

# Livonia Chrysler Jeep

## Employee Handbook

(Livonia Chrysler Jeep, Inc. also as the “Company” or the “Dealership”.)

### MISSION STATEMENT

“To provide our customers with a shopping, buying, service and ownership experience that consistently satisfies each individual’s needs and exceeds their expectations in a Comfortable and Supportive Environment.”

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## SECTION I

### PURPOSE OF THE HANDBOOK

Livonia Chrysler Jeep believes in keeping our employees fully informed about its policies, procedures, practices, benefits, what employees can expect from the dealership and the obligations assumed as an employee. This practice is designed to provide fair treatment of employees. We urge employees to become familiar with the policies, procedures, practices and benefits of Livonia Chrysler Jeep. This handbook is intended to provide employees with basic information. The policies and practices described in this handbook reflect a great deal of concern for the people who make it possible for Livonia Chrysler Jeep to exist... *its employees.*

This handbook establishes guidelines that Livonia Chrysler Jeep shall utilize as its employees' guidelines. It should be understood, however, that each employee's employment with the company may be terminated at will, at any time, with or without notice and with or without cause by the company or by the employee. This handbook is not intended to create any contractual rights in favor of the employee or the dealership. I acknowledge and understand that no one except the Dealer or President of Livonia Chrysler Jeep can alter or change any of the provisions contained in this handbook and that any change to the handbook can only be made in writing signed by both the Dealer and the employee. The dealership reserves the right to change the policies and procedures set forth in this handbook by way of revisions to the handbook, postings on the bulletin board or other communications to employees and once changed, employees are expected to follow the new policies.

## SECTION II

### WELCOME TO THE DEALERSHIP

We wish to take this opportunity to welcome you and extend our very best wishes for a long and successful career with our organization.

We hope you will enjoy your work here, and that this handbook will help you "get off to the right start". This handbook contains information about our company and its customers and personnel policies. It is published for the information and guidance of our present and prospective employees. Revisions or additions which may be made hereafter automatically become a part of this book and the latest issue always supersedes all previous issues. Our company's progress and success depend greatly on the cooperation and teamwork of each employee regardless of his or her position.

At Livonia Chrysler Jeep we think that in order for any retail automobile sales organization to grow and prosper, through good times and tough times, it must *constantly* strive to extend the best in sales and service at competitive prices.

With *consistency* in these two areas, we build a reputation in the community which “echoes” our slogan: “We will build this business on the reputation of our service”.

To do this, we must have the complete cooperation of everyone in our organization. In giving us your full cooperation, we expect you:

To have a positive attitude and be enthusiastic... typical of a “winner”.

Remember we are a sales and service organization; therefore, sell and extend service to our customers at all times.

To give the best of yourself at all times.

To be customer oriented. Put him or her first.

To comply with all company policies, rules and procedures.

In return you can expect us:

To provide you with a quality management team.

To ensure that our compensation plans and employee benefit programs are competitive and always fair.

To provide you with a continuing program for future growth and development.

To treat every employee justly and with respect.

To provide adequate inventories of vehicles, parts and accessories at all times... with sales and market conditions as guidelines.

To provide the best in facilities and working conditions in keeping with our growth and customers requirements.

To secure the future of our entire organization by constant efforts to create the very best possible business image and dealership climate that will attract top personnel and the public to our store.

Again, welcome to Livonia Chrysler Jeep, and may our association together be a most pleasant and profitable one.

## SECTION III

### PROVIDED FOR YOU...

#### VACATIONS

Employees with a certain amount of service will be granted paid vacations as follows:

Salaried Employees - Regular Salary  
Hourly Employees - 40 Hours X hourly rate  
Flat Rate Employees - Refer to your pay plan  
Commissioned Employees - Refer to your pay plan

One consecutive year of employment entitles you to one week of paid vacation.  
Two consecutive years of employment entitles you to two weeks of paid vacation.  
Ten consecutive years of employment entitles you to two weeks of paid vacation plus five personal days.

Only full time employees (40 hours per week) are eligible for paid vacation. Vacation days will be computed from the anniversary date of employment. Vacation weeks are Monday through Friday.

An "AVO" (Avoid Verbal Orders) slip must be submitted to the office no less than three weeks prior to the vacation starting date and must be signed and approved by the department head. Likewise, the department heads are required to have an "AVO" slip approved by the general manager three weeks prior to the vacation starting date.

Vacation time will be approved on a seniority and request time basis. For example, a person with five years of service will have priority over a person with two years of service provided he/she asks for the same date as early as the other employee.

At no time will more than one employee doing the same type of work be granted vacation from the same department at the same time. Vacations not taken by anniversary date will no longer be valid. Days of vacation not used for one year cannot be carried over to any year in the future.

You will receive your vacation pay the next scheduled pay day after you return from your vacation.

Vacation pay will NOT be given in lieu of vacation. If you separate from the company before all vacations are taken you will not receive any vacation pay in lieu of vacation and therefore you forfeit any benefits.

## HOLIDAYS

Livonia Chrysler Jeep will observe the following holidays each year:  
(when they fall on a normal business day.)

Thanksgiving Day  
Christmas Day  
New Years Day  
Memorial Day  
Labor Day  
4<sup>th</sup> of July

Full time employees are eligible for holiday pay after 90 days of employment.

Should any of these days fall within your vacation period, they will be charged as part of your vacation. To be entitled to holiday pay, you are required to work the last working day before and the first working day after the holiday. Both days must be eight hour days.

All salaried employees will be paid their normal salary.

Part time employees are not eligible for paid holidays.

All other employees should refer to their individual pay plan.

## VOTING POLICIES

You are expected to utilize your voting privileges before or after working hours.

## PURCHASE OF VEHICLES

As an employee of our company, you are eligible to purchase a new car or truck at special pricing. In the event of a trade-in, we will allow you the actual cash value of your trade-in or you may dispose of it yourself. You may purchase a used vehicle at the fair market value. Please see the department manager for pricing.

We ask that you do not abuse this privilege. We are anxious to have you use our products and consider it good public relations that you do so. From time to time, we will have models that are in short supply. At these times, we must hold these models for sale



to our customers. We also ask that you deal with our sales manager when buying a vehicle since the salespeople are paid on a commission basis. We cannot pay them commission on the handling of your sale.

Trades can be worked out with the sales manager. We cannot, however, sell used units for our employees. Under certain circumstances, the used car manager may purchase an employee's used vehicle for wholesale prices.

We will also honor these special prices to immediate family members of employees. Please follow the same policies as stated above for family members.

## YOUR RIGHTS UNDER THE FAMILY AND MEDICAL LEAVE ACT OF 1993

The Family Medical Leave Act (FMLA) requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. Employees are eligible if they have worked for a covered employer for at least one year, and for 1,250 hours over the previous 12 months, and if there are at least 50 employees within 75 miles.

### Reasons for Taking Leave:

Unpaid leave must be granted for any of the following reasons:

- To care for your child after birth, or placement for adoption or foster care;
- To care for your spouse, child, or a parent who has a serious health condition;
- For a serious health condition that makes you unable to perform your job.

At your option or the option of the dealership, certain kinds of *paid* leave may be substituted for unpaid leave.

### Advance Notice and Medical Certification:

You may be required to provide advance notice of leave and medical certification. Taking of leave may be denied if requirements are not met.

You ordinarily must provide 30 days advance notice when the leave is "foreseeable".

### Job Benefits and Protection:

For the duration of FMLA leave, the dealership must maintain your health coverage under any “group health plan” on the same terms you were covered.

Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits and other employment terms. The use of FMLA leave cannot result in the loss of any employment benefits that accrued prior to the start of your leave.

