

# GermainCars

*Employee Handbook*  
*Revised January 2021*



*Germain Automotive Group*

Dear Germain Associate:

It is my pleasure to welcome you to the Germain Automotive Group (the "Company") as our newest team member. We are thrilled you are starting your career with us.

You join an organization whose mission is "to attract, develop, and retain exceptional people to deliver an outstanding experience that creates loyalty beyond reason, one customer at a time." The success of your career and the Company hinges on the dedications and retention of our associates who show up every day motivated and driven to provide a world class customer experience to every customer. The mission of the Company is achieved by living the seven pillars of our foundation, otherwise known as our Core Values. Our core values are: Gratitude, Enthusiasm, Respect, Mastery, Accountability, Integrity, and Now. Let me explain what each of those means in more detail.

Gratitude: There's nothing more important than our customers.

Enthusiasm: Passion for what you do and the customers you serve.

Respect: Treat teammates and customers like family.

Mastery: Continually improve your skills, habits, and attitudes.

Accountability: Take responsibility. Everyday means everyday.

Integrity: Be ethical and never compromise quality.

Now: Act with urgency.

Please take some time to review the following Employee Handbook. This Handbook provides answers to most of the questions you may have about our policies, procedures and our mutual responsibilities. As you will see, it is designed to prioritize and protect the welfare of our associates as a whole. If anything is unclear, please discuss the matter with your department manager or your general manager. The Handbook will reference all the medical and insurance benefits that Germain Automotive Group offers, but you will receive a separate packet containing the details of each benefit.

From time to time, the information included in our Handbook may change. You will be notified of any changes or revisions through your work email.

Thank you for choosing us for your career and I look forward to working with you for generations to come.

Sincerely,  
*Steve Germain, President / CEO*

Our mission is to attract, develop,  
and retain

EXCEPTIONAL  
PEOPLE

to deliver on

OUTSTANDING  
EXPERIENCE

that creates

LOYALTY  
BEYOND REASON,

one customer at a time.

MISSION  
STATEMENT

GRATITUDE

There's nothing more important than our customers.

ENTHUSIASM

Passion for what you do and the customers you serve.

RESPECT

Treat teammates and customers like family.

MASTERY

Continually improve your skills, habits, and attitude.

ACCOUNTABILITY

Take Responsibility. Everyday means everyday.

INTEGRITY

Be ethical and never compromise quality.

NOW

Act with urgency.

CORE  
VALUES

**The Germain Automotive Group**

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Columbus, OH 43219

Telephone: (614) 416-3377

**Employee Handbook**

*Last Revision: January 2021*

**INTRODUCTION**

This Employee Handbook ("Handbook") is designed to acquaint you with the Germain Automotive Group (the "Company") and to provide you with information about your working conditions, benefits and some of the policies affecting your employment. This Handbook also describes many of your responsibilities as an employee. You should read, understand and comply with all provisions of this Handbook.

No employee handbook can anticipate every circumstance or question about policy. As the Company continues to grow, the need may arise to revise, supplement or rescind certain policies or portion of the Handbook from time to time as it deems appropriate in its sole and absolute discretion. Employees will, of course, be notified of such changes to the Handbook as they occur. The Company also reserves the right to make management decisions consistent with the policies contained in this Handbook.

Some of the subjects discussed in this Handbook, such as medical insurance, are covered in detail in official policy documents. You should refer to those official documents for specific information. The terms of those documents will always take precedence over the unofficial summaries contained in this Handbook.

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## **SECTION 1 EMPLOYMENT**

### **1.1 EMPLOYMENT AT-WILL**

Employment with the Company is at-will. That means that either the employee or the Company can end the employment relationship at any time, for any or no reason subject to applicable law. This Handbook and the policies described herein do not constitute a contract guaranteeing employment for any specific duration or guaranteeing certain terms or conditions of employment. Stephen L. Germain is the only Company officer with the authority to enter into any written agreement with any employee that would change the nature of this at-will relationship. Employees should not rely on any other such promises.

### **1.2 EQUAL EMPLOYMENT OPPORTUNITY STATEMENT**

The Company is committed to providing equal employment opportunities for all applicants and employees. The Company hires and promotes individuals who best meet the requirements of available positions and who have the best potential for advancement. We comply with all applicable equal employment opportunity laws.

**Decisions regarding hiring, terms of employment and termination are made without respect to race, color, religion, sex, national origin, ancestry, age, disability or handicap, genetic information, veteran status, military status or any other characteristic protected by law.**

If an employee believes that he/she has not been afforded equal treatment in accordance with this policy, please contact the Director of Human Resources (the "Associate Ambassador"). All complaints of unequal treatment will be promptly investigated and corrective action taken where required.

### **1.3 ANTI-HARASSMENT AND DISCRIMINATION POLICY**

The company is committed to providing a work environment in which all employees are treated with dignity and respect. As such, harassment and discrimination on the basis of race, color, religion, age, gender, genetic information, disability or handicap, national origin, military status, veteran status or any other classification protected by law is strictly prohibited. This policy applies to all applicants and employees and prohibits harassment and discrimination whether engaged in by an employee- including supervisors, managers, owners, and officers – and anyone who does business with the Company. Any manager or supervisor who observes or is made aware of any confirmed or potential harassment and fails to report such harassment to the Associate Ambassador will be subject to disciplinary action.

Examples of harassing behavior include, but are not limited to:

- repeated verbal abuse;
- circulating offensive material or pictures that demeans or exhibits hostility or dislike toward an individual or any group or persons; and
- making inappropriate jokes or slurs based on the characteristics above.

#### **Sexual Harassment:**

Sexual harassment and inappropriate sexual conduct are also unacceptable and prohibited under this Anti-Harassment and Discrimination Policy. Sexual harassment is not easy to define,



and encompasses a wide range of unwanted sexual behavior. Examples of sexual harassment include, but are not limited to:

- Pressure for sexual activities;
- Severe or pervasive verbal abuses of a sexual nature including graphic commentaries on the person's body; sexually suggestive objects, pictures, or calendars placed in the work area that may embarrass or offend the person; sexually degrading words to describe the person, or propositions of a sexual nature;
- Threats or insinuations that the person's employment, wages, promotional opportunities, job or shift assignments, or other conditions of employment may be adversely affected by not submitting to sexual advances;
- The display of sexually suggestive objects or pictures; and
- Sexually offensive contact or gestures.

Sexual harassment is not always sexual in nature – it also includes gender-based harassment that would not have occurred but for the sex of the victim. Sexual harassment may occur between members of the opposite gender, or members of the same gender. Sexual harassment can apply to conduct both inside and outside of work.

**Anti-Retaliation Statement:**

Retaliation is strictly prohibited and individuals engaging in retaliatory behavior will be subject to disciplinary action. Employees shall be protected from retaliation for making a good faith complaint or for assisting in an investigation concerning allegations of harassment. Forms of retaliation include: disciplining, reassigning, lowering a performance appraisal, threatening or intimidating an employee because he/she complained about harassment or participated in an investigation concerning harassment is considered retaliation. However, if an investigation of a complaint shows that the information provided was false, the individual who provided the false information will be subject to disciplinary action, up to and including termination.

**Reporting of Harassment or Retaliation:**

If an employee is a victim of, witness, or is informed of any instance of harassment or retaliation, he/she should immediately report the matter to the Director of Human Resources ("Associate Ambassador") or a Company officer. If the employee is not satisfied with the response to the complaint, he/she can report the matter to any other Company manager. Early reporting and intervention are the most effective methods of resolving actual or perceived incidents of harassment. The Company strongly urges employees to promptly report complaints in writing.

**Investigation into Complaints of Harassment or Retaliation:**

The Company treats every allegation of harassment or retaliation seriously. Allegations will be investigated in as timely and confidential manner as possible.

Since there may be confusion over what actually constitutes discriminatory or sexual harassment, any conduct of this type which offends an employee or makes he/she feel uncomfortable should be reported.

#### **Remedial and Disciplinary Action:**

The Company will take appropriate remedial and disciplinary action whenever it determines that this Anti-Harassment and Discrimination Policy has been violated. Any violation of this policy will result in disciplinary action, up to and including termination.

