate or illegal use or communications may be subject to disciplinary action up to and including termination of employment.

4.8 SOCIAL MEDIA POLICY

Any communications with customers should be done through your company email address, and through the Sam Boswell Honda or Sam Boswell Buick GMC Facebook pages and Twitter accounts. If you would like to have a picture posted to the company page(s), contact the Marketing Manager and they will post the information (if it is found relevant and appropriate). You can then share the post on your personal page. We encourage employees to ask everyone on their social media accounts to "like" the Sam Boswell pages, since all of the company posts will then be shared

with them. If you, your family, or a customer has an achievement or accomplishment, we would love to recognize them and share it on our page, so we ask that these items are forwarded to the Marketing Manager. It is not prohibited if a customer wishes to become friends on Facebook or wants to follow you on Twitter, but the request must be initiated by the customer and not the employee. You may wish to have two accounts, one personal and the other for business. If you do have customers that can view your personal accounts, please use good judgement as to what you post. Be cognizant of the effect that your posts may have on your personal image, as well as the Company's image. We have a wide range of customers, of various ages, religions, cultures, and beliefs. What one person finds acceptable, another might find offensive. Remember, information that is posted or published on the internet may be public information for a long time so if your customers will see it, please think twice about what you post.

4.9 LOST & FOUND ITEMS / EMPLOYEE THEFT

If any items are left in a vehicle when a customer trades the vehicle in, the employee finding the item(s) should take them to the sales manager. Any items belonging to a customer that are found at any location at the dealership (sunglasses, keys, etc.) should be taken to the office. Any employee who takes any such items, or removes any items from a vehicle in the service department, will be treated as theft by the employee.

Failing to install all parts charged out on a repair order is considered theft. Reporting that you have performed service or other work which you have not performed is considered theft. Vehicles that we have taken in on trade are the property of the dealership, even if they are going to be wholesaled. Therefore, removing parts or equipment from any such vehicle is considered theft of company property.

All used parts that are not returned to the customer are the property of the dealership. No employee may remove any used part – including scrap – from the dealership without prior written permission of their department manager, General Manager or Dealer Principal.

Employees involved in any form of theft are subject to termination, as well as criminal prosecution.

4.10 CARE OF DEALERSHIP TOOLS AND EQUIPMENT

The dealership has invested a substantial amount of money in tools and equipment. Therefore, we expect each employee to take care of dealership property. Theft, negligent use of or abuse of dealership equipment will not be tolerated. Employees may not remove any equipment or supplies from the dealership premises.

This dealership has an obligation to dispose of vehicular waste in a lawful manner. All parts from customer's cars, used batteries, scrap metal, old containers and obsolete parts and equipment

remain the property of this dealership. Removal of salvageable materials without the consent of the General Manager or Dealer Principal will be considered theft.

4.11 BULLETIN BOARDS

We maintain bulletin boards at various locations throughout the dealership which are an important source of information. These bulletin boards are to be used solely to post information approved by the Company regarding Company policies, governmental regulations, and other matters or concern to all employees which are related to the employees' employment by the Company. Please develop a habit of checking the bulletin boards daily so that you will be familiar with the information posted there. No information may be placed on these boards without the approval of the General Manager or Dealer Principal.

4.12 OTHER JOBS / CONFLICT OF INTEREST

The dealership expects you to devote your best efforts to employment with our company. We discourage outside employment, which may interfere with your duties at the dealership. In the event that you find it necessary to pursue other employment, it should be approved by the General Manager or Dealer Principal to make sure that the hours do not conflict with your schedule here, and that the proposed workload does not have the potential to lessen your productivity here. We also expect that no outside business will be conducted while you are at work at this dealership.

It is our policy to forbid employees to engage in any other business that would create a conflict of interest or compete with our dealership. This includes purchasing, selling or repairing vehicles for personal profit.

4.13 SMOKE FREE WORKPLACE

It's the policy of the Company to prohibit smoking on all company premises (unless specifically designated) in order to provide and maintain a safe and healthy work environment for all employees. The law defines smoking as the "act of lighting, smoking or carrying a lighted or smoldering cigar, cigarette or pipe of any kind."

Smoking is not allowed anywhere inside the building by any employee or customer, ever, under any circumstances. The smoke free workplace policy applies to:

- All areas of company buildings.
- All company-sponsored off-site conferences and meetings.
- All vehicles owned or leased by the company.
- All customer vehicles.
- All visitors (customers, vendors and visitors) to the company premises.

- All contractors and consultants and / or employees working on the company premises.

Please note that smoking should be done only at break time or during lunch hour, and is permitted only in designated areas. Employees should ask their supervisor where these areas are and / or take note of all posted signs. Smoking is permitted OUTSIDE the rear of the shop. Do not smoke within ten feet of a customer or dealer car. Please clean up cigarette butts (receptacles have been placed in the acceptable smoking area for this purpose) and do not leave them on the ground. If an employee is observed smoking in an area other than the designated smoking area, they will be fined \$10 for each violation.

Use of electronic cigarettes is prohibited, as well, due to the unprofessional appearance of smoking. They fall under the same guidelines and expectations of regular cigarettes, as outlined in this policy.

Employees who violate the smoking policy will be subject to disciplinary action up to and including immediate discharge.

4.14 VISITORS

The dealership's insurance coverage strictly prohibits customers or visitors in any unauthorized area of the dealership. This includes areas which may present safety hazards such as the service department, the parts department, or around equipment or storage facilities. ***Family members are not allowed in the shop under any circumstance.*** If a customer wishes to speak to a technician or check on the progress of their vehicle, they need to wait by the service writer's desks and the technician needs to be called inside. If you see a customer in the shop, please politely inform them of the policy and escort them inside to the service office or waiting area. Customers are also *not* allowed in the office due to the confidential papers and records, money and company documentation held there. If there is a request to see an employee in the office, please check with the office personnel – do not just escort the visitor into the office. No visitor should ever be left unattended in an unauthorized area of the dealership.

4.15 NON-FRATERNIZATION POLICY

Favoritism and extended courtesies can create unwanted problems for a company. For this reason, the dealership makes every effort to avoid situations where these may occur in order to maintain a cordial work atmosphere for all employees. Accordingly, romantic or personal relationships between a supervisor and employee, or between co-workers in the same department, are strictly prohibited. If such a relationship develops, appropriate actions will be taken by management, up to and including termination of employment.

SECTION 5: PAY DAY AND PAY POLICIES

5.1 PAYDAY AND PAY POLICIES

Sales personnel are paid monthly, with all other employees paid on a bi-weekly schedule. The frequency of the pay schedule may change at the discretion of the Company. The pay period runs from Monday through Saturday, with checks being direct-deposited on the Friday following the end of the pay period. For sales personnel only, a check will be cut on the 1st of the month and will be a draw/advance check on based on the number of vehicles sold in the first 15 days of the previous month. The check on the 15th will be for actual earnings from the previous month, less the draw check amount from the 1st of the month. All commissions and bonuses due for the current month will usually be paid by the 15th of the following month. Any questions about your paycheck should be discussed only with your supervisor or with the payroll clerk. ***Your pay is not to be discussed***

with any other person, and if you should do so, this will be considered a breach of company policy and will result in disciplinary action or termination. Paychecks will be presented only to the named employee. Requests for special handling of your check in exceptional cases must be arranged in advance with your manager and will be issued to others only with proper identification and written authorization signed by the employee and presented to the manager or Controller.

Please keep your payroll check stubs for no less than eight weeks. If you need copies of past check stubs or W2s, there is a \$5.00 per item fee. If the copies are from a previous year and are stored off-site, there will be a \$20 charge and there is a 3-4 day turn-around time.

In the event of a lost paycheck, the Controller must be notified in writing as soon as possible and before a replacement check can be issued. A stop payment will need to be placed on the check and employee will be responsible for the stop payment fee. In the event the lost paycheck is recovered and the company identifies the endorsement as that of the employee, the employee must remit the amount of the replacement check to the company within 24 hours of the time it is demanded.

ALL EMPLOYEES give permission for deduction of funds from their paycheck to cover insurance, uniforms, accounts receivable balance, or any other monies owed to the Company. The employee also gives permission to withhold and remit any court- and/or government-ordered garnishments or levys. SERVICE TECHNICIANS ONLY: The employee understands that it is their responsibility to correctly diagnose a problem, and to accurately perform the work necessary to correct the problem within the time allotted. If that work is not done correctly and the customer must bring the vehicle back in, the employee understands and agrees that they may be de-flagged for any time spent on performing or correcting prior repairs that failed to correct the problem, whether the follow-up work is done by the original technician or another technician.

It is required by law to withhold Social Security and Medicare from all employee's earnings, as well as federal and state income taxes (you determine the federal and state tax withholding amounts by the filing status and exemptions claimed on your W4 and A4 forms). We also must withhold any garnishments, such as child support or other court ordered withholdings. Other deductions may include: uniforms, insurance, 401(k), and accounts receivable balance.

During our years in business, we have learned that loans to employees or advances in pay do little in the long run to help an employee meet their financial obligations. At the same time, we would be put in a very difficult and unpleasant position if we were required to collect a past due loan. For these reasons, we do not make loans or pay advances to employees.

5.2 CLOCKING IN AND OUT

The Fair Labor Standards Act (FLSA) requires that employers keep a "complete and accurate" record of the hours that a non-exempt employee has worked. We rely on you, the employee, to keep your time record accurately and completely by punching in and out on the computer.

Accurate records are extremely important to verify that we are in compliance with the minimum wage and overtime laws.

If an employee comes in to work on an off day, they must be punched in for insurance purposes. It is never acceptable to be working without being punched in. If an employee is injured at work and is not punched in, our workman's comp and general insurance companies can take the stand that the employee was not working and refuse coverage.

Note: In the event of an audit by the Department of Labor (DOL), our time records would be examined. If a punch has been added, it clearly shows in the computer as an override. A pattern of missing punches would clearly indicate records that are not accurate. As part of payroll, the payroll clerk is required to check that all non-exempt employees are paid at the minimum wage rate per clock hour that they worked, and also to ensure that eligible employees are paid overtime correctly. Correct time cards are imperative – “close enough” isn't close enough and is unacceptable.

For violations, the DOL may require the payment of any back wages that they determine are due to the employees. Violators may be prosecuted criminally and fined up to \$10,000. A second conviction may result in imprisonment. Employers who repeatedly violate the minimum wage and overtime pay requirements are subject to civil money penalties up to \$1,100 per violation.

Fines resulting from violations can add up quickly and could severely damage the financial well-being of the dealership. This puts everyone's paycheck and job in jeopardy. The company policy requiring you to punch in and out is put in place to help the dealership maintain compliance with federal law. The penalties for missed punches are to provide a financial incentive to remember to punch in and out as required.

Penalties for failure to follow this policy are as follows:

- 1) The first violation of this policy will occur when you have missed punches on three (3) days in the same pay period, and will result in a one (1) day unpaid suspension.
- 2) The second violation will occur when you miss more than one (1) punch in a pay period and you will receive a three (3) day unpaid suspension.
- 3) On the third violation, you will receive a five (5) day unpaid suspension if you miss more than one (1) punch in a pay period.
- 4) The fourth violation will result either in additional unpaid suspension (no less than five days) or termination.

You should never clock in or out more than five (5) minutes prior to or after your scheduled work times, unless approved by your supervisor. Overtime must be approved by the department supervisor.

If an employee is absent due to illness or vacation and wishes to be paid for the time missed, the employee should fill out a request form, have it signed by their supervisor, and turn it in to the office by the Monday following the end of the pay period. If there is time off taken with no sheet turned in, it will be treated as unpaid.

5.3 EMPLOYEE BREAKS

All employees are automatically charged for a 1-hour lunch break. If an employee elects to work without taking a lunch break on any day, the employee is responsible for making their supervisor aware of it so that the appropriate correction can be made.