### *Military Family Leave Highlights*

Effective January 16, 2009

*Duration of Leave.* Eligible employees may take up to 26 work weeks of leave during “a single 12-month period” to care for a seriously injured or ill Service member. An employee may be eligible for military caregiver leave if he or she is a spouse, child or parent of a Service member or a Service member “next of kin.” The “single 12-month period” begins on the first day the eligible employee takes leave and ends 12-months after that date. The employer does not have discretion on how to calculate this 12-month period, regardless of how its FMLA policy defines the 12-month period traditional FMLA leave. The DOL developed a new Certification of Serious Injury or illness of Covered Service member for Military Family Leave form (Form WH-385).

*Multiple Leaves.* An eligible employee may take more than one Military Caregiver Leave if the leave is to care for a different covered Service member or to care for the same covered Service member with a subsequent injury.

*“Qualifying Exigency.”* Employers also must provide eligible family members 12 work weeks of leave for “any qualifying exigency,” which includes (1) short-notice deployment; (2) military events and related activities; (3) childcare and school activities; (4) financial and legal arrangements; (5) counseling; (6) rest and recuperation; (7) post-deployment activities; and (8) additional activities not encompassed in the other categories, but agreed to by the employer and employee. The DOL developed a Certification of Qualifying Exigency for Military Family Leave form (Form WH-384).

*Who Qualifies.* Qualifying exigency leave is limited to family members of reservists, member of the National Guard and retired members of the regular armed services or reserves on active duty or called to active duty status in support of a contingency operation. Refers to a Federal call to active duty, not a State call. Qualifying exigency leave is *not available* to family members of active service members of the regular armed forces.

*Exceptions.* Generally, an eligible employee is entitled to a maximum of 26 weeks of military caregiver leave and traditional FMLA leave in a “single 12-month period.” For example, an eligible employee may, during “a single 12-month period” take 16 weeks

of military caregiver leave to care for a covered servicemember and 10 weeks of FMLA leave to care for a newborn..

### Unlawful Acts by Employers:

FMLA makes it unlawful for Livonia Chrysler Jeep Sales to:

Interfere with, restrain or deny the exercise of any right provided under FMLA; discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

### Enforcement:

The U.S. Department of Labor is authorized to investigate and resolve complaints of violations. An eligible employee may bring a civil action against an employer for violations.

FMLA does not affect any Federal or State Law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

FOR FURTHER INFORMATION REGARDING ELIGIBILITY CONTACT THE BUSINESS MANAGER.

### LEAVE OF ABSENCE

If you require a leave of absence please contact your supervisor and state your reason in writing for this time off. Such leaves may be granted on an as needed basis and will be without pay.

In the event an employee must go on disability or leave of absence, the employee must make arrangements with the office manager for their portion of the benefit premiums within five working days. If these arrangements are not made and approved by the dealership, this will serve as authorization to cancel coverage and transfer health insurance to Cobra for non-payment of premium.

Also, if an employee is on an extended leave of absence or disability, the dealership will only cover our portion of Health Insurance premiums for 12 weeks. After 12 weeks, Health Insurance premiums will automatically transfer to Cobra until the employee is returned back to work full time.

### AMERICANS WITH DISABILITIES ACT EMPLOYMENT POLICY

It is the policy of the dealership to comply with all of the provisions of the Americans with Disabilities Act (“ADA”). The dealership will not discriminate against any qualified employee or job applicant with respect to any term, privilege or condition of employment because of that person’s physical or mental disability. The dealership will also make reasonable accommodations whenever necessary for all employees or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the duties and assignments connected with the job and provided that any accommodations made do not require significant expense.

Harassment, retaliation, coercion, interference, intimidation of or discrimination against any employee due to that employee’s disability is strictly forbidden. Any employee who believes he or she has experienced such activity or requires an accommodation should report it immediately to his or her Supervisor, or the Dealer.

You are required to notify the dealership within 182 days after the need for any accommodation to his or her employment is known.

## PROMOTIONS

Promotions will be made from within whenever possible. We will consider production, efficiency, ability, attendance, seniority, attitude, initiative, and any other factors we deem pertinent. These decisions will rest primarily with management; however, in certain instances, the advice of employees will be sought. Nothing pleases us more than advancing one of our teammates. We are proud of those who have forged ahead.

We have brought in people from the outside only when the positions to be filled required their specialized knowledge or training.

Opportunity for training and self-improvement will be given through franchisor and dealership programs. Those employees interested in advancement or in training in another department should contact general management.

Promotion is based on leadership ability and effectiveness, or, “getting the job done”.

## JURY DUTY

The dealership believes in community service. If you should be selected for jury duty, leave of absence will be granted. Written evidence of jury duty may be requested by your supervisor. You are expected to report to work during those periods when you have no court responsibilities. This granted leave of absence will be unpaid.

## DISCOUNT TO EMPLOYEES

All employees may purchase parts and accessories at cost plus 10% markup, and a 25% discount off of labor prices, except in the case where a special is being offered.

Any abuse of this privilege, such as the purchasing of parts to do custom work at home or “moonlighting” will be considered an act of disloyalty to the company. If, in opinion of management, this privilege is being abused, you may be terminated.

Employees are strictly forbidden to make purchases in the company name at a discount or otherwise. A purchase order must be processed and approved before any purchase is made in the company name. The company will not be liable for any purchase made by employees in the company name or in their name unless a company purchase order is approved.

Employees must be employed with the dealership at least 90 days to qualify for purchases and discounts.

## WORKER’S COMPENSATION

Worker’s compensation is required by state law and paid for entirely by your employer. It protects you in the event of occupational injury or sickness where time is lost.

ANY ACCIDENT ON THE JOB --- NO MATTER HOW SMALL --- SHOULD BE REPORTED TO YOUR DEPARTMENT HEAD. Department heads must fill out accident forms and then turn them in to the business office immediately. Any time you are sent to the clinic you will receive a drug screening.

## SUGGESTIONS

Your suggestions for improving the efficiency of our operation are always welcome. If you have a suggestion, regardless how small, submit it in writing to the general manager. It will be reviewed by department managers and the dealer at the regular staff meeting.

## SPECIALIZED TRAINING

At The dealership we take advantage of as much specialized training as we can to better equip ourselves and to serve customers. Sales personnel are continually given product training to keep them abreast of the latest innovations introduced in new models. In addition, all sales personnel are encouraged to attend training schools conducted periodically at the franchisor-training centers. All expenses to such schools may be paid by the company. Technicians are sent to a Franchisor-conducted school to keep them up to date on mechanical changes made from one model year to the next. Those who are chosen to attend these training sessions return and impart their newly acquired knowledge with those who remain in our shop. These specialized training programs used by our company cover both the beginning and advanced product-knowledge courses. The

company will pay 100% of the training. However if employment is terminated by either the company or by employee, the training costs will be prorated the first year and the employee will be responsible for reimbursing the company. For example, if training is \$1000 and you leave employment 180 days after training, you will be responsible for 50% of the training fee which would be deducted from your paycheck. If you were here 1 year after your training no reimbursement would be expected.

Those attending training sessions may be compensated under certain circumstances as follows:

Please see your supervisor for individual compensations.

## CREDIT TO EMPLOYEES

Credit is extended to employees on the same basis as it is extended to our customers. All requests for credit should be referred to the general manager or president. No department head is authorized to extend credit for an employee on either parts or service work without approval of the general manager. The dealership will not extend credit for more than 30 days to any employee. If credit is issued, the employee will be required to execute the appropriate wage deduction authorization form.

## PAY PERIODS

We have many different pay periods in place depending on the department you work in and your type of job. Please ask your supervisor for your personal pay period. The company uses direct deposit for paychecks. You must have an active bank account.

## PAYROLL DEDUCTIONS FROM GROSS PAY

The dealership will make arrangements for payroll deduction for the following:

- Federal income taxes
- State income taxes
- Social Security taxes
- Past due taxes
- Court Issued Orders (including child support)
- Employee's portion of group health insurance premiums
- Premium for coverage on eligible dependents
- Uniforms
- Loss, damage or destruction of company property

Any deduction (other than statutory deductions) must be authorized by the employee. No other deductions will be made unless specifically authorized in writing by the employee.