#### **1.4 ACCOMMODATION OF DISABILITIES**

The Company is committed to complying with all applicable provisions of the Americans with Disabilities Act (ADA). The Company will not discriminate against any qualified applicant or employee because of the individual's disability, perceived disability or record of disability as long as the individual can perform the essential functions of the job. If an employee is unable to perform the essential functions of his/her job, he/she must advise the Associate Ambassador, and request a specific accommodation which will permit him/her to do so. The Associate Ambassador will then meet with the employee to determine whether he/she qualifies and, if so, the potential accommodation that the Company might make to help the employee perform all essential functions. Keep in mind that the ADA does not require the Company to make the requested accommodation, or to reallocate the essential job functions if he/she qualifies for an accommodation. The Company will only offer those accommodations that are reasonable and appropriate under the circumstances, and which do not cause the Company undue hardship.

#### **1.5 OPEN DOOR POLICY**

The Company promotes open, honest, and respectful communication between employees and management. The Company also provides open channels of communication to allow employees to express their questions, concerns, and opinions. Accordingly, if an employee has a work-related issue, he/she should notify a department manager. If he/she is not satisfied that the issues have been addressed, or feels more comfortable discussing the issue with a member of management, he/she should arrange to speak with that person.

#### **1.6 APPLICATION AND ORIENTATION**

##### **Application**

All candidates seeking employment must fully complete, date and sign the standard Company application employment form. (A resume will not be accepted in lieu of a completed employment application.) The form should be completed in detail and signed by the applicant to verify the accuracy and completeness of previous employment and personal information. The Company may investigate any portion of the requested information and may deny or later terminate the employment of anyone giving false, misleading or incomplete information. It is essential that all applicants sign their employment application. The completed application will be made part of the personnel file of those applicants accepted for employment.

##### **Confirmation of Previous Employment**

The Company, at its discretion, will request information from a prospective employee's previous employer relative to the prospective employee's work record in connection with the application for employment.

### **Orientation**

Following the acceptance of employment, the department manager should discuss job duties and areas of responsibility with a new employee. The Company's policies, procedures, and employee benefits will be reviewed. A copy of the Handbook will be given to each new employee. Employees are expected to read and sign an acknowledgement within three days.

### **1.7 HANDBOOK ACKNOWLEDGEMENT**

The Handbook will be emailed to the employee's work email on the first day of employment. An Acknowledgement of Receipt and Understanding is provided at the end of the Handbook, which requires the signature of the employee receiving the Handbook. This signed/witnessed Acknowledgement of Receipt and Understanding will be printed by the business office and signed by the employee.

The original will be placed in the employee's personnel file and a photocopy will be given to the employee within three (3) days of commencement of employment.

## **SECTION II EMPLOYMENT STATUS AND RECORDS**

### **2.1 COMPLIANCE WITH EMPLOYMENT LAWS**

It is the policy of the Company to abide by all federal, state, and local laws, rules and regulations applicable to us and to have all our employees do the same. Any violation or perceived violation of law should be reported to the Associate Ambassador, who will make every effort to investigate and address the problem promptly.

### **2.2 CATEGORIES OF EMPLOYEES**

Employees are divided into the following categories for the purpose of compensation and benefits. The Company policies apply to all categories of employees.

#### **Full-Time**

Employees who regularly work 30 hours or more per week are considered full-time employees for all compensation and benefit purposes.

#### **Part-Time**

Employees who regularly work less than 30 hours are considered part-time employees and are not eligible for benefits.

#### **Temporary**

Employees hired as temporary replacements for full-time or part-time employees or for short periods of employment such as summer months, peak periods and PTOs are considered temporary employees. Temporary employees are not eligible for benefits regardless of the number of hours or weeks worked.

***Please note that the policies described in this Handbook apply to all employees regardless of category.***

### **2.3 EXEMPT FROM FEDERAL AND STATE WAGE AND HOUR LAW**

The hours worked by employees exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) and similar State provisions (generally salaried and commission-paid employees) are often irregular and begin and end beyond the normal workday. Exempt employees do not receive overtime pay.

### **2.4 NON-EXEMPT FROM FEDERAL AND STATE WAGE AND HOUR LAW**

Non-exempt employees are those whose positions do not meet FLSA and State exemption tests and therefore are covered under provisions for overtime pay. Non-exempt employees are expected to confine their work to the normal workday and workweek unless otherwise authorized in advance by their department manager.

### **2.5 EMPLOYEE INFORMATION**

Employees are asked to help keep the business office informed about any major change that may affect their employment status. Important changes to report include:

- Name
- Address
- School district changes
- Home telephone number and cell phone number
- Family status (i.e., birth, marriage, divorce, death, legal separation)
- Emergency telephone numbers and/or whom to notify in case of emergency
- Change of beneficiary
- Authorized payroll deductions
- Additional education and special training courses documentation
- Any motor vehicle violations (if applicable to the employee's job)
- Any changes to employee benefits

### **2.6 PERSONNEL FILES**

Personnel files are Company property and access to the information contained therein is restricted. Generally, only management personnel with a legitimate reason to review information in a file are allowed to do so. As required by law, the Company fully cooperates with requests by law enforcement agencies for access to employee files.

Employees may review their own files on a reasonable basis with prior notice to management. Upon written request, an employee or his/her representative(s) may obtain records regarding the employee's own personal data (name and address), job title/occupation, pay rate, daily hours worked and wages received. The employee should submit the request in writing to the Associate Ambassador. Employees may also have copies of their own medical records. Otherwise, no employee may have a copy of the documents contained in his/her files except for legitimate business reasons and with management's approval.

Employee health information is treated as confidential and maintained consistent with federal, state and local laws. Employees should be aware that health information that is not obtained

through their group health plan is excluded from the Health Insurance Portability and Accountability Act of 1996 ("HIPPA") privacy protection requirements.

The Company maintains employee personnel files for a minimum of eight (8) years after his/her employment ends.

## **2.7 LENGTH OF SERVICE**

For the purpose of establishing an employee's service record within the Company, an employee's length of service will accumulate from the date he or she was last hired. At management's discretion, if you leave employment and return, your original hire date may be honored if it was within 30 days or less of when you left the company.

## **2.8 TRANSFER POLICY**

If an employee is interested in transferring to another Company dealership as a result of a job opening, he/she must first inquire and discuss the transfer with his/her General Manager. After approval from the General Manager, the employee should contact the Associate Ambassador to inquire/apply for the transfer. If an employee has the opportunity to transfer to another Company dealership, the employee's original start date, benefits and PTO time will be maintained. Transfers are governed by these general rules:

- Managers/employees may not recruit from other stores without first involving the prospective employee's General Manager.
- Interviews/discussions will not take place without knowledge of the prospective employee's General Manager.
- No employee can terminate his/her employment to facilitate a "bogus" inter-Company transfer. The Company will not re-hire or transfer an employee who has quit or was terminated from any location for six (6) months from their date of termination.
- The General Manager must contact the Associate Ambassador to discuss reasons for termination of transferring associate.
- Any violation or deviation from the above policy may result in denial of the transfer.
- The business office of the transferring employee must notify and send the employee, medical and 401(k) file to the business office of the dealership where the employee is transferring to before the employee starts.

## **2.9 MOTOR VEHICLE RECORD (MVR) INQUIRY**

Employees, depending on job specification, are expected to be eligible (e.g., maintain an acceptable driving record and possess a valid driver's license) to drive Company vehicles and will be asked to provide the Company with acceptable, current and motor vehicle driving information. Employment and assignment will be conditional pending the receipt of a satisfactory report from the Department of Motor Vehicles or our auto insurance company. An employee who has been categorized as an "excluded" driver by our auto insurance company shall not drive a customer or Company owned vehicle, or their own vehicle for business use. An annual MVR report will be run on each employee. If at any time an employee is cited for a moving violation, he/she should immediately notify the department manager. Because a violation may affect the employee's ability to drive a vehicle for work purposes, failure to notify your department manager immediately may result in termination.