The Company is not required by either federal or state law to give employees any sort of break in the morning or afternoon, but the Company recognizes that breaks have been shown to increase productivity. In order to be able to monitor breaks and make sure that they are not abused, all employees are welcome to take a 10-minute break in the morning from 9:50 to 10:00 or 10:00 to 10:10, and in the afternoon from 2:50 to 3:00 or 3:00 to 3:10. In order to maintain adequate department coverage, your supervisor will decide which break schedule you will be on. Please use this time, and not company time, to smoke, check your Facebook page, check your personal emails, send text messages, or make or receive personal calls, and any other personal activities. Any exceptions to these times must be worked out with your supervisor, and restroom breaks are exempt from this time requirement. If your job has telephones or a work station that must be covered for customers, you may not leave your station for a break unless there is someone else present to maintain coverage. Any additional breaks taken will be viewed as a violation of this policy and will be grounds for disciplinary action.

5.4 BONUSES / COMMISSIONS

Bonuses are paid to current, full time employees. If employment is terminated by either party prior to a bonus or commission based on monthly department performance being paid, the employee may not receive the bonus or commission.

If a sales consultant is tardy three (3) times in a month, they will be disqualified from receiving any bonuses that they may be eligible for in that month.

SECTION 6:

EMPLOYEE BENEFITS

6.1 HEALTH, DENTAL and OTHER INSURANCE

The Company provides group health insurance coverage for our full-time employees who request it. Coverage begins on the 91st day from your **official hire date** (training does not count towards days to qualify for eligibility). The Company currently pays a portion of the insurance premium for employee coverage; this amount may change as the premiums change. Please refer to the memo given at the time of hire (for new hires) or the memo sent out at the time of insurance renewal (for existing employees) for the current amount. There are two health insurance plans offered, with the employee being responsible for the difference between the company contribution and premium amount. For family coverage, the employee is responsible for their portion of single coverage as well as 100% of the difference in premiums between single coverage and family coverage. Dental insurance is also available, and employees pay 100% of the premium for this coverage. There may be other insurance, such as disability, accident, cancer or vision insurance available upon completion of the benefits waiting period; employees pay 100% of the premium. These will not be with BC/BS, but rather with another company such as MetLife or AFLAC. A sales representative from the outside company(s) will visit on a periodic basis to meet with employees.

Upon termination of employment, in most cases, employees are allowed to continue group health insurance coverage for a period of time under the COBRA program. Employees are responsible for 100% of the premium and are billed directly from the health insurance company. Written notification of your right to continue insurance coverage will normally be sent to you within two weeks of your last day of work.

6.2 SOCIAL SECURITY INSURANCE

Each pay period, the Company will deduct a percentage of your pay, match it with an equal amount of the Company's money, and send it to the government to be deposited into your Social Security account. If you are not familiar with the retirement and disability benefits provided under Social Security, check with the Business Office of your local Social Security office or go to ssa.gov for a more complete explanation.

6.3 401(k) RETIREMENT PLAN

The Company currently offers a voluntary salary reduction plan for all full time employees who have attained the minimum age and service requirements (currently one year of employment). Eligible employees may contribute a portion of their income to their retirement account on a "pre-tax" basis or "after-tax" basis. The Company currently matches a portion of the contribution on the employee's behalf, but may choose to change the amount or discontinue this contribution at its discretion. You will be furnished with an enrollment package upon reaching eligibility. Within the packet is the 401k Plan Summary Description. Please refer to this document for all specific details

related to the retirement plan. Plan enrollment, after reaching eligibility, is the last month of each quarter.

6.4 PROVIDED BENEFIT : SHORT TERM DISABILITY

The Company's short term disability plan is a benefit paid for by the Company that provides partial pay for employees who are unable to work due to a covered accident or illness. Coverage will begin on the first day of the month following 90 days of employment. This weekly benefit starts on the first day for a covered accident and on the eighth day for a covered illness. A 26-week benefit maximum applies. The maximum benefit is 60% of the employee's weekly earnings and will not exceed \$1,500. For further details regarding this benefit, contact the Controller.

6.5 ELECTIVE BENEFIT: LONG TERM DISABILITY

You may elect to purchase the Company's group long term disability plan. This is a benefit that provides partial pay for employees who are unable to work due to a covered accident or illness. You may elect to purchase this benefit after you have been with company for 90 days. This monthly benefit starts after 180 days for a covered accident or covered illness. The maximum duration of benefit is until age 65. (Note: This duration is based on a Reducing Benefit Duration – refer to the policy coverage details for further explanation). The maximum benefit is 60% of the employee's monthly earnings and will not exceed \$6,000.

6.6 ELECTIVE BENEFIT: LIFE INSURANCE

You may elect to purchase the Company's group life insurance coverage. This is a \$50,000 coverage amount for basic life including accidental death and dismemberment. No medical interview is required for this coverage. You may elect to purchase this benefit after you have been with company for 90 days.

6.7 ELECTIVE BENEFIT: AFLAC / METLIFE

Please be aware that there is a representative from AFLAC and/or MetLife who services the dealership on a regular basis. AFLAC/MetLife have a variety of insurance coverages that may be suitable for you and your family's needs. All employees will be required to meet with this representative, even if no coverage is desired, to meet our Cafeteria plan requirements.

6.8 FINANCIAL EDUCATION RESOURCES

Sam Boswell Honda Buick GMC wishes to provide you with resources to help you make better financial decisions related to your 401k Plan, Provided Group Benefits, and Employee Elective

Benefits. You will be furnished with materials that outline these programs when you are hired. Also, these benefits are mentioned throughout Section 6 of this manual. Representatives for these programs will be available throughout the year to answer your questions and provide more details about your options. You may also call them at any time by referencing contact information found in their handouts and brochures or feel free to contact the Business Office.

6.9 REPAIRS ON EMPLOYEE VEHICLES OR PARTS PURCHASED

Employees should talk to the service and/or parts manager regarding discounts available on repairs to employee owned vehicles before the repair is started or the part is ordered. Advertised specials cannot be further discounted. Discounts are generally as follows:

- Parts at cost plus 20%
- Labor at internal rates
- Sublet at cost plus 10%
- Sales tax will be added to all purchases

These discounts are available to employees and immediate family members residing in the same household, and are not to be extended to any other family members. Employees who violate this policy will be charged for cost of parts and/or repairs at full retail price.

Repairs must be approved in advance BEFORE any work is started and BEFORE the RO is generated. Insurance requirements state that every vehicle in the shop must have a repair order written on it, including technicians working on their own or another employees' vehicle. There will be a charge on these vehicles (even for work done after hours), as there is a cost for employees time, insurance, equipment, supplies, utilities, etc. Violations of this policy will be charged to the employee at the maximum rate. The only exception to this rule is on the last Saturday of each month, when technicians are allowed to work on their personal vehicles (or vehicles owned by their spouse or child – extended family members, friends, and other employees not allowed); however, a repair order (not just a parts ticket) must still be written on the vehicle for insurance and liability purposes. The vehicle is not allowed to be on a lift before Saturday morning, and repairs must be completed and the vehicle out of the shop by close of business on Saturday. If the vehicle is still on the lift Monday morning when the shop opens, labor cost will be added to the vehicle at regular customer rates. If there is customer or company work available to be completed, it takes precedence over employees working on their personal vehicles – *customer or company vehicles always come first!* Any and all parts, repairs, and any other related services must be paid for in full before the vehicle or part(s) leaves the premises. If an employee wishes to pay by accounts receivable, it must be approved **in advance** by the General Manager or Dealer Principal. All items placed on an accounts receivable account must be in an amount equal to no more than one average week's net pay, and must be paid in full by making no more than two payments through payroll deductions or within two weeks of charge. Any exceptions to this policy must be made ***prior***

to any work being performed and approved by the Dealer Principal. If an employee terminates with a balance due to the Company, the amount owed will be taken out of the final paycheck – no exceptions.

6.10 SALE OF VEHICLES TO EMPLOYEES

Employees and immediate household family members (spouse or child) may purchase one new vehicle per year, at dealer's internal cost per the DMS, unless it is a high demand vehicle with limited supply, then we would defer to the lowest price accepted from a retail customer within the last 30 days. If the desired vehicle is not on the lot and we need to locate it, any costs involved with getting the vehicle (driver fee, gas, etc.) will be added to the vehicle cost. Employees and immediate household family members who wish to purchase a used vehicle will pay the lowest advertised price, or they may make an offer. If the offer would be accepted from a regular retail customer, the offer will also be accepted from the employee, and needs to be approved by the owner, General Manager or Dealer Principal. All of the back end products (warranty, GAP insurance, etc.) and rate will be at cost, and all fixed costs to a retail customer (doc fee, title fee, etc.) will remain the same for an employee as a retail customer. Any transaction involving a trade must be appraised by the Dealer Principal *prior* to the transaction being finalized.

6.11 AMENITIES

Snacks, sodas and other amenities are provided for the use and consumption of service customers who are waiting while their vehicle is worked on. These are for the benefit of customers only – not employees or potential customers. If an employee is caught consuming an item that they have used a token to pay for, they will be warned. Multiple warnings will result in disciplinary action.

6.12 LONGEVITY APPRECIATION RECOGNITION

It is the practice of the Company to give special recognition to employees with uninterrupted years of service. We appreciate their commitment, hard work, discipline, and loyalty that helps build and maintain the Company's long term success. For those employees that have been employed with the Company for five (5) years, they will receive a gift of \$1,500 cash. For employees that have reached ten (10) years of service, they will receive a vacation valued at \$3,000. These appreciation recognition benefits are subject to change and are dependent on the economic viability of the Company.

6.13 ACCOUNTS RECEIVABLE ACCOUNT / OPEN ACCOUNTS

After the 90 day benefits waiting period, each employee has an accounts receivable account, with a credit limit of no more than one week's net salary, and any amount charged must be paid off in no more than two weeks. If any parts are purchased, or vehicle is worked on, before the benefits waiting period is complete, the employee must pay for it before the part(s) or vehicle leaves the

premises - it is not acceptable to take parts or a vehicle from the premises and wait until the benefits waiting period is over to complete the ticket and to charge it. It is only acceptable for employees to charge repairs to their personal vehicles – charging repairs for other family members is not allowed. If the amount will not be paid in full by one payroll deduction, the amount must be approved in advance by the General Manager or Dealer Principal. Any items charged must be paid in full by making no more than two payments through payroll deduction. Forms to be completed and signed are located in the office. If an employee takes it upon themselves to approve an excess amount and there is a problem collecting the amount, the employee who approved it will become responsible for any unpaid amount. There will be a payment deducted every week toward any outstanding balance due to the company on the receivable account. If the balance is zero, no payment will be deducted. Exceptions to this policy must be approved by the Dealer Principal ***prior*** to charging on the account. Exceptions to the 90 rule will be made for shirts and business cards only – everything else must be paid for at time of purchase.

6.14 TRAVEL RELATED EXPENSES AND REIMBURSEMENT

If we send you to school, continuing education classes, or ask you to travel out of town on Dealership business, we will normally provide you with transportation and a credit card to cover hotel accommodations, gas and food. In the event you are out of pocket, you may be reimbursed for all **authorized expenses** associated with your travel. Snacks are not considered meals and are not authorized expenses. Alcohol, in room movies, or other entertainment expenses are NOT authorized expenses. If your hotel offers a complimentary breakfast, we will not provide for breakfast costs. Your cap for breakfast is \$10, lunch is up to \$15, and up to \$25 for dinner. If you charge unauthorized expenses or if you charge more than allowable budget for food, you will be responsible for those expenses and/or the excess over the budgeted amount. All **original detailed** receipts need to be turned in to the Controller within 2 days of your return. Failure to turn in **original detailed** receipts will result in you being liable for the charged expenses. Failure to return receipts within the designated time frame will result in a \$10 fine. Authorized expenses apply to employees only - NO family members.