All deductions will be itemized on the employee's pay check stub. Questions regarding payroll deductions should be directed to the Payroll Department.

Uniforms are required in certain positions. Employees in these positions are required to contribute a portion of the charge and must sign a payroll deduction authorization form at the time of hire.

## GROUP HOSPITALIZATION POLICY

The dealership has a group hospitalization policy for both its employees and their families. The business office has complete details on this policy and will be happy to explain the benefits and its cost to you.

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Both of these benefits are offered to you on a pre-tax basis.

## COBRA VERY IMPORTANT NOTICE

On April 7, 1986, a new federal law was enacted (Public Law 99-272, Title X) requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion of your rights and obligations under the continuation coverage provisions of the new law. (Both you and your spouse should take time to read this notice carefully.)

If you are an employee The dealership (hereinafter referred to as the "Employer"), covered by the Automobile Dealers of Michigan Employees Health Assurance Plan (hereinafter referred to as the "Health Plan") you have a right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee covered by the Health Plan you have the right to choose continuation coverage for yourself if you lose group health coverage under the Health Plan for any of the following four reasons:

1. The death of your spouse;
2. The termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment;
3. Divorce or legal separation from your spouse; or
4. Your spouse becomes eligible from Medicare.

In the case of a dependent child of an employee covered by the Health Plan, he or she has the right to continuation coverage if group health coverage under the Health Plan is lost for any of the following five reasons:

1. The death of a parent;
2. The termination of a parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with the employer;
3. Parent's divorce or legal separation;
4. A parent becomes eligible for Medicare; or
5. The dependent ceases to be a "dependent child" under the Health Plan.

Under the new law, the employee or a family member is responsible for informing his/her employer of a divorce, legal separation, or a child losing dependent status under the Health Plan. The employer has the responsibility to notify the Plan Administrator of the employee's death, termination of employment or reduction in hours, or Medicare eligibility.

When the Plan Administrator is notified that one of these events has happened, the Plan Administrator will, in turn, notify you that you have the right to choose continuation coverage. Under the new law, you have at least 60 days from the date you would lose coverage because of the events described above to inform the Plan Administrator that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance coverage will end.

If you choose continuation coverage, the employer is required to have coverage available to you which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The new law requires that you be afforded the opportunity to maintain continuation coverage for three years unless you lost group health coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months. However, the new law also provides that your continuation coverage may be cut short for any of the following five reasons:



1. The employer no longer provides group health coverage to any of its employees;
2. The premium for your continuation coverage is not paid;
3. You become an employee covered under another group health plan;
4. You become eligible for Medicare;
5. You were divorced from a covered employee and subsequently remarry and are covered under your new spouse's group health plan.

You don't have to show that you are insurable to choose continuation coverage. However, under the new law, you may have to pay all or part of the premium for your continuation coverage. The new law also says that, at the end of the 18 month or three year continuation coverage period, you must have the right to purchase an individual health conversion policy.

This new law applies to the Health Plan effective immediately. If you have any questions about the new law, please contact Benefit Actuaries, Inc. at 146 Monroe Center, Suite 650, Grand Rapids, MI 49503. Also, if you have changed marital status, or you or your spouse have changed addresses; please notify the Plan Administrator at the above address.

#### 401K RETIREMENT PLAN/ROTH IRA

This program enables employees to save for retirement on a pre-tax basis. Employees may elect to defer 1% to 15% of their pay. For enrollment and further information contact the business office. Our 401k will begin in 2016.

#### TIME OUT

We have no scheduled relief periods or "breaks" because we have no restrictions on nibbling and soft drinks. We have vending machines containing such items as candy, nuts and soft drinks for your convenience. It is permissible for you to purchase items during working hours, but it is expected that you will use good judgment in the use of this privilege. This is not considered to be a "time out" from work, but to be restricted to those times that will not interfere with your job or with the work of others. (Exception: If you are under the age of 18 there will be scheduled breaks throughout the day.)

#### SMOKING POLICY

The dealership is dedicated to providing a healthy, comfortable and productive work environment for our employees, as well as a healthy and comfortable environment for our customers. This goal can only be achieved through ongoing efforts to protect nonsmokers and to help employees adjust to restrictions on smoking. Therefore, smoking is prohibited throughout dealership facilities, with the exception of OUTSIDE OF THE BUILDINGS, but not near the entrances.

## LOANS OR ADVANCE ON PAY

We have learned, over a period of many years that it is neither wise nor practical to make loans to members of our organization. It has never proven beneficial to either party.

Therefore, we do not make loans to any member of our organization.

## SECTION IV

### EXPECTED FROM YOU.....

#### PARKING

Our limited space is crowded with customer parking and new and used units. We, therefore, request employees not to park in the area around the showroom. This area is for customer parking only. All employees must park in the employee parking lot located across Milburn. There are a few exceptions. If you have permission to park elsewhere you will be notified.

#### PERSONAL CONDUCT

Use of violence will not be tolerated. Consideration for the rights of others requires that an employee conduct themselves in a respectable and orderly manner. Foul language, fighting, interference with fellow workers through "horse play" and other objectionable or unfavorable conduct will not be allowed and may be cause for termination of employment.

#### HARASSMENT

SEXUAL HARASSMENT AND SEXUAL DISCRIMINATION IS FORBIDDEN. EMPLOYEES WHO VIOLATE THIS POLICY WILL SUBJECT THEMSELVES TO DISCIPLINARY ACTION UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

Harassment is difficult to define, but each employee is charged with the responsibility for their own conduct. We are in a public work environment and our conduct reflects on our image to the public, our customers. Accordingly, there are certain obvious actions which should not take place here. Among these are the following:

1. Sexual advances of any nature;
2. Requests for sexual acts or favors;
3. Sexual touching, pinching, etc.; and
4. Verbal or physical conduct demeaning or embarrassing in nature.

The reason this policy is in effect is to eliminate the feeling or belief of an employee that:

1. They have to submit to the activity in order to keep their job; or
2. That engagement in the activity will be a considered factor in decisions affecting their employment.

In addition, it is designed to prevent the creation of a work environment which is intimidating, hostile or offensive. You will be required to watch a short video on sexual harassment on a yearly basis.

## HOW TO USE THE POLICY

Any employee who has a complaint of sexual harassment at work by anyone, including managers, supervisors or co-workers, must promptly bring the problem to the attention of the responsible Company personnel. You may direct your complaint to your immediate supervisor, the general manager or President of the Company. However, if you would rather not approach your supervisor, or if the complaint involves your supervisor, or if the problem is not addressed adequately by your supervisor, then you should discuss the problem with the general manager or the President.

## CUSTOMER RELATIONS

### Customer Courtesies

All employees are expected to give Company customers the same respect and interest you would want if you were visiting our dealership. The promptness, courtesy, skill and care that each of us display in our services to a customer influence that customer to spend his money here rather than at another dealership. The repeat business of customers is the key to our continued success. The security of all our jobs depends upon the number of satisfied customers we create and keep. Here are some tips to follow when dealing with customers:

1. Greet customers promptly; do not keep them waiting.
2. Smile and be friendly.
3. Be courteous and tactful; never argue with a customer.
4. Call customers by their name; for example: Mr., Mrs., or Miss Jones.
5. Be honest with customers and keep your word.
6. Assist customers in reaching the appropriate person or department.

7. Show your appreciation; thank customers for their business.
8. Look and act like the professional person you are.

These rules are based on one important fact we must always remember. That is, the person we all work for is the customer.

### Customer Check Cashing Policy

Any check accepted from a customer as payment for goods or services must have all of the following information on the check:

1. The customer's present address.
2. The customer's phone number.
3. The customer's drivers license number.
4. Management approval.

No check is to be accepted unless it is:

1. Made payable to the appropriate dealership.
2. Signed by the person buying the car or having it serviced.

For example, if Harry Jones is buying a car at the dealership, he must be the maker of the check and it must be made payable to the dealership, Inc. This eliminates third parties who are not involved in the transaction. If a sales person takes a bad check without the approval of a Department Manager, the salesperson will be held responsible and liable for the bad check.