## **2.10 ADVANCEMENT**

The Company's goal is to promote from within the Company whenever possible. A promotion will generally be based on such factors as quality and quantity of work, consistent/high-level job performance, experience, educational background, attendance record, safety record and the ability to work well with others, as determined by management. Nevertheless, the Company reserves the right to look outside the organization in filling positions, and management's decisions on promotions shall be final.

## **2.11 PERFORMANCE EVALUATION**

The Company's goal is to provide continual and immediate feedback to employees relating to their performance. If any employee is interested in discussing his/her performance or current compensation plan, he/she should schedule an appointment with the department manager.

## **2.12 REFERENCE VERIFICATION**

All inquiries regarding a current or former employee of the Company must be referred to, and responded by, each location's business office. In response to an external, written request for information (with signed release from the employee/former employee), business office personnel will furnish or verify only the employee's name, dates of employment, job title, and department. No other information about the employee will be provided unless required by law or the employee authorizes in writing the Company to furnish additional information.

Under no circumstances may an employee provide employment or verification information about a current or previous employee unless he/she is authorized to do so by Company management, except as provided by applicable law.

## **SECTION III WORKING HOURS & PAY**

### **3.1 ATTENDANCE**

Regular and on-time attendance is expected and essential for efficient operations at the Company. Absences and tardiness are not only inconvenient, but also cause costly problems. Tardiness applies to returning from lunch and/or break periods as well as the beginning of the workday. While it is recognized that an occasional illness or extenuating personal reason may cause unavoidable absence from work or tardiness, regular on-time attendance is required of all employees.

Employees are expected to notify their department manager of any absence or tardiness. Employees are expected to speak with their department manager directly to report any absence or lateness **prior** to their starting time so that arrangements may be made to alter the distribution of work if necessary. If the employee's department manager is unavailable, the employee must **speak** to another member of management. It is unacceptable to leave a

voicemail message or text to report an absence unless permitted by manager. If text is permitted, manager must respond to confirm receipt of absence notification.

If an employee is absent for personal injury or illness, he/she may be required to provide a doctor's statement indicating when he/she was under his/her care, when he/she may return to work and whether he/she can return with or without restrictions or job modifications.

An employee who fails to maintain an acceptable attendance record will be subject to disciplinary action. Unexcused absence or tardiness will affect future promotions and/or raises and may lead to termination.

**Job Abandonment:**

**If an employee is absent from work for one (1) day without informing his/her department manager, it will be assumed that the employee resigned, and employment will be terminated as of the last day worked by the employee.**

### **3.2 TIME RECORDS**

Government regulations require that the Company keep an accurate record of hours worked by employees, including meal breaks. Both non-exempt and commissioned employees are required to clock in when they report to work and clock out when they leave. Employees must clock in no earlier than five (5) minutes prior to their starting time and clock out no later than five (5) minutes after their scheduled work day has ended. **Employees shall not perform work prior to clocking in or after clocking out.**

No employee is permitted to punch another employee's time card or to alter his/her own time card or that of another employee. Employees violating this policy will be subject to disciplinary action, up to and including termination. Employees should check their own time records to make sure that time is properly recorded. If an employee has a question or change concerning his/her time card, he/she should discuss the matter with the department manager.

### **3.3 PAYROLL DEDUCTIONS FROM GROSS PAY**

The Company will make arrangements for payroll deductions for the following:

- Federal income taxes
- State income taxes
- Social Security taxes
- Past-due taxes
- Garnishments (including child support) or other court-ordered wage deductions
- Employee's portion of selected benefits

The company will not make any other deductions unless the employee specifically authorizes the deduction or the deduction is required by law. All deductions will be itemized on the employee's paycheck stub.

### **3.4 OVERTIME**

The hours worked by employees exempt from the overtime provisions of the Fair Labor Standards Act and similar state provisions (generally salaried and commission-paid employees) are often irregular and begin and end beyond the normal workday. Exempt employees are not eligible for overtime pay.

Non-exempt employees are expected to confine their work to the normal workday and workweek unless authorized in advance by their department manager, but are eligible for overtime pay. If determined necessary, management will authorize an employee to work beyond his/her normal workweek. If a non-exempt employee works more than 40 hours per week, he/she will be paid 1 ½ the base rate of pay for all overtime hours worked during that week. Non-exempt employees should not work overtime unless the overtime hours are approved by management beforehand.

Pay for holiday and/or PTO time not actually worked is not considered when computing overtime for non-exempt employees.

All employees are responsible for maintaining an accurate record of their time and should know the total numbers of hours worked at all times.

### **3.5 TRAINING PAY**

If you miss work due to position related training, you will be compensated as follows:

- Hourly employees will be paid their regular rate for the time spent at training.
- Flat rate employees will be paid their flat rate amount, for time spent at training.
- Department managers will be paid their regular structured weekly/biweekly salary/draw.
- Employees who are paid based on gross profit will receive their regular structured weekly/biweekly salary/draw.

For information on reimbursement for travel expenses for training, please refer to section 10.2.

### **3.6 PAY PERIOD AND PAYMENT**

#### **Weekly/Biweekly**

Pay periods typically run from Wednesday through the following Tuesday and are paid either weekly or bi-weekly. See your office for your locations specific weekly or biweekly pay period.

#### **Commission**

Employees paid on a weekly/biweekly draw basis will normally receive their monthly commission check for work performed the previous month by the tenth day of the following month.

#### **Payment**



An employee's first paycheck will be received after he/she has worked a full pay cycle. All wages will be paid via direct deposit unless otherwise prohibited by law. The business office must be immediately notified of any changes to your banking information.

### **3.7 ERROR IN PAY**

The Company takes precautions to ensure that employees are paid correctly and that no unauthorized deductions are made; however, if an error does occur, the employee should immediately notify the business office. We will make an attempt to adjust the error no later than the employee's next pay period.

### **3.8 GARNISHMENT OF EMPLOYEE WAGES**

The Company will honor all court-ordered garnishments that require an employer to withhold specific amounts from an employee's wages for payment of a debt owed by the employee to a third party. State law requires the Company to honor garnishments of employee wages (including child support) as a court or other legal judgment may instruct.

Employees should be aware that the Company is permitted by law to discharge an employee who incurs more than one garnishment in any twelve (12) month period, where the garnishments involve different debts, and where the garnishments are not for the purpose of enforcing child support obligations.

### **3.9 SEVERE WEATHER CONDITIONS**

If there is any question regarding hours of work during severe weather conditions, employees are responsible for contacting their department manager or the business office regarding opening and closing hours.

If the Company is open for business and travel is prohibited by the county of the employee's residence, then the employee must communicate his/her absence to a manager and it will not count towards PTO days.

## **SECTION IV WORK POLICIES AND REGULATIONS**

### **4.1 CARE OF EQUIPMENT AND FACILITIES**

All employees should be concerned with the care and safe use of Company-owned equipment and facilities. Good housekeeping is expected of every employee, and all equipment and work areas, including shop areas and demonstrators, are to be kept clean at all times.

### **4.2 OUTSIDE EMPLOYMENT**

The Company makes every effort to keep its employees as fully employed as possible and at a good rate of pay. When an employee is on the job, this means that 100% of his/her effort is required. If an employee chooses to work outside of his/her job and the outside employment competes with what is expected as an employee of the Company, opportunities for promotion and advancement with the Company may be limited by this decision.

If management feels that outside employment prevents an employee from fulfilling his/her obligations to the Company or presents a conflict of interest, the employee will be asked to resign or leave his/her outside employment. All management and supervisory personnel are expected to enforce this policy and, by example, refrain from conflicting outside employment.

#### **4.3 PERSONAL APPEARANCE/CLOTHING**

Every employee of the Company contributes to the Company's overall public image during working hours. Appropriate attire enhances an employee's effectiveness in providing superior service. Each employee personally represents the Company and is required to dress in a manner appropriate with prevailing business style. Employees are expected to dress in a manner that is consistent with the nature of their work and surroundings. Appearance should not be offensive to customers or other employees. Dresses/skirts must be worn at an appropriate length for a professional environment. A complete list of inappropriate attire would be impossible to write; however, some examples of inappropriate dress include: tattered clothing, rubber flip-flops, any t-shirt with writing, any clothing that reveals bare backs or midriffs, any revealing or provocative clothing, and any clothing with obscene language and/or pictures. Excessive piercings and visible tattoos are not acceptable to those working in direct contact to our clients. Personal appearance decisions will be made at the discretion of each department manager and/or general manager. If there are questions as to whether an article is appropriate, please consult a supervisor in advance. Those employees who do not meet the appropriate standards will be sent home to correct their appearance and may be subject to disciplinary action, up to and including termination.