If you need to submit a request for reimbursement (this is very rare), please be sure to include all **original detailed** receipts including meal receipts. Again, we do not pay for snacks, alcohol, in room movies, or other entertainment expenses. If you have questions as to what expenses we will reimburse or what documentation we require, check with the Controller **before** you leave.

6.15 TUITION REIMBURSEMENT

The company does not offer a tuition reimbursement program at this time.

6.16 TRAINING AND CONTINUING EDUCATION

Due to the ever changing technology and new models of vehicles coming out, there will be numerous opportunities for training and continuing education for employees to remain current and up-to-date in their job. Some of this training may be available over the internet, and some may require travel to receive “hands-on” training. If the training is out of town, the company will provide a vehicle to be driven, and will pay for gas, food and a hotel if necessary to accommodate the training. We do not pay for alcohol, in room movies or any other entertainment expense. All detailed original receipts must be turned in to the office upon the employee’s return, and the receipts must match the credit card activity or the amount of cash used. If there are any discrepancies, the difference(s) will be charged to the employee.

Service technicians who attend out of town training will be paid for eight hours at their current pay rate for every full day of training; a half day class will pay for four hours. This is for classroom time only; travel time is not included in time calculation. All other personnel who attend off site classes must record the time on their time sheets and will receive their normal pay. If an employee does not attend class or attends class but does not earn credit for it, they must pay back all expenses of the class, including any “no show” fees. Anyone who has received training at a cost to the company whose employment is terminated by either party within 12 months of the training must pay back 100% of the expenses incurred.

Some training may be accessed by employees on any computer with an internet connection. If a test is ordered via website from the factory, or an online test taken, the company is billed for that test. If the test is completed and passed within 60 days, the charge is credited back. If an employee orders a test that is not completed and we are billed by the factory, the company will pass that charge along to the employee.

6.17 DEMO / DEMO ALLOWANCE

Some managers and / or sales personnel may be allowed to drive a demo or may receive a demo allowance. To qualify for either, the manager must have and maintain a valid driver’s license. If the license is lost for any reason and the General Manager, Dealer Principal or Controller is not notified, the program will be discontinued permanently for the affected manager.

If you have an accident with a company vehicle, no matter whose fault and no matter how slight, immediately notify your supervisor and the Controller, as a report will need to be made to our insurance company. If the accident occurs off of dealership property, contact the police as a police report will be required for insurance purposes. If you are driving a company vehicle and are involved in an accident, you will be responsible for the company deductible or vehicle repairs up to the amount of the deductible, along with any other amounts not covered by the other driver’s insurance or the company’s insurance. Most insurance companies offer an insurance rider for a

nominal amount that extends the employee's insurance coverage to a non-owned auto; the company requires employees who have demos to carry this rider. Please provide a copy of your coverage to the Controller. Any tickets or fines incurred while driving a company vehicle are solely the financial responsibility of the employee who incurred it.

6.18 DEMO POLICY AND AGREEMENT

A demonstrator vehicle is provided to certain employees as a selling tool for the benefit of the dealership. As such, it is expected that you will, at all times, use the vehicle in a manner that is considered positive to the dealership. In consideration for the dealership providing said employees with a demonstrator, it is expressly understood that the following policies and procedures will be complied with:

1. All demonstrators are assigned at the absolute discretion of the Dealer Principal.
2. The demonstrator may be removed from the employee's possession at any time without notice or replacement.
3. In the event of termination of employment with the dealership, regardless of the reason, the employee will immediately surrender the vehicle to the dealership.
4. Use of the demonstrator is restricted to commuting between the employee's residence and the dealership. Incidental personal stops are permitted while commuting between the residence and the dealership or driving for business purposes on behalf of the dealership only.
5. Employee must abide by all local, state, and federal laws regarding a motor vehicle and are personally responsible for any traffic or parking tickets or fines.
6. Employee must possess a valid Driver's License and have a driving record with minimal or no violations within a rolling three-year period before an employee can be issued a demo. Employee will sign a Motor Vehicle Record request which allows the dealership's insurance carrier to order the employee's driving record anytime during employment with the dealership. Any subsequent violations may result in the surrender of the demonstrator assigned to the employee at the absolute discretion of dealership management.
7. The consumption of alcohol or any controlled substance by the employee or any passenger is strictly prohibited.
8. Use of the demonstrator is strictly limited to the employee and no one else.
9. The demonstrator cannot be driven more than 75 miles from the dealership without the consent of the Dealer Principal. Demonstrator will not be available for personal use except as outlined in policy #4.
10. Keys must be removed and the vehicle locked whenever left unattended.
11. The attachment of any type of trailer hitch or hook-up to the demonstrator or the towing of any type of trailer is strictly prohibited.
12. Any traffic accidents or damage to the demonstrator must be reported immediately to the Dealer Principal or your supervisor. If you have an accident, you will be required to pay all costs not covered by the other driver's insurance or the dealership's insurance policy including, but not limited to, the deductible.

13. The vehicle must be on the dealership's premises during working hours and will be available to other personnel for demonstration purposes. No personal property is to be kept in the demonstrator and the dealership will not be held liable for loss of same.
14. A dealer license plate will be issued for use on the demonstrator only. This license plate is assigned to the demonstrator and must be turned in for reassignment. The employee is responsible for charges incurred by the dealership for replacement of a dealer license plate lost while on a demonstrator assigned to the employee.
15. The interior and exterior of the demonstrator must be maintained in a clean and orderly condition, ready for sale. No smoking is allowed in any demonstrator vehicle.
16. The employee is responsible for seeing that scheduled maintenance services are performed on the demonstrator at the proper time and / or mileage intervals.
17. The employee is personally responsible for any and all repairs due to abnormal wear and tear including, but not limited to, scratches, dings and dents.
18. The demo must be grounded when it hits 5,000 miles. **Another demo will not be issued to the employee until this vehicle is sold!**
19. Use of seat belts by driver and passengers is mandatory.
20. The employee must carry an endorsement for non-owned vehicles on their personal vehicle insurance policy.
21. Use of the demonstrators is recognized as taxable income to the employee.
22. The employee hereby authorizes the company to withhold from any sums due the employee, as compensation or otherwise, all sums which the employee owes the company in connection with the use of the automobile, including, but not limited to: the cost of repairs and the amounts to be paid by the employee for the use of the automobile.

The employee has read the entire document and fully understands its contents. The employee agrees to comply with these policies and procedures and acknowledges that failure to adhere to them may result in disciplinary action up to and including termination of employment.

In addition to the conditions outlined in the Demo Agreement and Policy, the employee agrees to secure and provide the dealership with a current copy of their Motor Vehicle report. Employee agrees to provide this report upon signing the Demo Agreement and on an annual basis for as long as they are provided a Demonstrator Vehicle.

Employee understands that failure to provide such a report could result in forfeiting the use of the dealership provided Demonstrator Vehicle. Employee also understands that a poor driving record could lead to forfeiting the use of a Demonstrator Vehicle.

6.19 CAR DETAILING AND CLEAN UP

Employees may have their car washed or detailed at an employee discount at the internal labor rate. Please know that customer cars have preference of order for this service. A service order must be completed prior to service being done. The cost may be charged under the policy for accounts receivable. If paying direct, your car will not be released until the order is paid in full.

There will be no guarantee that your car will be done that day. If you wish, you may pay full price and the order will be put in as a customer order.

SECTION 7: TIME OFF / LEAVES OF ABSENCE

7.1 LEAVE WITHOUT PAY AND FMLA

Because the company has more than 50 employees, FMLA (Federal Family and Medical Leave Act) rules are applicable. In order to qualify for FMLA leave, an employee must have been employed for at least 12 months and have at least 1,250 hours of service (hours worked are counted, vacation or any other paid time off is not) during the 12 month period immediately before the date the FMLA leave is to start. An eligible employee is limited to a *combined* total of 26 work weeks of leave for **any** FMLA-qualifying reasons during the single 12 month period.

In the event of a health crisis or family disaster, the dealership may grant an unpaid leave of absence in certain circumstances (if not eligible for FMLA leave). For employees who meet the FMLA eligibility requirements, FMLA leave can be taken for the following qualifying reasons:

- A serious health condition that makes the employee unable to perform the functions of his or her job.
- To care for the employee's spouse, son, daughter, or parent who has a serious health condition.
- Any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a military member on covered active duty or call to covered active duty status.
- Eligible employees may take up to 26 work weeks of leave in a single 12 month period to care for a covered service member with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the service member (referred to as military caregiver leave).

You should notify your manager in writing as soon as you become aware that you may need a leave of absence. Personal leaves of absence will be granted at the sole discretion of management, absent any applicable legal entitlement (qualifying FMLA reasons for an eligible employee). If you are granted leave, you must comply with the terms and conditions of the leave, including keeping in touch with us during your leave, and giving us prompt notice if there is any change in your return date.

You must not accept other employment or apply for unemployment benefits while you are on a leave of absence. Acceptance of other employment while on leave will be treated as voluntary resignation from employment. Benefits, such as vacation, sick days and holidays, will not accrue while you are on a leave of absence. You will not receive credit for the time during any leave, except that you will retain your original date of hire. Benefits such as insurance may be left in place; however, the employee will be responsible for 100% of the premium while on a personal leave of absence. The premiums to any insurance an employee wishes to keep in place must be paid a month in advance.

You should speak directly with management prior to taking a leave to ensure your understanding of all of your obligations to the Dealership while on leave, such as your periodic reporting and re-verification obligations. Failure to comply with dealership policy may substantially affect your ability to return to work under this policy.

7.2 CIVIC DUTIES

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

- **Jury Duty:** If you receive a summons for jury duty, notify your supervisor immediately. This is a paid excused absence. In order to be paid for the time which you are serving jury duty, give a copy of your jury summons to the payroll clerk to be filed with your payroll records. You are expected to report to work during your normal times if possible (if you are not selected for duty or whenever court is not in session) and to come to work early or work late if required to keep your workload caught up.
- **Voting:** We want every employee to have the opportunity to vote in every election. Generally, there will be sufficient time to vote either before or after your scheduled shift. However, if you foresee a problem getting to the polls, please notify your manager so that arrangements can be made

7.3 VACATION

Paid vacation days are provided to full-time employees to recognize service. Your supervisor must approve vacation days in advance, so notify your supervisor as soon as possible when you know when you wish to schedule days off. All employees, including managers, are responsible for completing a vacation request form which **MUST** also be approved by your supervisor **AND** the Dealer Principal. Employees are responsible for making sure this form is completed and turned in to the payroll clerk as soon as the request is made, and absolutely no later than the Monday morning following the end of the payroll period during which the days off were taken. No vacation request received within two weeks of the requested time will be granted, except for an emergency or illness. Note: Employees will not automatically be paid for these days. It is not the responsibility of the manager or payroll clerk to track down the employee and ask if they want to use available days. **If no form is turned in, the employee will not be paid for any time off.** Only one person per department may be gone at one time. Only one manager per department can be gone per month (i.e. both sales managers cannot take vacation during July). Vacation days must be taken in full day increments only. Supervisors and managers must leave a phone number for emergency use only. Vacation days may be used as sick days or bereavement days with approval of your supervisor.

Full time employees are eligible for paid vacation after each full year of continuous employment. Employees accrue vacation on the anniversary of their hire date, according to the following schedule:

One (1) week (5 days) of vacation after one (1) complete year of service

Two (2) weeks (10 days) of vacation after two (2) complete years of service

Sales Managers will only accrue one week of vacation for every complete year of service, due to the fact that they have multiple three day weekends per year that add up to more than five days of vacation than all other employees accrue.

All vacations must be taken within one year of the date it is accrued and may not be carried forward to future years. If you are away from work for more than 30 days during the year, your vacation allowance will be adjusted on a pro-rata basis.