### Cash Shortages

All monies received from a customer (no matter how small the amount) must be immediately turned in to the cashier and a receipt must be written. Failure to turn in a deposit from the customer to the Cashier will constitute just cause for immediate dismissal.

### KEYS TO THE BUILDING

Only department heads will be given keys to the dealership, and each person to whom a key is entrusted is responsible for the proper use of that key. No duplicates are to be made and given out. If a key is lost or misplaced, notify management immediately. All department heads are responsible to see that they are the last one to leave their department and are responsible to see that all doors and windows are properly locked.

### ABSENCES AND TARDINESS

If you find you must be absent or late from work for any reason, you must notify your supervisor by telephone before your normal start time. If your absence is planned you must notify your manager as soon as you are aware you are going to be absent or tardy, this will enable us to plan the daily work load normally carried by yourself. A voicemail will not be accepted as notice to your supervisor. If your supervisor's start time is after your start time you must notify your supervisor when they arrive.

Failure to report your absence for three consecutive work days will be considered as a voluntary quit. Continual tardiness or absences are also considered grounds for termination.

Employees are expected to be at their work stations, ready for work, at their scheduled starting time and immediately after lunch periods through quitting time. A good record of promptness and attendance is important when your employment record is reviewed for promotions and pay increases.

Absences will be without pay

## SEVERE WEATHER CONDITIONS

If there is any question regarding hours of work during severe weather conditions, you are responsible for contacting your department manager regarding opening and closing hours. You must contact your department manager if you are going to be late for any reason, no voicemail.

## TRAFFIC VIOLATIONS

Employees shall be responsible for operating company vehicles within the legal restrictions of our community. Any, and all, fines imposed as a result of any violations shall be paid entirely by the person who was responsible for the violation. We insist that you abide by all speed, parking and traffic rules. For insurance reasons, no employee will be permitted to drive customer or company vehicles unless he/she has a valid driver's license. Violations of this policy shall be grounds for immediate dismissal.

## MOTOR VEHICLE RECORD (MVR) INQUIRY

Prospective employees expected to drive dealership vehicles will provide the dealership with current and acceptable motor vehicle driving information. Employment and assignment will be conditional pending the receipt of a satisfactory report from the State of Transportation, Division of Motor Vehicles. The company's insurance company must approve all drivers. Yearly driving records reviews will be performed by the company and the insurer to ensure your driving record remains adequate to drive company vehicles.

## ODOMETER TAMPERING

There is no justification for turning back or tampering with an odometer on any vehicle coming into our possession. Violation of this and/or any other state or federal statute involving vehicles will be grounds for immediate termination of employment.

## DEALERSHIP PROPERTY

Each employee is expected to respect other employee's property, customer's property, as well as the dealership property. To damage machinery equipment, the building, or to remove tools and equipment without authorization is strictly prohibited and grounds for dismissal.

The company also expects each employee to maintain a clean and debris free work environment. This policy of the company will be monitored carefully and any employee who willfully disobeys this policy will be terminated. We must take this no-nonsense approach to ensure the safety of all of our employees.

## INTOXICATING BEVERAGES AND NON-PRESCRIPTION DRUGS

The possession of, or consumption of, intoxication beverages or non-prescription drugs on dealership property before, during or after company hours or reporting to work under the influence of alcohol or drugs is absolutely forbidden and is cause for dismissal. We retain the right to test people under certain circumstances.

## TELEPHONE CALLS

Employees are asked not to abuse the privilege of making or receiving personal telephone calls during working hours. Frequent personal calls and calls of long duration will not be permitted and department managers are authorized to take the steps necessary to correct such abuse. All personal calls should be limited to three minutes or less. The dealership can and will monitor employee conversations with customers for quality control unannounced. In the course of monitoring calls the dealership will not listen in on what are obviously private, personal conversations past the time that the nature of the call becomes clear.

## CELL PHONE POLICY

This policy applies to any device that makes or receives phone calls, leaves messages, sends text messages, sends photographic material, surfs the Internet, or allows for reading and/or sending email messages.

The use of cell phones or similar devices for personal reasons is strictly prohibited during working hours. This includes sending or receiving personal text messages or email and visiting social media networking sites. ***Unless you use personal cell phone or similar device to conduct business, your cell must be set on silent or vibrate only mode during working hours. The use of cell phones or similar devices, including ear buds are not permitted in the auto shop or body shop. Working on vehicles takes 100% concentration and your undivided attention is mandatory.*** Employees may use their

personal cell phones or similar devices during their lunch period or during authorized breaks. If you choose to use your cell phone or similar device during a break or lunch, please use discretion and be conscious of and courteous to those around you. In some cases, we may require you to leave your phone in your vehicle during working hours.

In the event of an emergency or anticipated emergency that requires immediate attention, an employee may request permission to make or receive personal phone calls or messages during working hours. If such a need arises, speak to your supervisor.

### **CELL PHONE/TEXTING/EMAIL/DISTRACTED DRIVING IS PROHIBITED**

Research indicates that cell phone use while driving is dangerous and in specific circumstances is considered a violation of Michigan law. Accordingly, employees are strictly prohibited from using cellular phone or similar devices while operating company-owned vehicles or customer-owned vehicles. This includes texting messaging, surfing the internet, receiving or responding to email, checking for messages, or an other purpose, including purposes relating to your employment or company business. In the event it is necessary to use your cell phone or similar device pull over in a safe location. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

### **Social Media**

The Company recognizes the growing importance of online social media networks as a communication tool. This policy addresses employees' use of such networks including: personal websites, blogs, wikis, social networks, online forums, virtual worlds and any other kinds of social media. *We appreciate and promote sharing our social media posts with your friends and family.* However, employees must avoid posting information that could harm the company.

### **DO NOT CALL RULE**

In accordance with the dealerships Program for Compliance with the Do-Not-Call Rule, employees may only make unsolicited calls to customers as permitted by this Program and Rule. Failure to comply with this Program will subject employees to discipline up to and including termination of employment.

### **PERSONAL MAIL**

Personal mail is not allowed at the dealership and we assume that all mail addressed to an employee at our place of business is business mail and will be opened by a designated employee of the dealership or the dealer.

### **RESIGNATIONS**

We hope that you will never have to resign but will stay to help our company grow. If for some reason you wish to resign, you are expected to give your supervisor two weeks notice and, whenever possible, the resignation should be in writing giving us the reason why you have chosen to resign.

## GRIEVANCES

Our objectives can be accomplished much faster with a happy and enthusiastic team of workers. We want every employee to receive fair treatment. If you have a problem concerning your job, you are encouraged to discuss it with the manager of your department. If an informal conference with your manager does not resolve your problem, put your grievance in writing and submit it to either the general manager or the dealer for consideration.

## RIGHT TO KNOW

If your job requires that you use hazardous or toxic material, you are expected to comply with all laws, rules and regulations concerning their safe handling and disposal. If you have any questions about the materials you work with or the proper safety procedures to follow, your department manager has details and training information regarding the law. Before starting work, each new employee will attend a safety class and review a training tape.

## PERSONAL SAFETY

For your safety and protection, the company has provided the most modern safety devices available. Safety is everybody's job every day. Remember that you are not the only one who might be injured by your carelessness. Take precautions and clean up any oil grease that might be in your stall or on the floor so as to prevent accidents. Any maintenance or replacement of safety equipment should be immediately reported to your department managers. Especially remember:

1. Always use jack stands before going under a vehicle.
2. Always lock up or put a sign on any vehicle that has no brakes so no one can drive it.
3. Do not be a hero when it comes to lifting heavy objects. Ask for help.
4. Before you hit a starter, be sure the vehicle is out of gear.
5. Be familiar as to where the nearest fire extinguisher is located.
6. Always clean up grease or oil that might cause someone to slip and fall.
7. Be sure all electrical tools are grounded and do not have shorts or bad wiring.
8. Do not leave a vehicle unattended with the engine running.
9. Whenever an engine is running in a vehicle in your stall, be sure to use an exhaust hose to defer dangerous fumes from the building.
10. Always wear safety shields when using grinding or welding equipment.