If an employee believes the Personal Appearance/Clothing Policy or application thereof interferes with his or her religious beliefs or is enforced in a discriminatory manner, the employee should contact the Associate Ambassador. The Company will accommodate an employee's sincerely held religious beliefs or practices unless the accommodation would impose an undue hardship.

#### **4.4 UNIFORMS**

Department personnel assigned to wearing uniforms may pay a portion of the cost of uniforms that will be worn at work.

The Company currently bears a portion of the standard uniform package and the employee pays for any authorized items he/she may wish to add to the standard package. The employee is responsible for returning the uniforms to the Company if he/she is separated from employment and is responsible for any charges incurred. All other personnel who are not required to wear uniforms must wear proper business attire.

#### **4.5 PARKING**

Adequate and convenient parking is necessary for our customers. Therefore, it is important that all Company employees park in the spaces assigned to them by management. If no assignments have been made, please see the department manager as soon as possible. Employees should always leave ample space for customer parking and not block any gate, door

or driveway. The Company assumes no responsibility for an employee's vehicle or its contents while on Company property.

Due to space limitations, the Company cannot accommodate employee's boats, trailers, campers or other personal vehicles. Any vehicles left on the property after business hours may be towed at the employee's expense.

#### **4.6 USE OF COMPUTERS AND INFORMATION SYSTEMS**

The Company recognizes the importance of e-mail, voicemail and internet access in today's face-paced work environment, but may limit access to these information systems during working hours. Every employee will receive an e-mail address and internet access.

E-mail, voicemail and internet communication is to be based on mutual respect of others in the workplace. Employees may not use these systems in a way that may be disruptive, offensive or harmful to morale. Employees may not transmit or display any sexually explicit images, messages or cartoons, or transmit any e-mail, internet or voicemail communications that contain ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on any classification protected by law. Violation of this policy will result in disciplinary action, up to and including termination.

In general, employees should use the information systems for business only. The information systems and any computer used on the Company's premises are not to be used to solicit others for commercial ventures, religious or political causes, outside organizations or other non-job-related reasons. Also, employees should keep in mind the potential for violation of copyright laws. Remember: copying copyrighted software onto the Company database without proper licensing is not only illegal but could make you and the Company liable for copyright infringement. Any employee who is found to have unlicensed software on the Company provided equipment will be held accountable for the consequences.

For privacy reasons, employees should not attempt to gain access to another employee's personal file of e-mail, voicemail or internet transmissions without the latter's express permission. However, the Company reserves the right to enter and review the content of any employee's e-mail, voicemail or internet files or transmissions that were sent, recorded or viewed using Company property. All such communications are property of the Company. Be aware that these types of electronic communication may be forwarded, stored, printed and intercepted by others. Generally, electronic communication is retrievable even after the sender and the recipient delete it. The Company routinely monitors usage patterns for its e-mail and internet communications. Please remember that e-mail, voicemail and internet access originating at the Company is a privilege, and this privilege may be revoked if abused.

When using the Company's internet connection, the employee is a Company representative. Please be aware of the following actions that violate Company policy:

- Any activity that is contrary to state or federal law, including distributing or obtaining copyrighted software or information without proper authorization from the copyright holder.

- Violating copyright laws.
- Any activity that could damage the Company's reputation or potentially put the employee and the Company at risk for legal proceedings by any party. Employees may not transmit libelous or harassing communications or communications that could be considered unfair competitive practices. Please remember that the message that the associate posts to a mailing list or news group, or even send directly to one person outside the Company, can end up on the screens of thousands of readers. Please use good judgment.
- Any activity that could be construed as hostile to another dealership or institution. For example, making attempts to gain unauthorized access to another system and/or information.
- Loading software and/or downloading programs off the internet not previously approved by the Company's management team is strictly prohibited.
- Communication of a commercial nature, solicitations, advertisements and similar commercial postings.
- Sharing outside of the Company any methods and materials developed by the Company, including marketing information, development plans, clientele listings and technological developments, etc. or other data that may contain proprietary information.

The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer. Therefore, employees may only use software on local area networks or on multiple machines according to the software license agreement. The Company prohibits the illegal duplication of software and its related documentation.

The introduction of viruses should be avoided. If such a problem occurs, it must be reported immediately to management so appropriate actions can be taken to eradicate the virus. Web based e-mail accounts should be avoided while on Company's server (Hotmail, gmail, yahoo, etc.). These web based e-mails do not use the same firewalls or virus protection to safeguard our servers against the daily influx of viruses. Please access your personal e-mail at home.

Keep passwords secure and do not share accounts with fellow employees or subordinates. Authorized users are responsible for the security of their passwords and accounts. System level passwords should be changed quarterly and user level passwords should be changed every six months. Department managers and business office personnel must de-activate access of terminated employees to the systems and password access.

All aspects of this policy apply to employees who bring their own personal computer equipment to work. If an employee brings his/her own personal computer equipment to work, then the employee must promptly advise his or her department manager. The Company is not responsible for the loss or damage to employee personal property (including, but not limited to personal computer equipment).

Employees should notify any member of management upon learning of violations of this policy or with any questions about it. Employees who violate this policy may be subject to disciplinary action, including termination.

#### **4.7 SOCIAL MEDIA POLICY**

The Company understands that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist employees in making responsible decisions about the use of social media and other web-based applications, the Company has established these guidelines for appropriate use of social media and digitally transferred information. This policy applies to all employees who work for the Company.

##### **Guidelines**

In the rapidly expanding world of electronic communication, *social media* can mean many things. *Social media* includes all means of communicating or posting information or content of any sort on the Internet, including to one's own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the Company, as well as any other form of electronic communication. Ultimately, the employee is solely responsible for what he/she posts online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any conduct that adversely affects his/her job performance, the performance of fellow associates or otherwise adversely affects members, customers, suppliers, people who work on behalf of the Company or legitimate business interests may result in disciplinary action up to and including termination, except as prohibited by law.

##### **Know and follow the rules**

Carefully read these guidelines, the Company Statement of Ethics Policy, the Company's Information Policy and the Discrimination & Harassment Prevention Policy, and ensure the postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

##### **Be respectful**

Please be respectful of fellow associates, customers, members, suppliers or people who work on behalf of the Company. Also, keep in mind that employees are more likely to resolve work-related complaints by speaking directly with their co-workers or with a manager than by posting complaints to a social media outlet. Nevertheless, if an employee decides to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, members, associates or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or company policy.

### **Be honest and accurate**

Employees must make sure they are always honest and accurate when posting information or news, and if a mistake is made, corrective action should be taken quickly. Be open about any previous posts that have been altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Employees must never post any information or rumors that they know to be false about the Company, fellow associates, members, customers, suppliers or people working on behalf of the Company or competitors.

### **Post only appropriate and respectful content**

- Maintain the confidentiality of the Company's trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications. This policy would include non-social media sites, such as Google Docs, Google Drive, MS One Drive and Dropbox and any other FTP server shared document sites. Respect financial disclosure laws. It is illegal to communicate or give a "tip" on inside information to others so that they may buy or sell stocks or securities. Such online conduct may also violate the Insider Trading Policy.
- Do not create a link from a blog, website or other social networking site to the Company's website without identifying oneself as a Company associate. Using the Company's address and/or main phone number on personal social media pages is prohibited. Employees are also prohibited from posting or writing anything that states or suggests you are the dealer. Violation of this policy creates conflicts with our company and store SEO citations and is strictly governed and will not be tolerated.
- Express only personal opinions. Employees must never represent themselves as a spokesperson for the Company. If the Company is a subject of the content created, be clear and open about the fact that it is from an associate and make it clear that the views do not represent those of the Company, fellow associates, members, customers, suppliers or people working on behalf of the Company. If an employee does publish a blog or post online related to the work one does or subjects associated with the Company, make it clear that he/she is not speaking on behalf of the Company. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of the Company."