- Vacation pay for salaried and hourly employees will be paid on the basis of the individual's normal pay for a normal work week (no overtime).
- Flat rate technicians will be paid at their flag sheet rate.
- For managers, you will receive vacation pay based on your current week's base wages. You will receive your individual production for the month vacation is taken. You will not receive compensation for production generated on department gross while in your absence.
- Employees who are paid by commission will be paid vacation pay based on the individual's average weekly earnings for the twelve months immediately preceding the date on which the employee becomes eligible for vacation.

We provide our employees with paid vacation so that they are relaxed and better able to perform their jobs when they return. For this reason, we require employees to take their vacation and we *do not* permit employees to take pay in lieu of time off. In other words, at the end of the year, employees will not be paid for days not used. In case of separation of employment, vacations are not considered an earned benefit for cash payment. Hours paid for vacation will not be included in the total number of hours worked for overtime calculations.

Sales and F&I managers who wish to use their regularly scheduled weekend off as part of their vacation time will be charged vacation days for Friday and Saturday.

NOTE: Be aware that there may be times you are required to be present at the dealership or offsite for functions and events. This expectation applies to flat rate technicians, salespeople, and service advisors. Some examples of these types of events are, but not limited to: credit union sales and offsite sales events. These scheduled events will be taken into consideration when requesting vacation and could result in vacation not being approved. Please plan accordingly.

NOTE: Managers are not permitted to be off the last weekend of each month.

7.4. HOLIDAYS

Paid holidays are set aside each year for regular full time employees who have completed the benefits waiting period, who are normally scheduled to work that day. The actual dates will be determined yearly and can vary from the list below:

- New Year's Day (January 1)
- Thanksgiving (last Thursday in November)
- Christmas (December 25)

Generally, all departments may be closed on the above holidays; however, all departments may be open (sometimes only for limited hours), or only certain departments may be open. Individual employees in other departments may, on occasion, be required to work a holiday. Employees must work the day before and the day after a holiday, if normally scheduled to work, in order to receive holiday pay. If a holiday falls on Saturday or Sunday and you are not normally scheduled to work, you will not receive holiday pay. Holiday pay is 8 straight hours for persons on the clock; employees paid on straight commission (sales personnel and service advisors) or flat rate (technicians) will not receive holiday pay; and managers and salaried employees will receive their normal pay. The holiday will be counted as the day off for any employees who normally have a week day off (i.e. if the employee normally has Tuesdays off and the holiday is Thursday, the employee must work on Tuesday since Thursday is counted as their day off). If any other days off are taken, it will be subtracted from the salary for the week. Holiday pay will not be included in the total number of hours worked for overtime calculations.

7.5 ABSENCES / SICK DAYS

If you will be absent from work for any reason other than a pre-approved vacation day, **you must personally call** (not have your spouse / significant other / parent call for you) **your supervisor** (not the office, not a co-worker) **every morning that you will be out, and text messages are not an acceptable form of communication.** Failure to call will be considered job abandonment and your employment will be terminated. If you will be out longer than three days, a doctor's excuse and release to work will be required before you are allowed to return.

The dealership provides time off with pay to assist you during periods of illness or injury. After completion of the 90-day benefits waiting period, full-time hourly employees are eligible to receive up to six (6) paid sick days per year. Employees paid by commission (sales personnel and service advisors) or by flat rate (technicians) are not eligible for this benefit. The days will be earned at the rate of one half day (4 hours) per month, or one full day (8 hours) earned every two months. If your start date is before the 15th of the month, you will accrue one half day (4 hours) for the month that you start work. If you start on the 15th of the month or after, your sick days will not start accruing until the following month. Employees may not accrue more than a total of six (6) days of sick leave

at any time. Sick days are not vested, so in the event of separation of employment, there will be no pay for unused sick time. Sick time must be taken in half (four hour) day or full (eight hour) day increments, and the hours missed must be consecutive; for example, missing an hour every morning for a doctor's appointment doesn't qualify. Hours paid for sickness will not be included in the total number of hours worked for overtime calculations.

Sick days are to be used only for illness, not treated as a personal leave day. For example, if an employee or child is sick or has a doctor's appointment, that is a permissible use; accompanying a spouse or other family member to an appointment is not and will need to either be a vacation day or unpaid.

To be compensated for sick days, it is the responsibility of the employee to complete the Sick Day Form and turn it into the payroll clerk by the Monday morning following the end of the payroll period in which the sick day(s) occurred. If you fail to turn in the proper paperwork during the pay period for which the sick days occurred, you will not be paid for the sick day(s) as they will not be paid on a later payroll.

7.6 MILITARY LEAVE

We are proud that some of our employees are members of the Reserves or National Guard, and we thank you for your service to our country. If you need time off to fulfill your military obligation, whether it's over a weekend or for a longer period, please let your manager know as far in advance as possible and give them a copy of your orders. The company will not pay you for time off while on military leave unless you have vacation time to use. The Uniformed Services Employment and Reemployment Rights Act (USERRA) protects the job rights of individuals who voluntarily or involuntarily leave employment to undertake military service. If you are eligible to be re-employed and meet the USERRA criteria, your job (or a comparable job) and benefits will be restored upon your return.

7.7 BEREAVEMENT PAY

Employees (except employees paid by commission or by flat rate) are eligible for up to three (3) days of paid excused absence from work in the event of a death in your immediate family (mother, father, child, spouse, brother, sister, grandparent, grandchild, mother-in-law or father-in-law, foster parent or foster child). A one day paid leave for funerals of non-immediate family members (aunt, uncle, cousin) will be given. Unpaid time off to attend a funeral of a non-relative may be granted at the discretion of your supervisor, or you may be permitted to use vacation time, again at the discretion of your supervisor.

7.8 MATERNITY AND PATERNITY LEAVE

We do want employees to know that their positions can be held for them in the event of needed maternity or paternity leave. For employees who do not qualify for FMLA leave, maternity and paternity leave is unpaid leave and is available as follows:

- If you are pregnant, you are entitled to up to 10 days unpaid special leave during pregnancy. This is for pregnancy related reasons, such as ante-natal classes or appointments with your doctor or midwife.
- Maternity leave is 12 weeks of unpaid leave.
- Maternity leave may be commenced up to 6 weeks before the date of birth or adoption at the choice of the employer.
- Paternity leave is up to two weeks unpaid leave for the mother's partner on the birth of or adoption of a child.

The length of FMLA leave is the same for both maternity and paternity leave. Eligible employees may take up to 12 work weeks of FMLA leave in a 12 month period for the following reasons:

- The birth of a child and to bond with the newborn child within one year of birth.
- The placement with the employee of a child for adoption or foster care and to bond with the newly-placed child within one year of placement.
- A serious health condition that makes the employee unable to perform the functions of his or her job, including incapacity due to pregnancy and for prenatal medical care.

It is important and vital that you work with your Manager to plan out the use of maternity and paternity leave. All leave needs to be coordinated and approved to ensure that the roles and responsibilities of your position are covered in your absence. Your position will be held as long as you work with the Company in coordinating your leave and your return to work. An estimated leave plan will be created with your Manager and placed on file with the Controller. If on Maternity leave, you must give a 3-week notice of your intention either to return or not return to work, if your plans deviate from the leave plan.

SECTION 8: EMPLOYEE RELATIONS AND COMMUNICATIONS

8.1 SUGGESTIONS AND GRIEVANCES

Misunderstandings or conflicts can arise in any organization and should be resolved before serious problems develop. Most incidents will resolve themselves naturally. Should a situation persist that you believe is detrimental to you or to the Company, however, you are encouraged to engage in free discussion with your supervisor, department head or any member of the management team. These individuals will try to work out a satisfactory solution to the problem. 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.

We welcome your suggestions for improving the dealership. If you have a suggestion, put it in the form of an email, notate the subject, and send to your supervisor, the general manager or the Dealer Principal. Because the Company is interested in improving its efficiency and the quality of service we provide to our customers, all suggestions will be reviewed.

8.2 IF YOU HAVE A PROBLEM OR COMPLAINT

If there is something about your job that is bothering you, let's get it out in the open and discuss it. We cannot answer your questions or solve your problems unless you tell us what it is we can do.

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

Step 1: Any concerns should first be discussed with your immediate supervisor. Very often, your supervisor is in the best position to handle your problem satisfactorily.

Step 2: If your supervisor cannot solve the problem or if you are not satisfied after step 1, you should request a meeting with your Department Manager.

Step 3: If you still feel the need to speak to other members of management after you have spoken with your supervisor and your Department Manager, we encourage you to request a meeting to speak with the General Manager or the Dealer Principal.

In the event you have a concern and for personal reasons you cannot follow the steps in this procedure, you may email the General Manager or the Dealer Principal requesting a meeting. The email should include an overview of your issues, what steps you have followed, and who you have talked to regarding the matter. The General Manager or the Dealer Principal is available for advice and assistance in solving your problem.

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.

8.3 DISPUTE RESOLUTION PROCEDURE

Over the years, we have come to realize that resolving employment disputes through the court system can take years and drain employees both emotionally and financially. We also know that most problems which arise in the workplace can be resolved if the parties involved will simply discuss them openly and honestly. Therefore, we have adopted a formal dispute resolution procedure that is designed to help resolve problems in the early stages.

Under our policy, employees are encouraged to utilize the Problem Solving Procedure outlined above. If you are still dissatisfied with the decision, you have the right to demand binding arbitration of any legal dispute between you and the Company which could be brought in court, including claims regarding wrongful discharge, employment discrimination, harassment, or any other dispute relating to your employment or arising under labor employment or civil rights law.

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

All employees who are hired or promoted after the effective date of this policy are required as a condition of their employment to agree to resolve their disputes in this manner rather than through a court system.

SECTION 9: RESIGNATION/TERMINATION OF EMPLOYMENT

9.1 TYPES OF TERMINATION AND SEPARATION OF SERVICE

Termination fall into two basic categories: Voluntary and Involuntary. Voluntary terminations are generally employee-initiated whereas involuntary ones are generally employer-initiated. Voluntary terminations are the most common form and include voluntary resignations and retirements.

Involuntary ones include discharges of employees who fail to meet performance standards as well as layoffs for downsizing and restructuring.

Properly classifying causes of termination along with an exit interview can help record separation circumstances and allow the discharged employee to vent concerns and frustrations and may help to reduce animosity. Such an interview may also provide valuable information on supervision, company procedures, and necessary modifications. The cause of termination may affect severance pay, unemployment insurance, retirement and other benefits.

Terms to know regarding termination of employment:

Termination

Employees of the Company are employed on an at-will basis, and the company retains the right to terminate an employee at any time.

Misconduct

Most disciplinary policies allow for termination on the basis of employee misconduct. Theft, dishonesty, violence, unsafe acts, violation of work rules, and insubordination are examples.

Unsatisfactory Performance

Such dismissal can follow repeated absence or lateness or failure to meet deadlines, quotas or an inability to complete assigned work.

Job Abandonment

Employees who fail to report to work or contact their supervisor for three (3) consecutive workdays shall be considered to have abandoned the job without notice, effective at the end of their normal shift on the third day. The supervisor shall notify the Controller at the expiration of the third day and initiate the paperwork to terminate the employee. Employees who are separated due to job abandonment are ineligible to receive accrued benefits and are ineligible for rehire.

Organizational Change

Layoffs may occur due to downsizing, restructuring, or job demands changing.

Retaliation

It is illegal to discharge an employee in retaliation for exercising a legally protected right.

Resignation

Although we hope your employment with us will be a mutually rewarding experience, we understand that varying circumstances cause employees to voluntarily resign employment. Resigning employees are encouraged to provide two

weeks' notice, in writing, to facilitate a smooth transition out of the organization. Management reserves the right to provide an employee with two weeks' pay in lieu of notice in situations where job or business needs warrant such action. If an employee provides less notice than requested, the employer may deem the individual to be ineligible for rehire depending on the circumstances regarding the notice given.

Constructive Discharge

This occurs when an employee resigns to avoid involuntary termination. An employer might offer this if a long time employee cannot meet the demands of the job or to save the employee or company embarrassment. Company policy requires a written resignation and exit interview.