11. Safety shoes must be worn by all mechanics, bumpers, painters, porters, etc.
12. Safety glasses must be worn at all times when entering Service and Body Shop garages and all areas designated to require such safety. Any fine imposed by MIOSHA/OSHA will be your responsibility.
13. Every employee must have safety training to meet MIOSHA guidelines.
14. The speed limit on the lot is 5mph.
15. If injury occurs you must contact your supervisor. You must go to the clinic to have your injury checked. You will be drug tested whenever you go to the clinic.
16. Demonstration Rides – You must scan the customer’s driver’s license through the system. Let management know you are leaving and use a designated route.

## SPECIAL TOOLS

The company has provided many thousand dollars worth of tools and equipment for use by mechanics which are too expensive and too scarce to be available to all mechanics. A special tool room is provided where these tools are constantly maintained in good working order under the supervision of the service manager. These tools will be signed out for use by mechanics and must be returned to their proper place CLEAN after being used. Mechanics who sign out tools are responsible for their proper use and that they are returned. If not returned by the mechanic who signed the tool out, it will indicate that it has been misplaced or taken and will be charged to the mechanic who signed it out. Do not attempt to use any special equipment if you are not familiar with it without first getting instructions from your supervisor. Broken tools or equipment should be repaired immediately.

## PUNCHING THE TIME CLOCK

All employees are required to record the time they are employed at the dealership using electronic time clock. For purposes of insurance and worker’s compensation coverage, all employees must punch in each morning, in and out for lunch, and at quitting time. If an error is made, your supervisor must be notified immediately.

## DEALERSHIP HOURS

Dealership hours vary between departments. Your department manager will inform you of your scheduled hours.

Note: New and Used Car Sales Departments will be open until 9:00p.m. on Tuesday when an observed holiday falls on the prior Monday.

## MECHANIC’S TOOL BOXES

It is the responsibility of each mechanic to supply the dealership with a list of tools they want to be covered under the dealership’s insurance policy. The dealership reserves the right to inspect all mechanics tool boxes. Please be advised that all personal hand tools must be properly maintained and in good repair. We also reserve the right to inspect lockers.

## **FIRE SAFETY RULES**

Due to the nature of our business and the materials used in it, constant precautions must be taken to prevent fires. Fire extinguishers are stationed prominently throughout the buildings for quick use. It is the responsibility of the department manager to see that after each use, all extinguishers are refilled. Every employee should make it their personal responsibility to know where the nearest fire extinguisher is located and be prepared to use it any time they notice smoke or a blaze, regardless how small. A map of all exits and a fire extinguisher is located near the time clock in the service department and in the lunch room(s).

## **CASHING CHECKS**

We will not cash payroll or personal checks at the dealership.

## **CARELESSNESS**

As you know, you are insured by the company under Worker's Compensation for any accidents you may have while on the job as an employee of the company. However, you are not insured for careless mishandling of a customer's automobile, any careless destruction of company property and/or property to anyone other than yourself occurs. In this case it will be expected that you will pay completely for your own carelessness.

Accidents with company vehicles which are due to carelessness are subject to review by the company safety committee; and if deemed serious enough, the committee will recommend dismissal of the employee. Second offenders within a 12 month period will be automatically dismissed. Any company employee, who drives company vehicles, including sales personnel, must not let anyone outside the company drive the vehicles without permission from the general manager so that the proper notification may be given to the insurance company. The company insurance coverage on company vehicles only covers employees, with the exception of new cars being demonstrated (test driven). It is also a strict policy of the company that employee's spouses not drive company owned vehicles.

## **REPAIR WORK**

The company has a strict policy that no employee will be permitted to perform work on personally-owned vehicles without direct management approval and supervision. No vehicles are to be repaired on the company premises without a written repair order. Any such vehicles, including employee's personally owned vehicles, would not be covered by insurance in a case of fire or theft.

## **SOLICITATIONS**

Solicitations seeking payment, contributions, memberships, signatures, funds and similar solicitations are not permitted on dealership premises by employees during their working time.

## LOANING OF VEHICLES TO EMPLOYEES

Under no conditions can we afford to loan vehicles to employees because of our liability and insurance coverage. To assist you when your vehicle is down for repair overnight, in our facility only, we will rent you a vehicle at our cost. If your vehicle is going to be tied up for more than one day, we will rent you a vehicle for cost plus 25%. This rental bill must be paid upon completion of repairs.

## LOANING OF VEHICLES TO SERVICE CUSTOMERS: WHY WE CANNOT LOAN VEHICLES

When some of our customers require repairs to their automobile, it is necessary that they have an alternate form of transportation until their vehicle is available. When this situation exists, it represents quite a problem to us as well as all other automobile sales and service agencies. These problems include the following:

1. The cost of liability insurance is substantially more when the policy is written to insure conditions created by people other than employees operating company owned vehicles.
2. All of the vehicles owned by the company are for sale and invariably when one is away, this can result in the loss of a sale to a prospective buyer.
3. Normal wear and tear plus cleaning the car is expensive. Occasionally, vehicles have been damaged and we have found it very difficult to get the customer to pay for those damages.
4. For a customer requiring transportation while his/her vehicle is being repaired, our Rent-A-Car department will provide an inexpensive rental rate for their convenience.

We sincerely value and appreciate our customers, for without them we would not stay in business; however, loaners of any kind cannot and will not be permitted.

## VEHICLE ACCIDENT REPORTS

In case of an accident while driving a company vehicle, regardless of how minor the accident, the employee must immediately call the police for a thorough investigation. The company requires all accidents involving company vehicles to be reported to the police and the proper forms filled out. After an accident, the employee should immediately contact his/her supervisor and report the accident so that someone in management may come to the scene. At the scene of the accident, be sure to obtain the names, addresses, telephone numbers, and the make and model of the vehicle belonging to the other party involved in the accident. In addition, secure the driver's license number and the license tag number of the other vehicle. If there are any witnesses, get as many of their names and addresses as possible. If the party involved in the accident has insurance, get the name and address of the insurance company and the name of the agent. Upon returning to the company, both the employee and his supervisor must report to the general manager so that the required papers may be filed out for the State of Michigan and for the insurance company.

On accidents involving collision loss on a company vehicle, the employee will be held personally liable for the entire deductible fee on the insurance. In addition, the accident will be reviewed by the general manager, the department head involved and the representative of the insurance company. Employees involved in more than one accident, and where it is determined that the employee was at fault due to carelessness, may be subject to dismissal and/or removal of “demo” privileges.

## PETTY CASH VOUCHERS

All petty cash vouchers will be limited to a maximum of \$10.00. All such vouchers must be approved by the General Manager to which the voucher is being charged; and also, signed by the recipient of the money. Each voucher must be dated and have the receipt attached with a brief description. Any amounts above \$10.00 will require a company check.

## CASH REPORTING

Employees of The dealership must comply with all cash reporting laws and regulations as required by 26 USC 60501. The following policies and procedures must be followed:

1. Attend all meetings concerning cash reporting education conducted by dealership management. Attendance at these meetings is mandatory.
2. Do not discuss cash reporting laws with customers. All customer questions concerning this subject should be referred to the general manager.
3. Never structure payments with a customer in such a way so as to avoid the cash reporting requirements. Structuring transactions may constitute violation of federal law which could result in a felony conviction. Violation of these procedures may lead to discipline up to and including termination.
4. Identify and report to supervisor all transactions which may require cash reporting.
5. Read the reporting requirements for cash and cash equivalent payment and IRS 830 form.