### **Using social media at work**

Refrain from using social media while on work time or on Company equipment, unless it is work-related as authorized by the manager. Do not use the Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

### **Retaliation is prohibited**

The Company prohibits taking negative action against any associate for reporting a possible deviation from this policy or for cooperating in an investigation against another employee. Any employee who retaliates against another employee for reporting a possible deviation from this

policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

#### **Online reviews**

State and federal laws require the company to ensure that its posts are completely accurate and not misleading; planting or allowing bogus reviews is illegal. The laws are very broad and can apply to any one writing reviews on rating sites, websites, or promoting products through social media sites, including blogs. Therefore, employees are cautioned to not post reviews regarding the company's services or products when any such post may be construed to be a post made by a customer or other third party – posting "fake" or unsubstantiated reviews, testimonials, or endorsements is strictly prohibited. If you do submit an online review, the company encourages you to write favorably, knowledgeably, accurately and with appropriate professionalism because, despite disclaimers, your web interaction can result with members of the public forming opinions of the dealership, makes and/or models, partners, employees, or customers. If a negative post or comments is found about the company, do not counter with another negative post. Instead, refer it to your General Manager.

#### **Media contacts**

Employees should not speak to the media on the Company's behalf without contacting the Associate Ambassador or department manager. All media inquiries should be directed to them.

### **4.8 SEARCHES/PERSONAL PROPERTY**

Employees may be permitted to display mementos pertaining to their families or other personal items, but only with the approval of the department manager at his/her discretion.

Company furnishings, supplies, information systems and the like (i.e., voicemail, e-mail, computers and furnishings, desks, lockers, vehicles and filing cabinets) are Company property. The Company retains full use of and control of its property at all times. The Company may search any Company property under the control of the employee, as well as the employee's personal effects or vehicle on the Company property. The Company is not responsible for the loss or damage to employee personal property (including, but not limited to personal computer equipment).

When employment with the Company is terminated, all Company furnishings, supplies, information systems and the like must remain or be returned immediately.

### **4.9 SECURITY**

All doors, files, desks, gates and other equipment with locks must be kept locked securely when not in direct use at the end of each day. Locks should be checked regularly. The Company vehicles should be kept locked at all times when not in use. Lost keys must be reported to the business office immediately. Any concerns about security should be directed to the business office. The building, as well as customer vehicles, should be locked at all times.

Access to the building is limited to authorized personnel (employees scheduled for work and business visitors). If an employee has a business visitor, please accompany him/her at all times

and do not leave the guest unattended in the building. Personal visitors are not permitted during working hours.

The Company reserves the right to install and use video and audio recording devices on Company premises, as deemed by the Company to be appropriate to an individual situation and to the extent permitted by law.

#### **4.10 NON-SMOKING ENVIRONMENT**

The Company is committed to providing a safe and healthy workplace and to promoting the health and well-being of its employees and visitors. As required by State law and/or local ordinance, and also motivated by the Company's desire to provide a healthy work environment, the following smoking and e-cigarette policy has been adopted and shall apply to all employees of the Company.

It is the policy of the Company to prohibit smoking within the buildings as well as all areas immediately adjacent to the entrance and/or exit of any of the buildings, and in any Company or customer vehicle. If smoking is permitted on the property, please see your manager for the designated smoking area at your location. This is the only area in which smoking is permitted on Company property (except in the employee's personal vehicle) at all times.

It is also the policy of the Company that the use of electronic smoking devices, or "vaping," is prohibited in any place where smoking of tobacco products is prohibited. This policy includes any electronic product that can be used to simulate smoking in the delivery of nicotine or other substances to the person inhaling from the device, including but not limited to an electronic cigarette, electronic cigar, electronic cigarillo, or electronic pipe, and any cartridge or other component of the device or related product.

The success of this policy will depend upon the thoughtfulness, consideration and cooperation of smokers and nonsmokers. All employees share in responsibility of adhering to and enforcing this policy. Please use the proper waste receptacles and keep the Company property clean. Any violation should be reported to the appropriate supervisory personnel.

#### **4.11 COMPANY TOOLS AND EQUIPMENT**

Except as otherwise specifically provided, the Company will furnish all necessary tools, equipment and supplies (including lifts, specialized manufacturer tools, compressed air and solvents) to complete job assignments. All items purchased by the Company are Company property and represent a very valuable asset to each location. Employees shall maintain and safeguard the tools and equipment assigned to them as if they were their personal property. An inventory of tools and equipment will be made periodically. If it is determined that an employee is negligent in the proper care and/or storage of tools, materials or supplies or they are misplaced or stolen, the employee will be asked to replace same item at cost or fair market value. When leaving a work area, employees shall remove all tools from the work area and place them back in designated storage areas or secure them in locked storage where available.



#### **4.12 PERSONAL TOOLS**

Each service technician shall furnish his/her own tools. Service technicians who do not have adequate tools to perform work assigned shall be asked by their department manager to purchase the necessary equipment. Any employee failing to do so shall be subject to disciplinary action, including termination of employment. The Company strongly discourages employees from lending or borrowing tools. The Company is not responsible for the loss of employee property.

#### **4.13 USE OF SHOP**

The Company has a strict policy prohibiting the use of the shop for any purpose outside of Company repair orders. Employees should understand that they are not able to utilize the shop for any personal use on their own vehicle or any spouse/friend/family member's vehicles for any reason without a formal repair order. All vehicles worked on at the shop must be accompanied by a formal Company repair order. Employees may not utilize discarded parts for personal use or personal sale. Employees may not work in the shop outside of business hours. Any employee found engaging fraudulent repair orders or otherwise violating this policy will be subject to disciplinary action, up to and including termination.

#### **4.14 CONCEALED CARRY**

The Company requires that all employees should be treated with dignity and respect and, as such, acts of violence or threats of violence will not be tolerated, and could lead to immediate termination. Examples of "violence" include: physical harm, shoving, pushing, harassment, intimidation, coercion, brandishing a weapon, threats or talk of violence, or joking about violence.

Employees are prohibited from possessing weapons, firearms, ammunition, and/or explosives on any Company property or while performing any company work unless expressly authorized by federal, state, or local law. Any employee violating this policy may be subject to immediate termination of employment.

We all share in the responsibility to prevent violence in the workplace. Please report any instance of violence or violation of this policy immediately to the Company Associate Ambassador or the department supervisor.

#### **4.15 FALSIFICATION OF COMPANY DOCUMENTS**

Employees who falsify Company documents will damage the business atmosphere by creating uncomfortable coworkers and unsatisfied customers. Accordingly, the following actions violate Company policy:

- No employee will falsify any sales, customer, repair or other data relating to factory marketing programs, rebates, contests, incentives, spins, warranty claims or any other manufacturer program, plan or warranty.
- The Company specifically prohibits the following practices: blank signed documents, bundling products, completing documents after the fact, dealer rebates, falsifying information to lenders, forging customer signatures, front end improvement,

handwritten entries, including F&I products in the price of the vehicle, inconsistent product pricing, menu manipulation, missing enrollment forms, payment packing, power booking, product stuffing, scooping rebates, signature on file, straw purchases and trading rate for product.

- No employee will repair or replace a part that is not broken.
- No employee will communicate to a customer that we have replaced or repaired a part that we did not replace or repair.
- No employee will communicate to a customer that we performed a service that we did not perform.
- No employee will intentionally mislead a customer or employee of the Company in any way in regard to a repair order.
- No employee will permit any employee to sign any document with any name other than his/her own.

If the Company finds that any employee has falsified any Company document, including but not limited to repair orders, that employee will be subject to disciplinary action, up to and including termination.

#### **4.16 CARE OF CUSTOMER VEHICLES**

All employees should be concerned with the care and safe use of customer owned vehicles. The Company is established in the marketplace to provide the highest level of customer service imaginable. It is our expectation for employees to drive the speed limit, use the seat belt, refrain from cell phone use and leave the radio "off" while in customer vehicles. The customers expect their vehicles to be returned EXACTLY as they have been entrusted to the Company. Pocket change shall remain in the cup holder as well as their radio remain tuned to their favorite station. If one thing is *out of place*, the customers often are likely to assume foul play on our behalf. Please take extra care while in a customer's vehicle with their personal effects. If it is not necessary to move a customer's seat position, please leave it in their current setting.