Retirement

Most retirements are voluntary terminations. Employees who wish to retire are required to notify their supervisor and the Controller in writing at least one (1) month before the planned retirement date.

It should be noted that:

The National Labor Relations Act prohibits termination of some employees because of certain union agreements.

Title VII of the Civil Rights Act of 1964 protects employees from termination based on race, color, religion, national origin of sex.

The Age Discrimination in Employment Act protects employees over the age of 40 from discriminatory discharge.

The Employee Retirement Income Security Act of 1974 makes it unlawful to discharge an employee for exercising any right he or she is entitled to under an employee benefit plan.

Many state and federal laws provide certain protection to employees who are absent from work due to civil responsibilities such as voting, military service, and jury duty.

The American with Disabilities Act prohibits the discrimination or discharge of an employee based on a disability if he or she can do the job with reasonable accommodations initiated.

9.2 LEAVING PROCEDURES

Whenever an employee chooses to terminate their employment, we would appreciate a two week notice to allow time to find a suitable replacement, and for the employee to assist in training the

replacement to make the transition as seamless as possible. This notice should be provided in writing to your supervisor and the Controller.

When employment is terminated, your final paycheck will be cut with the next regular payroll and any amounts owed to the company (accounts receivable, uniforms, insurance, etc.) will be deducted. Any wages, commissions, and/ or bonuses will be used to offset any amount owed to the company, and any remaining amounts will be paid to you.

When you leave the Company we ask that you:

- return all company property including company car, mobile phones, computers, access cards and keys, company records, paperwork and documents, identification cards, uniforms, and other relevant property;
- hand over all current work to your supervisor in order to ensure continuity of business / service;
- note that leaving the company with any digital images of data is not permissible
- hand over to your supervisor all notes of confidential information which you may have acquired during your employment.

Before you receive your final paycheck, any company property must be turned in, and a termination form and COBRA acceptance / denial form must be signed. If any company property or uniforms are not turned in, the cost of replacement for the items(s) will be deducted from your final paycheck. All employees are required to sign the Wage Deduction Authorization Agreement to deduct the costs of such items from the final paycheck at the time of hire. All accounts receivable balances will also need to be settled and will be deducted from your final paycheck. With regards to keys, you will also incur costs to rekey all property associated with keys not returned. In the event legal action must be pursued to recover costs for unreturned property, the Company will seek to hold you responsible for the costs of the unreturned property and any legal costs created by this action.

Health insurance terminates the last day of the month of employment; therefore employees will be required to pay their share of health and dental premiums through the end of the month. Information for Consolidated Omnibus Budget Reconciliation (COBRA) continued health coverage will be provided during the exit interview.

These topics and other related issues will be addressed and covered in the exit interview.

9.3 EXIT INTERVIEW

The importance of the exit interview is to ensure that you understand and cover all needs outlined in 9.2 Leaving Procedures. This is for your benefit as much as it is for ours. Any employee leaving the Company is required to attend an exit interview conducted by the employee's Department Manager. The purpose of this interview is to determine the reasons for leaving and to resolve any questions of compensation, insurance continuation, return of Company property, or other matters

related to leaving as mentioned in 9.2 Leaving Procedures. It also aimed at helping us to understand how we can improve our organization given your comments and feedback. Employees who do not participate in an exit interview will be ineligible for rehire.

9.4 REHIRE

Former employees who left the Company in good standing and were classified as eligible for rehire may be considered for reemployment. An application must be submitted through the online application system, and the applicant must meet all minimum qualifications and requirements of the position, including any qualifying exam, when required.

Supervisors must obtain approval from the Controller, General Manager or Dealer Principal prior to rehiring a former employee. Rehired employees begin benefits just as any other new employee. Previous tenure will not be considered in calculation for longevity, leave accruals, or any other benefits.

An applicant or employee who is terminated for violating policy, resigned in lieu of termination for employment due to policy violation, or anyone who failed to complete an exit interview will be ineligible for rehire.

SECTION 10: FEDERAL TRADE COMMISSION SAFEGUARDS RULES SECURITY PLAN

In compliance with the Gramm-Leach-Bliley Act, The Company has adopted the following policies to secure customer records and information. The definition of “Customer Information”, “Sensitive Information”, or “Personally Identifiable Data” (all terms interchangeable) for the purpose of this plan, shall include, but not be limited to: (a) first and last name; (b) a home address or other physical address, including street name and name of city or town; (c) an email address or other online contact data (i.e. instant messaging user identifier); (d) a telephone number; (e) Social Security Numbers; (f) Vehicle Identification Numbers; (g) any account numbers; and (h) any other data that is combined with any of the above.

Compliance: As part of its plan, each institution must:

1. Designate one or more employees to coordinate the safeguards;
 - Program coordinator: Controller

2. Identify and assess the risks to customer information in each relevant area of the company’s operation, and evaluate the effectiveness of the current safeguards for controlling these risks;
 - Sales – Sales personnel and sales managers will ensure that any documents containing sensitive data are either in folders or desk drawers, so that any information is out of sight of any other employees or customers. The sales personnel will have the Privacy Notice signed immediately upon collecting any non-public, personal information, and give the customer copy to the customer. The dealership copy of this form will need to be kept with any other paperwork as a file for the customer is developed. If this form is not signed, the salesperson will not be paid a commission on the deal until the customer signs the form, as the deal jacket is incomplete without all necessary paperwork signed.
 - F&I – No confidential information will be left out in the F&I office when the business is closed; it will be put in a desk or filing cabinet drawer. In addition, the F&I office will be locked when business is closed. Customers and vendors should not be left alone in the office unless absolutely necessary, then all and any sensitive data must be secured and out of sight before the employee leaves the office. Even when the F&I manager is in the office, any applications in progress should not be left in plain view of any customers, or employees not authorized to have access to sensitive information. Credit applications are entered into DealerTrack or another similar program, and can be sent directly to several lenders for

approval simply by selecting lenders, with no additional information required. This process almost completely eliminates the possibility of errantly sending data to an incorrect location. Credit bureaus will be viewed on the computer screen by the F&I manager, and will be printed out only when necessary, as an additional safeguard. If it is necessary to fax applications or other supporting documents to a lender, the document(s) must be picked up off the fax machine as soon as the transmission is successfully completed, and returned to the appropriate folder. Old applications and turn-downs containing sensitive information will be stored in a secure location, and will be shredded after the required time period for which they must be retained is completed.

- Office – Current year vehicle deal files containing sensitive information will be stored in locked filing cabinets in the office, which is locked when the office staff leaves at the close of each business day. Payroll files are located in a filing cabinet in the Controller's office, which is locked when the office is closed. The General Manager or Dealer Principal and controller have keys to the office. Any information pertaining to vehicle deals in process or new employee files will be moved off the desk tops and put into a locking desk overnight.
- Computer Server – The computer server is located in a room not accessible to the public. Access to the server is limited during the day and the office is locked when no personnel are present.
- Owner / General Manager or Dealer Principal Office – If the office contains any sensitive information, it will be kept locked when the manager is not present. The General Manager or Dealer Principal and controller have the keys to the office.
- Parts – Any documents containing sensitive information (customer orders, etc.) will be kept in folders or otherwise out of sight of customers or employees. The office is locked when the parts personnel leave at the end of the day.
- Service – Any documents containing sensitive information (repair orders, customer surveys, etc.) will be kept in folders or otherwise kept out of sight of customers or employees. The completed service repair orders are stored in filing cabinets in the office, which is locked when the office is closed. The service manager will be responsible for making sure the service manager's office is locked every night.

Employee Management and Training

- References will be checked prior to hiring employees who will (or who have the potential to) have access to sensitive customer information. Checking references may extend to doing a background check. All offers of employment will be subject to satisfactory references and (if applicable) background checks. This safeguard is meant to help prevent employees from engaging in identity theft.
- Employees, new as well as existing, will be required to sign an agreement to follow the confidentiality and security standards for handling customer information (covered under the employee handbook agreement located in the front of the handbook). There will be severe penalties for any breach of security, confidentiality and integrity of customer information, and any security policies set forth in the security plan, up to and including termination. These topics are also covered in section 4.2 of the regular handbook section of the book,

and the complete confidentiality policy is located in the supporting documents section of the handbook.

- Proper closing procedures are in place and have been implemented for the various parts of the business, especially the F&I office and main office, to ensure that the offices are locked every night. Each department manager (or another employee designated by the manager) will be responsible for making sure all conditions on closing procedures (including ensuring that all sensitive information has been placed out of sight and that office doors have been locked) for their respective departments have been met before leaving.
- Receptionists and other employees who may answer the telephone will not give out any information pertaining to the company or its employees. These calls will be referred to appropriate areas: F&I personnel if the information requested has to do with a vehicle purchase, and the controller for any other requests.

Information Systems

- Any sensitive information will be stored out of sight of customers and other employees. Very sensitive information will be stored in a filing cabinet or office that will be locked when the business is closed.
- Any document containing sensitive information must be shredded as the method of disposal, rather than discarded in the regular garbage. The shredder can is located on the main level so that all departments can easily access it.
- Any vehicle deal jackets (current year and otherwise) will only be able to be accessed by the following authorized persons: sales managers, F&I personnel, and office personnel. Once the file has been completed and it is stored in the office, it will not be allowed out of the office by any personnel other than the general manager or controller for any reason. If any other dealership personnel need access to one of these files for any reason, one of the authorized personnel must pull the file for them after their “need to know” has been verified.
- Any repair orders or other information stored in the filing cabinets will only be accessed by the following authorized employees: service manager, service advisors, or office personnel. If any other dealership personnel need access to one of these files for any reason, one of the authorized personnel must pull the file for them after their “need to know” has been verified.
- Only the following authorized persons will be allowed to monitor the incoming faxes: General Manager or Dealer Principal, sales manager, F&I manager and office personnel.
- All outgoing faxes should be made using the fax cover sheet with the wording necessary for the Information Safeguarding Act compliance.
- Due to privacy laws, any and all dealership business or contacts with customers, suppliers, vendors, etc. should be conducted through the @boswellhonda.com email address – using personal email addresses is not allowed. Using personal email addresses for business purposes will result in disciplinary action, up to and including termination for repeated offenses. If you are not assigned a company email address and need one, please see the General Manager or Dealer Principal.
- Because the company cannot mandate or control firewalls and / or anti-virus programs on non-company owned computers, employees are prohibited from maintaining any type of

information on PDA's, non-company owned computers, etc. Employees are also prohibited from saving any information to floppy disks, re-writable CDs, ZIP disks, thumb drives or any other portable data collection / storage device.

- Program access within the DMS computer program is individualized based on the user's job function and granted access rights. Only the system administrator with master access, at the request of a department manager, can give access to additional functions for a user. The computer system is backed up nightly to a tape. Employees should never share their computer passwords for DMS access with any other employees. There are severe penalties for password sharing, up to and including termination. Employees should sign off their computer terminal if they will be away for an extended period of time, and at the end of the day. All employees with DMS access are required to use a screen saver that is password protected to further help prevent unauthorized access.
- Terminated employees will immediately be deleted from having access to any and all computer systems.
- Credit card authorizations are obtained electronically using equipment provided by Bank of America. We have contracted with this company to provide equipment and to handle our credit card processing in the most secure manner possible. To this end, the complete credit number does not print out on the receipts.
- The paper records from credit card transactions are stored for a period of one year in the controller's office, which is locked when the business is closed. After the storage period, they are shredded.
- If, for any, reason, the customers' nonpublic information is subject to loss, damage, or unauthorized access, the customers will be notified promptly.

EMPLOYEE ACKNOWLEDGEMENT OF AND AGREEMENT TO COMPANY WITH INFORMATION SECURITY PROGRAM

As an employee of the Company, each employee agrees to comply with the policies and procedures regarding the safeguarding of customer information, as outlined in the “Federal Trade Commission Safeguards Rule Security Plan”. Each employee agrees to comply with the information safeguarding policies and procedures, and any amendments or additions to these policies and procedures that the company may make from time to time.