## CONCEALED WEAPONS POLICY

It has come to our attention that legislative changes have made it easier for individuals to obtain concealed weapons permits (CCW). While the dealership cannot prevent any employee from obtaining a CCW permit or carrying a weapon on their own time, we do want to make our position very clear about weapons at work.

The dealership strictly prohibits the possession of guns or other weapons in our buildings or on our premises by any employee; and prohibits the possession of any gun or weapon while on duty when away from our premises, unless authorized to do so by the General Manager or President. This means that employees may not even bring weapons into our parking lot or leave them in cars, for retrieval and use after work. For our common safety, any employee obtaining knowledge of the possession of a weapon in violation of this policy is obligated to notify the General Manager or their department manager.

If the company suspects that an employee is in possession of a weapon, the dealership has the right to conduct an inspection of any person or property or any part of the dealership's premises, including inspection of motor vehicles, purses, pockets, garments, desks, lockers, toolboxes, cabinets and other locations. The dealership has the right to remove a lock upon any location where a weapon may be kept if the employee is unavailable or if access to a locked container or location is refused. Any violation of this policy including failure to report weapons possession or refusal to cooperate in an investigation is misconduct, meriting discipline up to and including discharge.

## SAFEGUARDING POLICIES

### INFORMATION SECURITY POLICIES AND PROCEDURES: EMPLOYEE TRAINING AND MANAGEMENT

The dealership will implement, maintain and enforce the following employee management and training safeguards:

1. All employees and independent contractors are responsible for complying with the Dealership's Program.
2. All offers of employment shall be subject to satisfactory references and consumer/criminal report investigations.
3. All new employees that have access to customer information will participate in the Dealership's information security training. Each person shall sign and acknowledge his or her agreement to abide by the Dealership's Program. Training will occur at least once each year, or sooner, as determined by Dealership management and as required by changes to the Program.
4. The training program shall include, at a minimum, basic steps to maintain the security, confidentiality and integrity of customer information, such as:
  - Identifying for employees and independent contractors the types of customer information subject to protection under the Information Security Program.
  - Locking rooms and file cabinets where paper records are kept.
  - Using password-activated computer software, systems, applications or terminals or an automatic log-off function that terminates access after a short period of inactivity.
  - Changing passwords periodically, and maintaining the security of passwords.
  - Sending electronic information over secure channels only.
  - Appropriately disposing of paper and electronic records.
  - Not making available computer screens that contain other customer's non-public information.
5. The Dealership will take appropriate steps to encourage awareness of, and compliance with, the Program.
6. All employees and independent contractors will be permitted to access customer information on a "need-to-know" basis.

7. Personnel shall not be permitted to access, use or reproduce customer information, whether electronic or non-electronic, for their own use or for any use not authorized by the Dealership.
8. All persons who fail to comply with the Dealership's Program shall be subject to disciplinary measures, up to and including termination of employment for employees or contract termination for independent contractors that perform services in and for the Dealership. This remedy shall be expressly provided for in Dealer's agreements with such independent contractors.

INFORMATION SECURITY POLICIES AND PROCEDURES:  
INFORMATION SYSTEMS

In keeping with the objectives of the program, the Dealership shall implement, maintain and enforce the following information systems safeguards:

1. All records containing customer information shall be stored and maintained in a secure area.
  - Paper records and files shall be stored in a room, cabinet, or other container that is locked when unattended. The Program Coordinator shall control access to areas.
  - All storage areas shall be protected against destruction or potential damage from physical hazards, like fire or floods.
  - Customer information consisting of financial or other similar information (e.g., social security numbers, etc.) shall not be stored on any computer system with a direct Internet connection or left unattended at a fax machine.
  - All customer information shall be backed up on a (monthly, weekly, daily) basis. Back up data shall be stored in a secure location as determined by the Program Coordinator.
2. All electronic transmissions of customer information, whether inbound or outbound, shall be performed on a secure basis.
  - Inbound credit card information, credit applications, or other sensitive financial data transmitted to the Dealership directly from consumers shall use a secure connection so that the security of such information is protected in transit. Such secure transmission shall be automatic. Consumers shall be advised against transmitting sensitive data, like account numbers, via electronic mail.
  - The Dealership shall require by contract that inbound transmissions of customer information delivered to the Dealership via other sources be encrypted or otherwise secured.
  - All outbound transmissions of customer information shall be secured in a manner acceptable to the Program Coordinator.
  - To the extent sensitive data must be transmitted to the Dealership by electronic mail, such transmissions shall be password controlled or otherwise protected from theft or unauthorized access at the discretion of the Program Coordinator.

- The Program Coordinator shall review all vendor applications to ensure an appropriate level of security both within the Dealership and with the Dealership's business partners and vendors.
3. All paper or electronic transmissions of customer information by the Dealership shall be performed on a secure basis.
    - Sensitive customer information shall be properly secured at all times.
    - Customer information delivered by the Dealership to third parties shall be kept sealed at all times.
    - Paper-based customer information shall not be left unattended at any time it is in an unsecured area.
  4. All customer information shall be disposed of in a secure manner.
    - The Program Coordinator shall supervise the disposal of all records containing customer information.
    - Paper-based customer information shall be shredded and stored in a secure area until a disposal or recycling service picks it up.
    - All hard drives, diskettes, magnetic tapes, or any other electronic media containing customer information shall be erased and/or destroyed prior to disposing of computers or other hardware.
    - All hardware shall be effectively destroyed.
    - All customers' information shall be disposed of in a secure manner after any applicable retention period.
  5. The Program Coordinator shall develop and maintain an inventory of Dealership computers, including any handheld devices or PDA'S on or through which customer information may be stored, accessed or transmitted.
  6. The Program Coordinator shall develop and maintain appropriate oversight or audit procedures to detect the improper disclosure or theft of customer information.

All employees must read and comply with the policies and procedures regarding the safeguarding of customer information as outlined in the Dealers Information Security Program, as well as any amendments or additions to these policies and procedures that the Dealer may make from time to time. Failure to comply with these policies and procedures, whether intentional or unintentional, will subject the employee to disciplinary action up to and including termination. Employees further acknowledge and agree that if they are no longer employed by the Dealer, for any reason, they have a continued obligation to abide by the Dealer's information safeguarding procedures. Failure to do so entitles the Dealer to seek injunctive relief in addition to any other remedy provided by law.

## COMPUTERS AND ELECTRONIC COMMUNICATIONS

The dealership. ("The Dealership") has established the following policy that

governs the use of computer and telephone systems at the workplace, including computer operating systems (office and laptop computers), software, equipment, accessories, computer files (both diskette and hard drive), telephone operating systems, telephone equipment, e-mail and other electronic communications. An employee's use of The Dealership's computer operating systems, software, equipment, accessories, computer files (both diskette and hard drive), telephone operating systems, telephone equipment, e-mail and other electronic communications are set forth below, or as modified in the future.

### Property Rights

The computer operating systems, software, equipment, accessories, computer files (both diskette and hard drive), telephone operating systems, telephone equipment, e-mail and other electronic communications are the sole and exclusive property of The Dealership. In addition to the system hardware and software, all electronic files and electronic messages, including e-mail and voice mail messages, are the property of The Dealership, whether composed, received or sent by the employee.

### Business Use

All computer operating systems, software, equipment, accessories, computer files (both diskette and hard drive), telephone operating systems, telephone equipment, e-mail and other electronic communications are to be used exclusively for business purposes, meaning that the use of such equipment and systems must be job-related. Employees are prohibited from using Company computer operating systems, software, equipment, accessories, computer files (both diskette and hard drive), telephone operating systems, telephone equipment, e-mail and other electronic communications for any non-business use.

All software applications loaded on Company owned personal computers must be used for Company business be properly licensed and approved by the Network Administrators prior to installation. Changes to the configuration of or relocation of company owned personal computers are prohibited without prior approval of the Network Administrators.