Theft **of any kind** in a customer's vehicle will not be tolerated in the least and will be subject to discipline, up to or including termination.

#### **4.17 USE OF CELL PHONES**

##### **Personal Cellular Phones**

While at work, employees shall limit use of cellular phones for personal calls during breaks or lunch periods. Excessive personal calls during the workday, regardless of the phone used, can interfere with employee productivity and be distracting to others. The Company will not be liable for the loss of personal cellular telephones brought into the workplace. Use of wired/wireless earpieces for personal use in customer facing positions is completely prohibited.

##### **Personal Use of Company-Provided Cellular Phones**

The Company may issue a business cellular phone to an employee for work-related communications only. Employees in possession of Company equipment such as cellular

phones are expected to protect the equipment from loss, damage, or theft. If a replacement is needed due to the employee's negligence, the employee may have to pay for the replacement cost of the new cell phone. Upon resignation or termination of employment, the employee will be asked to return the cellular phone. **The cost to replace any phone not returned, unauthorized charges, any monies owed to the Company may be deducted from the employee's final paycheck.**

#### **Safety Issues for Cellular Phone Use**

Employees whose job responsibilities include regular or occasional driving and who are issued a cellular phone for business use are prohibited from using their phone while driving. Safety must come before all other concerns. Employees who are charged with traffic violations resulting from the use of their cellular phone while driving will be solely responsible for all liabilities that result from such actions. Employees will not engage in telephone use while handling a customer or Company vehicle. Any violation of this policy will result in disciplinary action, up to and including termination.

### **SECTION V EMPLOYEE BENEFITS**

Eligible employees at Germain Automotive Group are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation and unemployment insurance) cover all employees in the manner prescribed by law.

Some benefit programs require monetary contributions from the employee. With respect to employee benefits, this handbook is not intended to be, and should not be construed as, a Summary Plan Description or a Plan document and is not a contract to provide these benefits to any employee. **In the event of a conflict between this Handbook and any Plan document, the Plan document supersedes.** Management will review employee benefits periodically, and the benefits outlined in this handbook may be changed at any time.

Full-time employees are eligible for benefits provided by the Company if they meet specific requirements. The eligibility requirements of these benefits are described in the Summary Plan Description and/or benefits booklets.

The following serves as a general guide to the Company's benefits and is not intended to be a comprehensive summary.

**The terms of the benefit plans described are  
subject to change at any time by the insurer(s)  
or the Company.**

#### **5.1 GROUP HEALTH BENEFITS**

Group health insurance and other various benefits are available to all full-time employees. Complete details on the Company's health insurance and other benefits offerings are available through the business office.

## **5.2 SECURITY SAVINGS RETIREMENT PLAN 401(K)**

The Company has established a 401(k) savings and investment plan, which allows employees the opportunity to achieve financial security for retirement. Complete details of the 401(k) savings plan are described in the Summary Plan Description, which is provided to all eligible employees. Contact the business office for more information about the plan description.

## **5.3 CONTINUING HEALTH INSURANCE COVERAGE – COBRA**

Under federal law, employees and their dependents have the option of continuing health insurance coverage at their own expense upon the occurrence of certain qualifying events. Those events include the death of the employee; termination of the employee (including voluntary termination and leaves of absence, but not including discharge for gross misconduct); divorce or legal separation of the covered employee from his or her spouse; the employee's becoming entitled to Medicare coverage; or cessation of dependent child coverage under the terms of the insurance policy. In the case of divorce or legal separation or cessation of dependent child coverage, the employee must notify the business office in order for the spouse and/or dependents to exercise his/her option of continued coverage. Contact the business office for more information about continuing health insurance coverage.

## **5.4 PAID TIME OFF (PTO)**

The Company understands the importance of time away from work for personal enjoyment, family or health needs, and other special situations. We realize that the loss of pay when an employee is required to be away from work can create a financial burden. Therefore, we are pleased to offer the following Paid Time Off (PTO) program.

An associate can use PTO for a variety of purposes including: PTO, personal illness, illness of a family member, medical appointments, religious observances (on days our business is not closed) or personal business that can't be scheduled on your days off. The PTO program offers employees flexibility in choosing how and when to use the paid time off. However, be careful to use this time responsibly and save some time for emergencies.

The amount of vacation time an employee is eligible to receive during the first calendar year of full-time employment is based on the month that the employee was hired or changed to full-time status. The following chart outlines how PTO is determined. While this chart outlines the total amount of PTO an associate may be eligible for in a given employment year, please know that even though the employee is allowed to use the PTO from the beginning of the employment year in which it is accrued, the PTO is accrued and earned throughout the year. PTO abuse will not be tolerated. Those that habitually call off and take an excessive amount of time off will be disciplined. Any accrued PTO balance for the current employment year that is unused at time of termination may be paid out, however, it is based on the number of complete months the employee worked during the current PTO year. No unused PTO time will be paid out if it is not used by the end of the employment year. Associates are actually accumulating their PTO during the year in which it is to be taken.

**90 Days of Continuous Service:**

Three days of PTO is earned after 90 days of continuous service. This portion of PTO must be used within 1 year from which it was earned.

**12 Months of Continuous Service**

Ten days of paid PTO is earned after the first twelve (12) months of continuous service. Each portion of PTO must be used in the twelve (12) month period following the accrual date.

<b>AFTER # CONTINUOUS SERVICE</b>	<b>YOU EARN # PTO</b>	<b>WHICH WILL EXPIRE</b>
90 Days	3 Days	1 Year from month when it was earned.
1 <sup>st</sup> Year Anniversary	10 Days	By the end of the employment year in which it was earned.
2 <sup>nd</sup> – 4 <sup>th</sup> Year Anniversary	13 Days	By the end of the employment year in which it was earned.
5 <sup>th</sup> – 9 <sup>th</sup> Year Anniversary	15 Days	By the end of the employment year in which it was earned.
10 <sup>th</sup> – 24 <sup>th</sup> Year Anniversary	20 Days	By the end of the employment year in which it was earned.
25 <sup>th</sup> + Year Anniversary	25 Days	At the end of the employment year in which it was earned.

If an employee has completed over one consecutive year of part-time service and moves to full-time status, as defined in **2.2 Categories of Employees**, the employee may be eligible to receive PTO after his/her first 90 days of full-time status. PTO time will accrue at the start date of full-time status.

**5.5 PTO SCHEDULES AND APPROVAL**

A PTO request form must be completed and supplied to your department manager at least thirty (30) days prior to the desired PTO time for scheduled PTO uses. The Company understands that it may not be possible to give thirty (30) days advance notice for unforeseen developments, such as illnesses. In the event of an unforeseen absence, notify your manager as soon as possible before your scheduled work time. Forms may be obtained in the business office or from the department manager. PTO may be taken at any time during the year after meeting approval with the following provisions:

- In order to request and be paid for PTO time, every employee must complete a PTO request form obtained from his/her department manager or business office.
- It is recommended that a PTO request form be completed and approved thirty (30) days prior to the requested PTO by your department manager. If PTO time is approved by the manager in less than the recommended 30 day time frame, payment for PTO may be delayed to complete the business payroll process.
- It is encouraged that no more than five (5) days of PTO be taken consecutively.

- Unused PTO days may not be carried over into the next PTO period. The PTO period is based on the employee's start date, not by calendar year. Therefore, the employment year for purposes of PTO time starts on the employee's anniversary date.
- An employee is required to work the regularly scheduled full work days before and after the paid PTO period in order to be eligible to receive PTO pay.
- Adjustments in pay may happen after paid PTO time is received, due to the timing of the PTO and payroll run dates.
- Job requirements will take precedence over scheduled PTO leave.
- Department managers must get approval from the general manager to take PTO during holidays and busy times of the year.