Employees may not intentionally share or disclose, or cause to be shared or disclosed, any customer information to any person or entity in violation of the company’s information security policies and procedures. Further, you may not intentionally view or access, or cause to be viewed or accessed, any customer information in violation of the company’s information security policies and procedures. You must at all times strive to protect and secure all customer information that you may receive or have access to during the course of your employment in compliance with the company’s information security policies and procedures. You may not remove from the company’s place of business any customer information or written or electronic materials documenting the

Dealer's Information Security Program. The employee agrees that in the event that they fail to abide by the company's information safeguarding policies and procedures, whether the failure is intentional or unintentional, that the employee will be subject to disciplinary action, up to and including termination of employment with the company.

**SECTION 11:
DRUG-FREE WORKPLACE SUBSTANCE ABUSE POLICY and
PROCEDURES AND POLICY STATEMENT**

POLICY STATEMENT

Effective September 1, 2006

The Company recognizes that our employees are our greatest asset. Our goal is to provide the best possible product and service to our customers. Our employees are the key to achieving this goal. It is important that every employee of the company understand the dangers of substance use and be aware of the state and / or federal requirements concerning substance use. The company's

policies and procedures are not a contract of employment. The company reserves the right to depart from this policy and procedures where management deems it is appropriate, and all employees are at will employees. Except where specifically prohibited by law, the guidelines contained within the policy and procedures may be changed by management at any time. Employees covered by the Company's policy and procedures will be informed of any changes.

POLICY OBJECTIVES

1. To create and maintain a safe, drug-free working environment for all employees.
2. To encourage any employee with a dependence on or addiction to alcohol or other drug to seek help in overcoming the problem.
3. To reduce problems of absenteeism, tardiness, carelessness, and / or other unsatisfactory matters related to job performance.
4. To reduce the likelihood of incidents of accidental personal injury and / or damage to customer, visitors, or property.
5. To minimize the likelihood that Company property will be used for illicit alcohol and / or drug activities.
6. To protect the reputation of the Company and its employees within the community.

Substance use can be a serious threat to the Company, its employees and customers. Though the percentage of substance abusing employees may be relatively small, practical experience and research indicate that appropriate precautions by the Company are necessary. It is the belief of the Company that the benefits derived from these policy objectives will outweigh the potential inconvenience to employees. The Company earnestly solicits the understanding and cooperation of all its employees in the implementation and enforcement of this policy.

As a condition of employment, employees must abide by the terms of The Company's Substance Use Policy and must notify The Company in writing of any conviction of a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.

The Company requires that all employees report to work without any detectable presence of alcohol or a drug metabolite in their systems.

No employee shall use alcohol while on duty. The Company prohibits employees from using, possessing, manufacturing, distributing or making arrangements to distribute drugs or alcohol while at work or on Company property.

Outside conduct of a substance use-related nature which affects an employee's work, the Company's relationship with any customer, or reflects negatively on the Company is prohibited.

The company requires that all employees submit, at any time an employee is on duty or at any time an employee may be called to be on duty, to drug and/or alcohol testing to determine the presence of prohibited substances. Employees shall be required to submit to the following types of testing,

as defined in The Company's Substance Use Policy: Reasonable Suspicion, Post Accident, and Random. An employee's refusal to submit to a requested specific substance use test or failure to cooperate with such testing shall constitute an act of insubordination and may subject the employee to disciplinary action up to and including termination.

All job applicants will be requested to submit to alcohol and/or drug testing as a condition of employment.

To assist us in providing a safe and healthy workplace, a resource file of information on various means of employee assistance in this community, including but not limited to drug and alcohol abuse programs, will be made available on location to all employees of The Company. This information will be distributed to employees for their confidential use, and will also be posted in a conspicuous place at Sam Boswell Honda, 611 Boll Weevil Circle, Enterprise, Alabama and Sam Boswell Buick GMC, 1309 Boll Weevil Circle, Enterprise, Alabama. Employees may also obtain a list of available assistance resources from Primecare of Daleville, 144 Virginia Ave., Suite A, Daleville, Alabama.

In that The Company did not have a substance abuse testing program in effect on July 1, 1996, The Company shall and does hereby ensure that at least 60 days shall elapse between a general one-time notice to all employees that a substance abuse testing program is being implemented and the beginning of the actual testing.

The Company shall place a notice of substance abuse testing on all vacancy announcements and a notice of the substance abuse testing policy shall be posted in conspicuous locations on the premises. Copies of the policy shall be made available during the regular hours of business.

**DRUG-FREE WORKPLACE
SUBSTANCE ABUSE POLICY
AND PROCEDURES**

1. GENERAL POLICY

Practical experience and research has proven that even small quantities of narcotics, abused and non-abused prescription drugs or alcohol may impair judgment and reflexes. Even when not readily apparent, this impairment can have serious results, particularly for employees operating vehicles or potentially dangerous equipment. Drug-using employees are a threat to co-workers and themselves, and may make costly errors. For these reasons, The Company has adopted a policy that all employees must report to work without any detectable presence of alcohol and/or any detectable drug metabolite, unless used as prescribed by a physician. This policy will be enforced to provide a safe work place for all employees. Employees should understand that a positive drug or alcohol test is not a necessary prerequisite to disciplinary action, if this policy or any other work rule as been violated. This policy and program implemented by The Company is in compliance with the Drug-Free Workplace Program as set-out in and found in Section 25-5-330 through 25-5-340, Code of Alabama, 1975.

2. DEFINITIONS:

- A. Alcohol** is ethyl alcohol or spirits of wine, from whatever source or by whatever process produced.
- B. Breath Alcohol Concentration (BrAC)** is the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath.
- C. Confirmation Test or Confirmed Test** is a second analytical procedure used to identify the presence of a specific drug or metabolite or alcohol in a specimen. The confirmation test shall be different in scientific principle than that of the initial test procedure. The confirmation method shall be capable of providing requisite specificity, sensitivity, and quantitative accuracy.
- D. Drugs** as used in this policy include illegal use of controlled substances, drugs which are not legally obtainable, or the improper use of prescriptions. Unless otherwise stated, this term refers to amphetamines, cannabinoids, phencyclidine (PCP), methadone, opiates, cocaine methaqualone, barbiturates, benzodiazepines, propoxyphene, alcohol, or a metabolite of any of these substances.
- E. Evidential Breath Testing Device (EBT)** is used for alcohol testing which has been approved by the National Highway Traffic Safety Administration (NHTSA) and placed on NHTSA's "Conforming Products List of Evidential Breath Measurement Devices."
- F. Medical Review Officer (MRO)** is a licensed physician (medical doctor or doctor of osteopathy), certified by either the American College of Occupational and Environmental Medicine or The American Association of Medical Review Officers, responsible for receiving laboratory results generated by an employer's drug testing program. The MRO shall have knowledge of substance abuse disorders and appropriate medical training to interpret and

evaluate an individual's confirmed positive test, medical history, and other relevant biomedical information.

G. Prescription Medication (Prescription Drug) is a drug or medication lawfully prescribed by a physician for an individual and taken by that individual in accordance with the prescription.

H. Substance is drugs or alcohol.

I. Substance Test or Test is any chemical, biological, or physical instrumental analysis administered for the purpose of determining the presence of a drug or alcohol.

3. DRUG USE / DISTRIBUTION / POSSESSION:

All employees are prohibited from possessing, distributing, manufacturing, or having a detectable presence of any drug substance, abused prescription drugs or any other mind altering or intoxicating substances in their system while at work or on duty.

4. ALCOHOL USE / POSSESSION:

All employees are prohibited from possessing, drinking, or having a detectable presence of alcohol in their body while at work or on duty. Evidential breath testing devices (EBTs) on the National Traffic Highway Safety Administration Conforming Products List will normally be used to determine BrAC. When using EBTs the Department of Transportation (DOT) 49 Code of Federal Regulation (CFR) Part 40 procedures shall be followed in administering and documenting the BrAC test.

5. OFF-DUTY CONDUCT:

Off-duty use of drugs, alcohol or any other prohibited substances which result in impaired work performance, which may include absenteeism, tardiness, poor work performance, damage to the employer's reputation, or inferior quality of work, is prohibited.

6. PRESCRIPTION MEDICATIONS:

The proper use of medication that is legally prescribed by a physician is not prohibited.

7. SUBSTANCE USE TESTING PROGRAM:

A. *Conditions for which testing shall be conducted:*

1. Pre-Employment Testing shall be required of all applicants that receive an offer of employment. Prior to testing, the applicant shall be afforded the opportunity to voluntarily sign a Substance Use Testing Consent Form. If the applicant refuses to sign the previously named consent form, consideration for employment shall be withdrawn. If an applicant tests positive for the use of drugs or alcohol,

consideration for employment shall be withdrawn. The applicant has five working days to contest or explain a confirmed positive test after written notification of such result from the employer. It is the current use of alcohol and drugs, not the past history, that prevents the applicant from being accepted for employment.

2. Reasonable Suspicion Testing shall be required when it is believed that an employee is using or has used drugs or alcohol in violation of The Company's policy. Testing shall be based upon specific objectives and articulable facts and reasonable inferences as identified on the "Reasonable Suspicion Report Form." Such facts and inferences may be based upon, but not limited to, the following:
 - Direct observation of substance abuse or of the physical symptoms or manifestations of being impaired due to substance abuse.
 - Abnormal conduct or erratic behavior while at work
 - Absenteeism, tardiness, or a significant deterioration in work performance.
 - A report of substance abuse provided by a reliable and credible source.
 - Evidence that an individual has tampered with any substance use test during his or her employment with the current employer.
 - Evidence that an employee has used, possessed, sold, solicited, or transferred drugs while working or while on the premises of the employer or while operating the employer's vehicle, machinery, or equipment.
 - Causing or contributing to a workplace accident.

The supervisor requesting testing shall complete, explain in detail the circumstances and evidence warranting testing, and sign the "Reasonable Suspicion Report Form" at the time testing is requested, if feasible, but within 24 hours of testing in any event. The supervisor should have the corroboration of another supervisor, when possible, before the employee is requested to be tested. In the absence of another supervisor, another employee may be requested to witness the observation and the "Reasonable Suspicion Report Form."

If use is suspected, the employee will be transported to the collection site by a manager for testing.

3. Post-accident Testing shall be conducted when an employee causes or contributes to any accident resulting in injury requiring more than simple first-aid treatment, damage to company property in excess of \$1,000 of damage, or when the employee causes or contributes to a loss-time accident. For alcohol testing, the employee shall be tested within eight hours of the accident. Drug testing shall be conducted within 32 hours of the accident.
4. Random Testing All employees regardless of position shall be subject to random testing. The employer shall test 25% of the total work force over the course of the plan year. Such testing shall be done on a quarterly basis.

B. Testing Procedures/Specimen Collection and Analysis:

1. Testing will be conducted during the employee's regular work hours, whenever possible. If not possible, testing will occur immediately after the employee's regular work hours.
2. Employees will be paid for the time involved in participating in a drug and alcohol test conducted under this policy.
3. Employees will be asked to submit saliva or urine specimens for the drug and alcohol testing procedures.
4. Except where noted, the company will be responsible for any and all expenses incurred for conducting drug and alcohol testing.
5. Actual testing procedures will be outlined with The Company by the testing facility they contract with for drug and alcohol testing.

Specimens shall be collected in a manner that will afford the individual privacy, yet be reasonably calculated to prevent substitution or adulteration of the specimen. The donor will be given the opportunity, after specimen collection, to record any information considered relevant to the test, current or recently used prescription or nonprescription medication or other medical condition, on the back of the donor's copy of the chain of custody control form.