### Use of E-mail and Voice Mail

Employees are prohibited from using e-mail and voice mail for their personal use. Further, all employees are aware that e-mail and voice mail may be monitored and that no employee has any right of privacy in The Dealership's computer system, equipment, accessories, computer files (both diskette and hard drive), telephone systems, telephone equipment, e-mail or other electronic communications from or to The Dealership's computer equipment or accessories.



## Business Form

E-mail and voice mail messages reflect The Dealership image. They should be composed in a professional manner that is similar to messages sent on Company letterhead. Employees should keep in mind that electronic files, including both e-mail and voice mail messages, are subject to discovery and may subsequently be used in litigation involving The Dealership or the employee. Therefore, it is expected that employee statements in electronic messages, including both e-mail and voice mail, will reflect favorably on The Dealership and on the employee.

## Confidential Information, Trade Secrets or Proprietary Information

The Dealership prohibits the communication of confidential information or trade secrets, including copyrighted materials, proprietary financial information and other similar materials, outside The Dealership without partner approval. Sending or uploading of proprietary information is prohibited without prior authorization. The Dealership also prohibits the introduction of proprietary information or computer software licensed to another company or individual into The Dealership computer system.

## Confidentiality

Employees are expected to respect the confidentiality of messages sent to others. Employees may not access or view e-mail or voice mail messages that are not distributed to them.

## Derogatory or Offensive Messages

Messages that contain foul, inappropriate or offensive language or which may be considered offensive to others, such as racial, ethnic, sexual, religious or harassing slurs is expressly prohibited.

## Monitoring

Because all messages are the property of The Dealership, employees should not expect that messages are private. All computer files, regardless of the medium (diskette, hard drive, CD, etc.) on which they are stored, e-mail communications and voice mail messages, are subject to inspection or monitoring at any time without notice to any employee. In addition, employees should be aware that deleted files may be retrieved and read by The Dealership. The Dealership reserves the right to retrieve, monitor or review any messages in The Dealership system and may disclose such messages for any purpose without notice to the employee and without seeking permission of the employee. Passwords must be disclosed to the partners and the Network Administrators.

## Solicitation Prohibited

Employees may not use e-mail or voice mail systems to solicit in any way. Employees may not use the systems to proselytize for religious, political or other causes.

### Internet

Internet access is provided for Company business use only. Internet users have a responsibility to use the Internet appropriately in conducting the business of The Dealership. Misuse of the Internet can result in disciplinary action, including termination. Some examples of behavior that could result in disciplinary action are:

- Illegally downloading electronic files, including those that may be copyrighted;
- Downloading, transmission and possession of pornographic, profane or sexually explicit materials;
- Sending threatening messages/files;
- Sending racial, ethnic, religious, sexually harassing or offensive messages/files;
- Sending chain letters through e-mail;
- Attempting to access any computer system without proper authorization;
- Sending or posting proprietary or company confidential information;
- Using company time or resources for personal gain.

### Notice of Violation

Employees who observe violations of these policies shall notify a manager immediately.

### Policy Changes

The Dealership reserves the right to modify or change the policies set forth above to comply with applicable law, to meet changing circumstances or for any other reason.

Any violation of the foregoing may result in loss of access privileges and/or additional disciplinary action up to and including termination of employment.

## SECTION V

### PERSONNEL POLICY

The dealership's personnel policy is based on the well-proven belief that management and its employees constitute a mutually valuable team through which each individual receives great benefits from a cooperative group working as a single unit with everyone striving for the same goal. It is not possible to outline all the details of the operation of a business as large as this, but we set forth here our basic policies as clearly as possible and

declare our intentions to maintain friendly relations with our employees and do our best to keep our policies abreast of the best practices in the industry.

We know that good attitudes and enthusiasm make customers want to come back. This is the difference between success and failure. We urge you to be pleasant in your work and to work with a smile, and to do everything possible to keep customers coming back.

## EMPLOYEE RELATIONS

We are very interested in having you feel good about your job. Experience has taught us that a dissatisfied or unhappy employee is not an efficient worker. If there are conditions or situations which interfere with your work, please talk to your department head about it. If you do not care to talk the matter over with your department head, feel free to discuss it with top management.

## CUSTOMER RELATIONS

All customer complaints should be referred to your department manager and handled promptly at that level if possible.

We believe it is your duty to keep us informed of any customer who is not satisfied. Remember, the customer is our only source of revenue and without them we cannot exist. Treat them as though they were your only customer.

It is our policy to never downgrade other companies, their products or services. To do so, more often than not, will lose rather than gain friends.

## PART TIME EMPLOYEE DEFINITION

All employees working a schedule of less than 40 hours per week are considered to be part time employees.

## OUTSIDE WORK

Outside work, or “moonlighting”, is not considered practical by the company. Exceptions to this policy will be considered upon written request to the general manager. “Moonlighting” or use of company tools or equipment without written permission may be grounds for immediate dismissal.

## EMPLOYEE-SUPPLIER RELATIONSHIPS

It will be considered a breach of company rules for any employee to accept any item of value from any person, firm or corporation who solicits, buys or sells any services or products to or from The dealership. This means that any employee who receives any gratuity, gift, trip, money or any item of value shall be subject to reprimand up to and including termination of employment.

## EQUAL OPPORTUNITY EMPLOYER

It has been the long standing policy of The dealership that the recruitment, hiring, placement, transfer, compensation, promotion, lay-off, recall, termination and other company relationships with employees and applicants for employment are nondiscriminatory with respect to race, religion, color, age, sex or national origin. Additionally, no qualified disabled individual, disabled veteran or veteran of the Vietnam era shall be subject to discrimination in employment by the dealership.

## SECTION VI

### SELL FOR THE COMPANY AND YOURSELF

The finest advertising available to any company comes from their employees. You represent us wherever you go. We urge that you make known to your Religious Affiliation, Doctor, Dentist, Hairdresser, Contractor, Landlord, etc., that you work here proudly and that we would appreciate the opportunity to do business with them. "One person tells another" ..... And we grow accordingly.

## SECTION VII

### ARBITRATION POLICY

In conjunction with my application for employment with the dealership, I agree to the following:

1. To resolve by arbitration, all disputes, controversies, or claims, for which a court otherwise would be authorized by law to grant relief, arising out of, relating to, or associated with my application or candidacy for employment, employments, discipline and /or cessation of employment with Company. The claims covered by these provisions include, but are not limited to, claims for wages or other compensation due, claims for breach of any contract or covenant (express or implied), whistleblower claims or any other claims for retaliation under state or federal statutes, tort claims, claims for discrimination or violations of civil rights (including, but not limited to, FMLA, Michigan Payment of Wages and Fringe Benefits Act, Age Discrimination in Employment Act, Title VII of

the Civil Rights Act of 1991, the Americans With Disabilities Act, state claims for discrimination based on race, color, religion, national origin, sex, age, height, weight, marital status, military background, arrest record or handicap), claims for benefits, and claims for violation of any federal, state, or other government law, statute, regulation, or ordinance, except claims that are specifically excluded under the terms of this Agreement. Such claims include all remedies and damages permitted by the applicable state or federal statutes.

2. These provisions do not apply to claims for worker's compensation benefits, claims for unemployment compensation benefits, Company's claims for injunctive and/or other equitable relief for unfair competition and /or the use and/or unauthorized disclosure of trade secrets or confidential information, and claims based on an employees pension or benefit that contains an arbitration or other non judicial dispute resolution procedure, in which case the provisions still apply.
3. To give written notice to the Company and the American Arbitration Association ("AAA") with 6 months after the date I first have knowledge of the events or circumstances giving rise to a claim or within the time period for the claim prescribed by the applicable state or federal statute; otherwise the claim shall be voided and deemed waived.
  - a. Written notice shall be given to the Company's President.
  - b. The written notice shall identify and describe the nature of all claims asserted and the facts on which claims are based. The notice shall be sent to the Company by certified or registered mail, return receipt requested.
4. Any arbitration shall be in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association in effect at the time written notice of the claim was given. The arbitration shall be before an arbitrator who is licensed to practice law in the State of Michigan and shall take place in or near the city in which this application for employment with Company was made.
5. The arbitrator shall be selected from a list of arbitrators the AAA compiles from its panel of labor and employment arbitrators. The AAA shall give each party to the dispute a copy of the list. Each side may strike all names it deems unacceptable. If only one common name remains on the lists of all parties, that individual shall be designated as the arbitrator. If more than one common name remains on the lists of all parties, the parties shall strike names alternately until only one remains. If no common name remains on the lists of all parties, the AAA shall furnish and additional list, where the parties will alternately strike names until

only one arbitrator is left. The arbitrator shall apply the law (and the law of remedies, if applicable) of the State of Michigan, or federal law, or both, as applicable to the claim asserted. Judgment upon the award rendered may be entered in any court having jurisdiction.