## 5.6 CALCULATION AND RECEIPT OF PTO PAY

The calculation of PTO pay is as follows:

- Hourly employees will be paid at their current regular hourly rate (exclusive of overtime).
- Flat rate employees will be paid based on the average of their last twelve (12) months.
- Salaried employees will receive their regular weekly/biweekly salary/draw (exclusive of overtime).
- Commissioned sales employees will be paid based on their average pay over their last twelve (12) months.
- Department managers who are paid based on gross profit will receive their regular structured weekly/biweekly salary/draw.
- Employees who are paid based on gross profit will receive their regular structured weekly/biweekly salary/draw.

Employees separated from employment will be paid for time worked (less any deductions) on the next regular pay day according to the applicable federal and state laws. Unless otherwise prohibited by law, if an employee provides and honors a two-week notice prior to separation and if the employee has returned company property at the time of separation, the employee is eligible to receive payment for his or her prorated unused PTO time, based on the employee's separation date. If an employee does not give and honor a two-week notice prior to quitting, the Company will not pay unused PTO time. Also see section 6.2.

**Example:** An employee had an employee anniversary start date in December. As of the previous December, the employee has completed 4 years of employment. Employee terminated his employment in March and no PTO has been taken. The employee provided and honored a two-week notice. 3.25 days of PTO will be paid on the last paycheck. ( $13 \text{ days} / 12 \text{ mo} = 1.083 \times 3 \text{ mo worked} = 3.25 \text{ days}$ )

If the Company terminates your employment, any earned and unused PTO will not be paid out.

## 5.7 OBSERVED HOLIDAYS

The Company normally recognizes the following paid holidays; however, each location may require employees to work on a holiday depending upon Company needs.

New Year's Day

Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Christmas Day

The following provisions apply with regard to observed holidays:

- If a holiday falls on a Saturday or Sunday, its observance will be at management's discretion.
- Holiday pay benefits are equal to the employee's base hourly rate times the number of hours the employee is regularly scheduled to work per day, not to exceed eight (8) hours.
- Part-time employees will be paid for the hours they regularly work on the given holiday.
- An employee must also work all scheduled hours on the last day before, and the first working day after, a holiday to be eligible for holiday pay, unless the employee is on a previously approved and scheduled PTO.
- Paid holiday time will not be considered as time worked for the purpose of computing overtime.
- Flat rate employees will be paid the flat rate, not to exceed eight (8) hours.
- Hourly employees who work holidays will be paid time and a half, but not to be considered as time for the purpose of computing overtime.
- Department managers who are paid based on gross profit will receive their regular structured weekly/biweekly salary/draw.
- Employees who are paid based on gross profit will receive their regular structured weekly/biweekly salary/draw.
- Salaried employees will receive their regular weekly/biweekly salary/draw (exclusive of overtime).
- Hourly employees must be employed for at least 90 days to receive holiday pay

## **5.8 EMPLOYEE PURCHASES**

Part-time and full-time employees are entitled to perks and favorable pricing as a benefit of working for the Company. The following guidelines reflect our policy on employee purchases:

### **New and Used Vehicles**

- Employees are encouraged to buy new or used vehicles from the Company.
- Each store has special pricing specific to employee purchases. Prices of new vehicles will be determined by the New Car Manager and/or General Manager and are subject to availability and demand.
- An employee who is interested in purchasing a pre-owned vehicle in the first 30 days will pay no more than the advertised price. After 30 days the vehicle can be purchased for cost plus \$500. After 60 days, the employee can buy the vehicle for cost.
- The vehicle purchased must be for personal use only (not for resale).
- Vehicles must be paid for in full before they are taken off the lot.

### **Parts and Service**

- Employees are able to purchase parts at cost plus 20% for their personally-owned vehicles.

- Labor on an employee's personal vehicle is discounted to \$39.00 an hour.
- **Because of these special arrangements, payroll deductions are not allowed and payment must be made at time of purchase and/or when service is rendered.**

## **5.9 UNEMPLOYMENT COMPENSATION**

This program provides weekly/biweekly benefits if an employee becomes unemployed due to circumstances described in the law. This program is funded by a payroll tax paid by the Company based on employees' earnings. If an employee leaves the Company and is unable to find other employment, he/she may be entitled to regular weekly/biweekly benefits. For more information, contact the state unemployment department.

## **5.10 SOCIAL SECURITY**

Social Security provides benefits for employees and their families as specified by law in the event of retirement, hospitalization after age 65 (Medicare), total and permanent disability before age 65 and death at any time. The cost of Social Security is shared between employees and the Company. For every dollar an employee pays into Social Security, the Company pays in a dollar. For more information, contact the local Social Security Office.

## **5.11 WORKERS' COMPENSATION**

If employees suffer a work-related injury, it is important that he/she immediately reports the injury to the department manager and/or the business office. The department manager and/or the business office will direct the employee for emergency or no-emergency medical treatment as appropriate and will provide the employee with all necessary forms and information to assist in filing a workers' compensation claim. If the employee fails to report an injury as soon as it occurs, he/she may lose eligibility to receive workers' compensation benefits.

# **SECTION VI SEPARATION OF EMPLOYMENT**

## **6.1 SEPARATION FROM EMPLOYMENT**

An employee may be separated from employment for any of the following reasons:

- Involuntary termination;
- Job abandonment;
- Reduction-in-force (job elimination due to lack of work or reorganization);
- Voluntarily leaving service of the Company;
- Overstaying a leave of absence without the consent of the Company and/or failure to return to work upon release by a health care provider;
- Absence from work without notifying and receiving approval from the Company; and
- Continued absence from the Company beyond a 6 month maximum time period (unless otherwise required by law). This 6 month continuous period commences upon the exhaustion of any FMLA time to which the employee is entitled. The Company may extend this leave period as a reasonable accommodation to the qualified employee with disability pursuant to the American with Disabilities Act.



However, the Company may at its discretion, at any time, and for any or no reason discharge an employee.

## **6.2 VOLUNTARY RESIGNATION**

If an employee decides to leave the Company, he/she must advise a supervisor in writing at least two (2) weeks prior to the date of departure so that an orderly transition can be made. This process includes turning in Company property and completing required forms. Proper notice also allows the Company to calculate all pay to which he/she may be entitled and to include such pay in the final paycheck. If an associate does not provide 2-weeks' notice of voluntary resignation, and work all time scheduled during that period, they will not be eligible for rehire and will not receive compensation for earned, but unused PTO. If an associate provides a 2-weeks' notice and is asked to leave early, any earned and unused PTO will be paid to you.

## **6.3 REDUCTION OF WORKFORCE**

Any time a selection needs to be made among employees for a reduction-in-force (*i.e.*, job elimination due to lack of work or reorganization), consideration may be given to an employee's knowledge, skill, efficiency, reliability, attendance, or overall record, and all things being equal, length of service with the Company.

## **6.4 PAY AT THE TIME OF SEPARATION FROM EMPLOYMENT**

Employees separated from employment will be paid for time worked (less any deductions) on the next regular pay day according to the applicable federal and state laws. If a two-week notice was provided and honored, all accrued but unused PTO time will be paid pending the return of all company property. PTO pay will be held until all company property has been returned. Employees will be notified via mail of any relevant insurance matters.

All Company property must be returned to the business office or the department manager on the final day of work. Please contact the business office, upon separation from employment, if there are any questions related to the Company property that has been signed out in his/her name.

Any unreturned Company equipment or account balances that the employee has not paid by his/her last date of employment at the applicable Company location will be deducted from the employee's last paycheck, to the extent permitted by law and as previously acknowledged by the employee (and which acknowledgement is maintained in his/her employee file). Examples of these deductions may include: health, dental and/or vision insurance (the entire month's premium), cell phone cost, cell phone chargers (if applicable), keys/key fob, uniform charges, Company tools, Company vehicles, dealer plates, any other Company property that has not been returned, and any other unpaid Company charges.

## **SECTION VII EMPLOYEE CONDUCT**

### **7.1 CONFLICTS OF INTEREST**

Employees shall avoid outside employment, activities, investments, and other interests that involve obligations that may compete or be in conflict with the interests of the Company. A conflict of interest can arise in dealings with anyone with whom the Company transacts business; i.e., customers, clients, owners, buyers, suppliers, banks, insurance companies and people in other organizations with whom we have contact and make agreements. Employees should avoid conflicts of interest, including the following examples:

- Working for any of the groups mentioned above for personal gain.
- Engaging in a part-time activity for profit or gain in any field in which the Company is engaged.
- Borrowing from or lending money to, individuals representing organizations with which business dealings are conducted.