The employee / applicant shall observe the collector prepare the chain of custody control form and the specimen for shipment. The employee / applicant shall initial and / or sign the appropriate labels and control form for transporting the specimen as verification of the collector preparation of the control form and specimen.

In the event of a positive result, the MRO (Medical Review Officer) will attempt to contact the donor within 72-hours of notification to ascertain if there is a medical reason for a positive result. If the MRO cannot contact the donor within 72 hours, the test will be reported to the employer as positive. The employee / applicant may request another analysis of the original specimen at this or her own expense. If a medical reason caused a positive test result and would not affect the employee's ability to perform his or her duties, the MRO will report the test to the employer as a negative.

C. Sanctions:

An employee who voluntarily admits to a drug or alcohol problem prior to being requested to submit to a substance use test may not be terminated for requesting help. However, any resource the employee elects to use concerning any such drug or alcohol problem shall be an expense to be paid for by the employee.

The employee has five working days to contest or explain a confirmed positive test after written notification of such result from the employer.

Any employee testing positive shall be terminated.

To assist us in providing a safe and healthy workplace, a resource file of information on various means of employee assistance in this community, including but not limited to drug and alcohol abuse programs, will be made available on location to all employees of Sam Boswell Honda. This information will be distributed to employees for their confidential use, and will also be posted in a conspicuous place at The Company, 611 Boll Weevil Circle, Enterprise, Alabama. Employees may also obtain a list of available assistance resources from Primecare of Daleville, 144 Virginia Ave., Suite A, Daleville, Alabama.

Any employee who refuses to submit to testing or who refuses to cooperate shall be terminated.

According to Code of Alabama, 1975 Section 25-5-51:

1. No compensation shall be allowed for an injury due to the injured employee being intoxicated from the use of alcohol or being impaired by illegal drugs, if the intoxication or impairment caused or contributed to the accident.
2. No compensation shall be allowed if the employee refuses to submit to or cooperate with a blood or urine test.

8. EDUCATION AND TRAINING:

A. All employees shall semiannually receive one hour of education which will include at a minimum the following subjects:

1. An explanation of the disease model of addiction;
2. The effects and dangers of commonly abused substances in the workplace; and
3. The Company's policy and procedures regarding substance abuse.

B. Supervisors shall receive an additional two hours of annual training which will include at a minimum the following subjects:

1. How to recognize signs of employee substance abuse;
2. How to document and corroborate signs of employee substance abuse; and
3. How to refer substance abusing employees to the proper treatment providers.

9. CONFIDENTIALITY OF INFORMATION:

All information, interviews, reports, statements, memoranda, and test results, written or otherwise, received through The Company substance use testing program shall be held as confidential communications by The Company, MROs, laboratories, drug and alcohol rehabilitation programs, employee assistance programs, and their respective agents. These communications may be used or received in evidence, obtained in discovery, or disclosed in any civil or administrative proceeding. However, information on test results shall not be released or used in any criminal proceeding against the employee or applicant. Release of such information under any other

circumstance shall be solely pursuant to a written consent form signed voluntarily by the individual that was tested, unless the release is compelled by an agency of the state or a court of competent jurisdiction or unless deemed appropriate by a professional or occupational licensing board in a related disciplinary proceeding.

DRUG FREE WORKPLACE ACKNOWLEDGEMENT
(Signature Required)

To: Sam Boswell Honda Buick GMC Personnel

Effective August 1, 2006 Sam Boswell Honda has qualified as a Drug-Free Workplace in compliance with Sections 25-5-330 through 340, Code of Alabama, 1975.

The Drug-Free Workplace Substance Abuse Policy and Procedures and Policy Statement will be posted in the break room on the bulletin board for your reference. In addition, each employee will be given a copy of same.

Please ask your manager or the office staff if you have any questions regarding this program.

I have received a copy of the above mentioned Drug-Free Workplace Substance Abuse Policy and Procedures / Policy Statement and I have been advised that any question I have concerning same will be answered for me.

Signature

Date

SAM BOSWELL HONDA BUICK GMC
SUBSTANCE USE TESTING
CONSENT FORM
(Signature Required)

I hereby certify that I have reviewed a written copy of Sam Boswell Honda Buick GMC's Drug-Free Workplace Policy which was (is) effective September 1, 2006. I have been given the opportunity to ask questions regarding this policy. I understand that violation of this policy is cause for disciplinary action, up to and including termination, or disqualification of employment.

I hereby give my voluntary consent for specimen(s) to be collected from me and submitted for drug and/or alcohol testing as a condition of my initial or continued employment. I understand that I will not be forced to submit to any alcohol or drug test, but my refusal to so do shall result in termination of employment or consideration for employment. I further consent to the release of said test results to The Company and the said employer's Medical Review Officer. I understand that these results will be held in strict confidence.

I understand that The Company has the right to conduct searches and inspections of any employee's personal effects, clothing, work area, and vehicle for the purpose of determining if such employee or other person is in possession, uses, transports, or conceals any prohibited items and/or substances.

Searches, inspections, and substance use testing as may be required from time to time without prior announcement shall be conducted with concern for the personal privacy of each employee.

I understand that consent and cooperation in these procedures is a condition of employment, and that refusal to consent may result in termination or disqualification from employment.

I authorize the release of any test results to the company's worker's compensation insurer(s), the Alabama Unemployment Compensation Division, or any other government agency investigating my employment or termination.

I understand that copies of this original shall have the same force and effect as the original.

I understand that this agreement in no way limits my rights, or The Company's, to terminate employment at any time for any reason.

Employee Signature

Printed Name

Date

EMPLOYEE CONFIDENTIALITY AGREEMENT #1
(Signature Required)

This Confidentiality Agreement (the "Agreement") is made by and between: Sam Boswell Honda Buick GMC ("Dealer"), and you ("Employee"), as of the date of your employment.

WHEREAS, Employee is or will be employed to perform certain services for Dealer (the "Services"), and in consideration of Dealer's employment or continuing employment of Employee, the parties agree as follows:

1. Employee acknowledges that all information (including but not limited to names, addresses, telephone numbers, account numbers, customer list, and demographic, financial and transaction information) relating to Dealer's customers that the Employee obtains while performing the services ("Customer Information") shall be deemed confidential and proprietary to Dealer, and Employee shall maintain the confidentiality of such Customer Information, whether or not the Customer Information falls within the definition of confidential information in any other agreement between Dealer and Employee. As used in this Agreement, a

“customer” is an individual person who has obtained any product or service from Dealer or any of Dealer’s affiliates, including without limitation, an installment sales contract or lease.

2. Employee agrees to use Consumer Information only and strictly as required for the performance of the Services on behalf of Dealer, and Employee shall not duplicate or incorporate the Customer Information into its Employee’s own records or databases. Employee shall not disclose the Customer Information to any third party without the prior written consent of Dealer and the written agreement of such third party to be bound by the terms of this Agreement.

3. In addition to any other rights Dealer may have under this Agreement or in law, because unauthorized use or disclosure of the Customer Information may result in immediate and irreparable injury to Dealer for which monetary damages may not be adequate, in the event Employee uses or discloses or, in Dealer’s sole opinion, is likely to use or disclose the Customer Information in breach of Employee’s obligations under this Agreement. Dealer shall be entitled to equitable relief, including temporary and permanent injunctive relief and specific performance.

4. Employee’s obligations hereunder shall survive termination of this Agreement, Employee’s completion of the Services or other termination of Employee’s employment, and any other agreement between Dealer and Employee.

IN WITNESS WHEREOF, this Agreement has been executed by the duly authorized representatives of the respective parties as of the date first written above.

Employee Signature

Printed Name

EMPLOYEE CONFIDENTIALITY AGREEMENT #2
(Signature Required)

I hereby certify that I have attended the training session held on _____ regarding the Confidentiality Agreement between myself and Sam Boswell Honda Buick GMC that I signed at the time of employment. I understand that:

- All customer information (including but not limited to: names, addresses, telephone numbers, e-mail addresses and any other non-public, private information) for both existing and prospective customers, is the property of Sam Boswell Honda Buick GMC. I am acting as an agent of Sam Boswell Honda Buick GMC, and am merely the facilitator for the transaction.
- Any customer information that is either physically taken off-premises or downloaded on any computer or other device constitutes a theft of data.

- If I engage in this activity, aid anyone else in engaging in this activity, or have knowledge of anyone engaging in this activity without reporting it to my manager, the controller, or the owner, it is a violation the agreement between myself and Sam Boswell Honda Buick GMC.
- Engaging in this activity is also violation of federal law, and as such, Sam Boswell Honda Buick GMC has the right to press charges against me. I further understand that I will be subject to disciplinary action by Sam Boswell Honda Buick GMC, up to and including termination of employment.
- This agreement survives termination of employment.

Employee Signature

Printed Name

EMPLOYEE ACKNOWLEDGMENT
(Signature Required)

The statements in this manual are for information purposes only and are not conditions of employment. The Company will furthermore be referred to as the “company” or “dealership” in the manual. The company has the right to modify, revoke, suspend, terminate, or change any or all such plans, policies, or procedures, in whole or in part, at any time with or without notice. The language in this booklet is not intended to create, nor is it to be construed to constitute, a contract

between the company and any one of its employees. Because employees are “at will” employees, employment can be terminated at any time at the will of either the employer or the employee. Your status as an “at will” employee may not be changed except by a written agreement signed by the Dealer Principal specifically acknowledging the change in your status.

*No statement in the manual should be **construed** to alter this relationship. The statements in this manual are not intended to create, nor should they be construed to create, any contract or agreement to provide any benefit.*

I understand that I am responsible for reading and understanding this employee manual, and that my performance evaluations will, in part, reflect my adherence to policies. I should keep it up to date by replacing revised pages. I also understand that the purpose of the Employee Handbook is to provide me with general information regarding the company’s guidelines and procedures. The employee handbook may be changed or deleted in whole or in part at any time by The Company.

The Sam Boswell Honda employee handbook does not contain all the company guidelines, policies or procedures used at The Company.

I, _____, acknowledge that I have received a copy of the Sam Boswell Honda Buick GMC employee handbook. I have read and understand the contents of the handbook and agree to comply with the contents.

DATE: _____ HIRE DATE: _____

SIGNATURE: _____ PRINTED NAME: _____

IMPORTANT – PLEASE READ CAREFULLY
BINDING ARBITRATION AGREEMENT

(Signature Required)

Between Sam Boswell Honda Buick GMC, “Company” and _____, “Employee”

I acknowledge that the Company utilizes a system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Company and myself, I agree that any claim, dispute, and/or controversy (including, but no limited to, any claims of discrimination and harassment, whether they be based on any applicable state, federal or local laws or regulations, including, but not limited to, claims under Title VII of the Civil Rights Act of 1964, Americans with Disabilities Act, Age Discrimination in Employment Act, Pregnancy Discrimination Act, Family and Medical Leave Act, Employment Retirement Income Security Act) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between myself and the Company (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with the Company, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Board, claims for workers compensation benefits to remedy work-related injury or illness, claims for unemployment benefits) shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act, in conformity with the procedures published by the American Arbitration Association (AAA). Any arbitration initiated under this Agreement shall be solely conducted between the above parties to include their affiliates, successors or assigns, and under no circumstances shall this Agreement allow or authorize arbitration of any claims as parties to a class action or class arbitration. Any arbitrator herein shall be approved and listed by AAA, and shall be selected according to AAA procedures. Resolution of the dispute shall be based solely upon the time periods for filing, the law and remedies governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including, but not limited to, notions of “just cause”) other than applicable federal law, or where applicable, the analogous state law of the state in which the dealership operated by the Company is located. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with the arbitration proceedings are privileged in accordance with applicable law. The arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Under established legal standards pertaining to the claim(s) made, the arbitrator shall have the power to grant summary judgment upon the request of either party, prior to commencement of the arbitration hearing. Awards shall include the arbitrator’s written reasoned opinion. I UNDERSTAND BY AGREEING TO THIS BINDING ARBITRATION PROVISION, BOTH THE COMPANY AND I GIVE UP OUR RIGHTS TO TRIAL BY JURY. I FURTHER UNDERSTAND THAT THIS BINDING ARBITRATION AGREEMENT IS A CONTRACT; HOWEVER, IT DOES NOT CONSTITUTE A “CONTRACT OF EMPLOYMENT” AS IT DOES NOT COVER ANY OTHER TERMS AND CONDITIONS OF MY EMPLOYMENT. THIS BINDING ARBITRATION AGREEMENT IS SEVERABLE, AND THE DECLARATIONS OF ANY PORTION OF THIS AGREEMENT AS

INVALID OR UNENFORCEABLE SHALL NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF THE REMAINDER.