6. Each party to the dispute may be represented by an attorney or other representative.
7. I agree and understand that I choose arbitration instead of litigation to resolve disputes with Company. I understand that I have the right or opportunity to litigate disputes through a court, but that I prefer to resolve my disputes with Company through arbitration, except as provided herein. I VOLUNTARILY AND KNOWINGLY WAIVE ANY RIGHTS I HAVE TO A JURY TRIAL PURSUANT TO ARBITRATION UNDER THIS CLAUSE.

## RED FLAG RULES

### The dealership Identity Theft Prevention Program

It is The dealership, Inc. policy to develop, implement, and maintain a comprehensive Identity Theft Prevention Program (ITPP) to detect, prevent, and mitigate identity theft in connection with the opening of all covered accounts or, if there are cases where the Dealership has retained a covered account, in connection with existing covered accounts. For purposes of the Program, and the RED FLAGS RULE discussed below, “identity theft” occurs when a person commits or attempts to commit fraud using identifying information of another person without authority.

This Program is intended to comply with the requirements of the Identity Theft Rules (16C.F.R. part 681), issued by the Federal Trade Commission (FTC) in compliance with Sections 114 (Red Flags Rule) and 315 (Address Discrepancy Rule) of the Fair and Accurate Credit Transactions Act of 2003 (FACT Act), 15 U.S.C. 1681m(e) and 15 U.S.C. 1681c(h).

No part of this Program or related policies and procedures should be interpreted as contravening or superseding any other applicable legal and regulatory requirements. This Program and its related policies and procedures reflect the dealerships good faith efforts to comply with applicable law and reduce the potential for identity theft. They do not represent warranties, representations, or contractual obligations in favor of any person or group.

Under this Program, the board of directors of the dealership has the authority and responsibility to:

## Approve this ITPP

The Compliance Office, a member of the dealerships senior management, has been designated to supervise the overall management of the ITPP. The compliance Officer has the authority and responsibility to:

Oversee and manage the development, implementation, and administration of the ITPP.

Assign specific responsibility for the Program's implementation, including but not limited to appointing, supervising, and managing the activities of the Program Coordinator and others having specific responsibility related to the ITPP.

Review reports prepared by staff regarding compliance by the dealership with the Red Flags Rule and this Program.

Approve material changes to the Program as necessary to address changing identity theft risks.

Exercise management control as necessary to ensure that all relevant Dealership operations and employees make compliance with this Program an integral part of regular operations.

The Program Coordinator has been designated to manage and coordinate the ITPP under the supervision and management of the Compliance Office. As deemed necessary by the Compliance Officer, such as at the inception of this Program, the role of Program Coordinator may be undertaken by a team of employees designated by the Compliance Officer.

All affected employees of the dealership must comply with the terms of this policy as instructed by their respective supervisors but no later than November 1, 2008.

## Program Development and Assessment

The Red Flags Rule requires the dealership to initially (and periodically thereafter) determine whether it offers or maintains "covered accounts" as defined by the Rule. To do so, we will evaluate each account offered or maintained by the dealership to determine if it is a covered account.

The Risk Assessment for determining whether certain accounts are covered accounts is similar to the Risk Assessment to be used in identifying Red Flags. Therefore, in connection with the periodic identification of covered accounts and identification of relevant Red Flags, we will conduct a Risk Assessment of its accounts and, at a minimum, will take the following factors into consideration:

The types of accounts we offer or maintain

The methods we employ to open accounts

The methods we employ to access accounts

Previous experiences with identity theft

It is the dealership policy to scan every customer's driver's license through Wilson Technology before a vehicle is delivered. Wilson Technology will detect any fraud alert, address change or discrepancy. If any alert is noted, you must notify the Sales Manager and/or Finance Manager and it will be acknowledged immediately with Wilson's Interactive Questioning Tool to resolve any of the Red Flags posted.

The 25 Red Flags to look for are:

1. Fraud alert on credit report
2. CRA freezes credit – no report when requested.
3. CRA issues notice of address discrepancy
4. Active Duty Alert
5. Credit report indicates odd patterns of use, inquiries, et.
6. Identification documents appear altered
7. Photo does not match person's appearance
8. Information or I.D. is inconsistent with information produced by customer
9. Information is inconsistent with financial institution's information
10. Information is inconsistent with an external information source (SSN is listed on death master file).
11. I.D. information is same as that on a prior fraudulent application
12. SSN is the same as another customer's or SSN has not been issued.
13. Customer refuses to fully complete application
14. Information on application is inconsistent
15. Address on application is a P.O. Box or phone number is a pager or answering service
16. Dealer is notified by a customer, lender, victim of I.D. theft, police, or other person of potential I.D. theft ( Ask if they made a police report)
17. Customer wants to sign a credit sale
18. Customer demands off premises delivery and execution of contract or lease
19. Co-buyer in on contract but not present to sign



20. Customer refuses to allow license to be copied or give a thumbprint for a check
21. Customer seeks to buy or lease several vehicles at one time or within a short period of time
22. Customer asks to have contract or lease indicate a different address than on I.D.
23. Customer's trade in is titled in another's name
24. Down payment check is written on someone else's account
25. Incidents involving identity theft experienced by the dealership

Some responses to Red Flags depend on the nature and severity of the Red Flag detected. We will be as flexible and recognize that with reasonable investigation, a red flag can be cleared. With certain red flags, we must take specific action. It is the policy of the dealership to respond appropriately to relevant Red Flags that are detected in a manner intended to prevent or mitigate identity theft, commensurate with the degree of risk posted.

The Program Coordinator shall create and maintain a log of all incidents involving identity theft.

## Training

It is the responsibility of the Program Coordinator and Compliance Office to ensure that all relevant dealership personnel receive training, as necessary, to effectively implement the program. The training will include the following:

Distribution of a copy of this Program. Each employee shall sign a written acknowledgment and agree to abide by the program.

Training of all new employees having duties that may involve consumer credit reports or involve the opening of a covered account.

The Training program shall include, at a minimum, basic steps to maintain the security, confidentiality and integrity of customer information, such as:

Locking rooms and file cabinets where paper records are kept

Using password-activated computer software, systems applications or terminals or an automatic log-off function that terminates access after a short period of inactivity.

Changing passwords periodically and maintaining the security of passwords.

Sending electronic information over secure channels only.

Appropriately disposing of paper and electronic records.

Not making available computer screens that contain other customer's non-public information.

Training will occur on a recurring, periodic basis, at least once a year to reflect changes to the program.

All persons who fail to comply with the Dealership's Program shall be subject to disciplinary measures, up to and including termination of employment.

## CONCLUSION

The employee benefits, personnel policies, and rules of this Handbook are subject to changes at the discretion of the Company. Such changes will be made after due consideration of the advantages and disadvantages of such changes.

Changes in this Handbook can be made, unilaterally, by the Company, without prior notice. The language used in this Handbook is not intended, and should not be read, to create a contract of employment of any kind, between the dealership, Inc. and any one, or all, of its employees.

Your employment is not for any definite term, and may be terminated at any time with or without cause, and without advance notice, by you or the Company.

If you have any questions, please ask your manager now.