Employee Signature

Employee Printed Name

Date

EQUAL EMPLOYMENT OPPORTUNITY / ANTI-DISCRIMINATION POLICY

(Signature Required)

This dealership is committed to providing equal opportunities in all of our employment practices, including selection, hiring, promotion and compensation, to all qualified applicants and employees. The dealership does not discriminate against anyone, regardless of race, religion, color, age, sex, national origin, marital status or family or family responsibilities, disability or handicap, service in the military or veteran's status, etc. or any other status protected by law. The existence of discrimination is a primary factor in determining whether an employee has been treated fairly. Federal and state laws prohibit employee selection, advancement, compensation, etc., on the basis of certain factors and for good reason. The prohibited factors are irrelevant to the selection of the best candidate or employee for the position. While an employer must be "discriminating" in selecting the person best qualified for the position, the decision must not be based to any extent on any prohibited factors. Employers may be discriminating, but may not unlawfully discriminate.

Our non-discrimination policy also extends to our customers. Every customer must be treated properly and with respect regardless of their race, color, sex/gender, religion, national origin, citizenship status, age or disability. Failure to comply with this policy is grounds for immediate dismissal.

If you believe you have been discriminated against, you must report the discrimination to your supervisor immediately. If you feel uncomfortable doing so or if your supervisor is the source of the problem, condones the problem, or ignores the problem, report to the human resources department.

If neither of these alternatives is satisfactory to you, then you can direct your questions, problems, complaints, or reports to the general manager. You are not required to directly confront the person who is the source of your report, question, or complaint before notifying any of those individuals listed. Nevertheless, you are required to make a reasonable effort to make the discriminatory conduct known should it exist.

You will not be subject to any form of retaliation for making a complaint concerning yourself or another employee, or otherwise assisting an investigation. However, if an individual intentionally falsely accuses someone of discrimination, disciplinary action, which may include termination, may be taken against the accuser.

Sam Boswell Honda will not pay wages to any employee at a rate less than the company pays employees of the opposite sex for comparable skills and experience.

Employee Acknowledgement of Receipt

I acknowledge receipt of Sam Boswell Honda Buick GMC's **ANTI-DISCRIMINATION POLICY**. I have carefully read the policy and procedures, understand its contents, and agree to abide by it.

Print Name

Employee Signature

Date

AUTHORIZATION TO RELEASE INFORMATION

(Signature Required)

I hereby authorize the Personnel Department of Sam Boswell Motors, Inc. DBA Sam Boswell Honda and/or OB Motor Vehicles, LLC DBA Sam Boswell Buick GMC, to obtain any information related to my previous employment, educational records or transcripts, arrests and/or conviction records, and/or credit bureau information. I understand that any information will be held in confidence and will be obtained strictly for the purpose of determining my qualifications, suitability and fitness and for employment.

I hereby authorize release of these records upon receipt of this request, and release the custodian of the records from any liability relating to their release.

Employee Signature

Employee Name, Printed

Date

DISCLOSURE OF INTENT TO OBTAIN A CONSUMER REPORT
(Signature Required)

In compliance with the Fair Credit Reporting Act, we hereby notify you that for employment purposes, Sam Boswell Honda Buick GMC may request a consumer report in connection with your application for employment or employment. This report from a consumer reporting agency may include information bearing on your character, general reputation, personal characteristics or mode of living.

This disclosure is also to inform you that our insurance company may also request a consumer report on you, which under normal practice will consist of your driving record from the appropriate state department of motor vehicles. The purpose of our insurance company requesting a report will be for business insurance underwriting purposes. The insurance company is not your employer or prospective employer and will not make any employment decision relating to you.

CERTIFICATION OF RECEIPT OF DISCLOSURE AND AUTHORIZATION
TO OBTAIN A CONSUMER REPORT

I acknowledge that I have received a copy of the “Disclosure of Intent to Obtain a Consumer Report.”

The name and address of the consumer reporting agency gathering the consumer report is:
Insurance Information Exchange Account Administration
3001 East Bypass
College Station, TX 77845

I understand that I have a right to dispute any inaccurate information with the consumer reporting agency by directly contacting the agency.

I voluntarily authorize you to obtain a consumer report regarding me in connection with my application for employment or my employment. I also voluntarily authorize the insurance company to obtain a consumer report regarding me for business insurance underwriting purposes. I understand that the insurance company is not my employer or prospective employer.

I understand and agree that I can revoke this authorization only in writing and the revocation will be effective only upon receipt.

Signature _____ Date _____ Print Name _____

Driver's License Number – State _____ Date of Birth * _____

Print Maiden or other names under which records may be listed _____

*Date of birth information will be used by the consumer reporting agency to try to ensure an accurate investigation. It will not be used in any employment decision. The Age Discrimination Act prohibits discrimination against persons 40 years of age or older.

No Harassment Policy and Procedures **(Signature Required)**

All employees should be able to enjoy a work place free of harassment, and this company does not and will not tolerate harassment of any of our employees, applicants or customers. **EMPLOYEE HARASSMENT** is any unwelcome conduct that illegally discriminates against you or another employee, unreasonably interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment. This would include discrimination or harassment based upon an individual's age, race, color, creed, national origin, religion, gender, gender identity, genetic characteristics, physical or mental disability, or other protected classifications.

SEXUAL HARASSMENT is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of sexual nature where submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment; or submission to or rejection of such conduct is used or threatened to be used as the basis for employment decisions affecting such individual; or such unreasonable conduct interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment. In other words, no manager has the authority to suggest, in any way, to any employee that the employee's continued employment or future advancement will be affected in any way by the employee entering into (or refusing to enter into) any form of personal relationship with the manager.

Customers are also covered under the harassment policy. Customers should be able to transact business with the dealership without any form of harassment, be it verbal, physical touching, or unwanted or unwelcome advances. Any employees who witness this behavior should report it to their supervisor immediately for investigation; customer reports will also be investigated. If merited, disciplinary action will be taken.

Any disciplinary action taken in response to the findings of a harassment complaint will be based on the individual circumstances of each situation. Disciplinary actions may include, but are not limited to written warnings, suspensions without pay, or termination. In addition, if it is determined that a person has falsely and intentionally accused someone of harassment, appropriate disciplinary action may be taken, which may include termination.

If you feel that you are being harassed in any way by another employee or by a customer or vendor, you should make your feelings known to your supervisor immediately. The matter will be thoroughly investigated and where appropriate, disciplinary action will be taken. If you do not feel that you can discuss the matter with your supervisor or if you are not satisfied with the way your complaint has been handled, please contact either the Controller or General Manager. Upon receipt of a complaint under this policy, the company will initiate an investigation of the situation and document the responses of all individuals involved. If your complaint is not handled to your satisfaction, then you should follow-up with a written statement to the company president, controller, or human resources manager.

You may be assured that your complaint will be kept as confidential as possible. You will not be subject to any penalties or any form of retaliation for making a complaint concerning yourself or another employee, or otherwise assisting an investigation. However, if an individual intentionally falsely accuses someone of harassment, disciplinary action, which may include termination, may be taken against the accuser.

Because of the nature of harassment, things that may be offensive to one employee may not be offensive to another. In addition, harassment can sometimes take subtle forms and may not occur in front of witnesses. Please don't assume that a manager or another employee is aware of any improper conduct; notify your supervisor or the general manager immediately. It is your responsibility to bring your complaints and concerns to the dealership's attention so that they may be resolved.

Employee Acknowledgement of Receipt

I acknowledge receipt of a copy of Sam Boswell Honda Buick GMC's NO HARASSMENT POLICY AND PROCEDURES. I have carefully read the policy and procedures, understand its contents, and agree to abide by it.

Print Name

Signature

Date

SALES STAFF MEMO
(Signature Required)

TO: SALES STAFF

FROM: O'NEAL

If the manufacturer contacts a customer post-sale that has not yet been contacted by the salesperson to do a follow-up, the salesperson will be fined \$50.

Despite having key machines, we are still having an issue with keys being lost. If there are keys checked out of the machine that are subsequently lost, the last person who checked them out will be fined \$150.

After a vehicle is sold, if the salesperson fails to make the first service appointment (which is free to the customer), when the customer comes in for the service, the salesperson will be charged for the cost of the oil change.

The mileage must be checked on every vehicle, both the sold vehicle and any trades. Going by the customer's estimation on trades or whatever the computer says for sold vehicles is not acceptable. This is causing a problem with titles, RDRing of sold units (especially certified units) and in some cases even the funding of deals.

I understand and agree to abide by these policies.

Employee Signature

Printed Name

Date

DEDUCTION AUTHORIZATION
(Signature Required)

ALL EMPLOYEES:

I hereby give my permission for Sam Boswell Honda Buick GMC for deduction of funds from my paycheck to cover insurance, uniforms, accounts receivable balance, or any other monies owed to the company.

I understand that if I damage a company or customer's vehicle that I am responsible for paying for any repairs up to \$1000.00 (or the current insurance deductible for Sam Boswell Honda Buick GMC). For any repairs over \$1000.00 (or the amount of the deductible), I am responsible for paying the total amount of the deductible.

Employee Signature

Printed Name

Date

SERVICE TECHNICIANS ONLY:

I understand that it is my responsibility to correctly diagnose a problem, and to accurately perform the work necessary to correct the problem within the time allotted. If that work is not done correctly and the customer must bring the vehicle back in, I understand that I may be de-flagged for any time spent on performing prior repairs that failed to correct the problem.

Employee Signature

Printed Name

Date

TRAINING REIMBURSEMENT AND PAY BACK ACKNOWLEDGEMENT

(Signature Required)

I acknowledge that I have read, understand, and agree to the training payback policy outlined in section “6.16 TRAINING AND CONTINUING EDUCATION” of this manual.

The policy is outlined below:

Due to the ever changing technology and new models of vehicles coming out, there will be numerous opportunities for training and continuing education for employees to remain current and up-to-date in their job. Some of this training may be available over the internet, and some may require travel to receive “hands-on” training. If the training is out of town, the company will provide a vehicle to be driven, and will pay for gas, food and a hotel if necessary to accommodate the training. We do not pay for snacks, alcohol, in room movies or any other entertainment expense. All detailed original receipts must be turned in to the office upon the employee’s return, and the receipts must match the credit card activity or the amount of cash used. If there are any discrepancies, the difference(s) will be charged to the employee.

Service technicians who attend out of town training will be paid for eight hours at their current pay rate for every full day of training; a half day class will pay for four hours. This is for classroom time only; travel time is not included in time calculation. All other personnel who attend off site classes must record the time on their time sheets and will receive their normal pay. If an employee does not attend class or attends class but does not earn credit for it, they must pay back all expenses of the class, including any “no show” fees. **Anyone who has received training at a cost to the company whose employment is terminated by either party, for any reason, within 12 months of the training must pay back 100% of the expenses incurred.**

Some training may be accessed by employees on any computer with an internet connection. If a test is ordered via website from the factory, or an online test taken, the company is billed for that test. If the test is completed and passed within 60 days, the charge is credited back. If an employee orders a test that is not completed and we are billed by the factory, the company will pass that charge along to the employee.

Employee Signature

Printed Name

Date