The Company expects that all of its employees will conduct themselves with the pride and respect associated with their positions, fellow employees, customers and the Company. Employees should always use good judgment and discretion in carrying out Company business. Employees of the Company should always use the highest standard of ethical conduct. Violation of this provision can result in discipline, through and including termination of employment.

### **7.2 STANDARDS OF EMPLOYEE CONDUCT**

We want our workplace to be pleasant, professional, efficient and safe. With that goal in mind, the Company has established standards of conduct that apply to all of the employees.

Violations of these Standards of Employee Conduct, as well as other Company policies and procedures, will result in corrective action including performance counsel, warning, suspension or termination. The type of corrective action will generally depend on the seriousness of the infraction; previous corrective action and/or the employee's overall employment record. The Company may determine that certain offenses are serious enough to warrant immediate termination. The use of corrective action does not change the employment-at-will status.

While it is impossible to list all standards of conduct, the following are examples of violations that will result in corrective action:

- Abuse or negligence of duty with a potentially serious impact to the organization;
- Blatant refusal to perform work or cooperate with reasonable management requests, and other insubordination;
- Conviction of a felony or certain vehicle-related misdemeanors while employed;
- Fighting and/or disruptive activity;
- Forgery;
- Gross disregard for safety rules or considerations;
- Job abandonment;
- Negligence or deliberate damage to Company property;
- Possession, consumption, use and/or being under the influence of alcohol or controlled

substances while on work duty;

- Possession of a weapon, explosives or firearms on the premises or in a Company vehicle;
- Serious disruption of the workplace;
- Sexual harassment and/or other forms of harassment or unlawful conduct;
- Smoking in prohibited areas, including in the Company building and/or vehicles;
- Theft of Company funds or property;
- Unauthorized use of a customer or Company vehicle;
- Unauthorized use of the telephone, mail, e-mail/internet or other Company-owned equipment;
- Unauthorized disclosure of Company secrets and confidential information;
- Unauthorized access, release or use of private Company or client confidential information;
- Not being ready to begin work at the start of the workday; not being ready to resume work immediately following the end of any meal or break periods; leaving before the end of the workday without supervisory permission;
- Excessive absenteeism or tardiness;
- Absence from work without notifying the Company or absence without an excuse acceptable to the Company, including unauthorized failure to return to work upon the expiration of an approved leave of absence;
- Poor work performance;
- Providing false information or omitting information on any Company document regardless of when the falsification or omission is discovered;
- Dishonesty, cheating, theft or misappropriation of property or money of the Company, customer or of any employee;
- Negligent or willful acts which result, or could result, in personal injury or damage to Company property or equipment;
- Fighting or any other disorderly conduct; threatening, intimidating or interfering with other employees; distracting other employees by unnecessary shouting or demonstrations; using obscene or abusive language to other employees, supervisors, management, customers or visitors;
- Immoral, indecent or illegal conduct reflecting adversely on the Company;
- Participating in any unauthorized altering of a time record;
- Altering Company records or documents without Company authorization;
- Making or assisting another person in making a video or audio recording of any conversation between employees, management or officers of the Company, without first obtaining the express written consent of all parties to the conversation. This prohibition applies whether or not the individual making the recording is part of the conversation;
- Not permitting the Company to make an inspection of your work area, garments, handbag, shopping bag, locker, automobile, etc., on Company premises;
- Failing or refusing to cooperate fully with Company investigations;
- Providing false or misleading information in response to an investigation being conducted by the Company;
- Failing to accurately complete or to sign any relevant Company documents;
- Using the Company's equipment for personal use without management's authorization;

- Sleeping, or the appearance of sleeping, during working time;
- Violation of any policies in this handbook.

The standards outlined in this policy apply to employees whenever the employee is representing the Company, on or off Company property.

### 7.3 CONFIDENTIALITY AND PRIVACY

The Company is engaged in sales and service that requires that a strict code of confidentiality of information to be maintained. As such, employees are prohibited from maintaining either in written or electronic form, confidential and/commercially-sensitive information about the Company. Employees may not disclose information regarding the Company's purchase prices to any customer or vendor. Employees may not disclose one customer or vendor's selling price to any other customer or vendor. Employees may not disclose names or information from master customer lists, which are also confidential or remove the lists from Company property, without prior approval from the general manager.

Discrimination of confidential information within the Company, such as personal information, financial information, etc., will also subject the responsible employee to disciplinary action, up to and including termination.

### 7.4 BRIBES, KICKBACKS AND OTHER ILLEGAL PAYMENTS

Bribes, kickbacks and other illegal payments to or from any individual with which we conduct business (*in any form and for any purpose*) are prohibited, and any employee accepting or soliciting such payment shall be subject to disciplinary action, up to and including termination. Certain types of rebates to the Company from suppliers (*but not to or from an individual employee*) are legitimate to correct commercial inequity if done within government trade regulations.

### 7.4 GIFTS

Normally, a gift to an individual from an outside source is considered the property of the Company unless management makes an exception. It is the policy of the Company that, except for customer "tips" in an amount not exceeding \$20.00, no employees shall receive any gift, excessive or unusual entertainment, discount, loan or other favor or item of value from any outside source (including customers and suppliers) without approval from management. Any employee failing to abide by this policy will be subject to disciplinary action, up to and including immediate termination.

### 7.5 INTERNAL INVESTIGATIONS

When the Company conducts an investigation (*e.g.*, in the event of alleged employee misconduct), confidentiality will be maintained throughout the investigatory process, to the extent practical and appropriate under the circumstances. An employee's cooperation is

expected and appreciated when he or she is asked to participate in an investigation. All employees are protected from retaliation for assisting in an investigation. Forms of retaliation include disciplining, reassigning, lowering a performance appraisal or threatening or intimidating an employee because he/she participated in an investigation. Retaliation is strictly prohibited and individuals engaging in retaliatory behavior will be subject to disciplinary action, up to and including termination.

## **7.6 INTEROFFICE RELATIONSHIPS**

The Company discourages interoffice romances, but acknowledges that such personal relationships may be a part of business life. While the Company does not wish to direct the personal lives of its employees, it has established guidelines in order to prevent disruptions to employee productivity and Company morale.

The Company recognizes that romantic relationships between a supervisor and an employee can create significant difficulties for the supervisor, the employee, other employees and management. Therefore, the Company prohibits direct reporting relationships between employees involved in a romantic relationship. If this situation occurs, it is the responsibility of the involved employees to promptly disclose the relationship to the Associate Ambassador. If such a romantic relationship occurs, management will try to accommodate the situation by relocating one of the employees to another department, position, or dealership. If management is unable to accommodate the situation, the Company may, in its sole discretion, determine that one of the involved employees must leave the Company.

The Company also needs to be able to deal effectively with any potentially adverse consequences interoffice relationship may have for the work environment. If the Company determines that an interoffice relationship has affected an associate's job performance or the productivity of others, the associate will be subject to disciplinary action, up to and including termination. And if an associate believes that he/she is the victim of unlawful harassment as the result of a romantic relationship, the associate should follow the procedures under the Company's Anti-Harassment and Discrimination Policy.

## **SECTION VIII SAFETY**

The company is committed to the safety of its employees, property and equipment. **Any employee who disregards a Company safety rule and/or regulation is subject to disciplinary action, up to and including termination.**

It is necessary that the Company establish safety rules and regulations to be observed by all employees at all times. With regard to these rules, the following will be considered standard procedure for all employees:

- Should a safety regulation be modified so that an employee's safety is a concern, the employee should inform his/her department manager.
- All questions concerning the reason for doing something in a certain manner may be asked of any member of management at any time.

- Employees' decisions should always be guided by the Company commitment to safety.
- Should a hazardous situation or condition exist whereby a decision must be made between safety or production, safety concerns should always take precedence over production.

It is the management's responsibility to see that every employee at the Company is provided with safe working conditions, all safety regulations are observed and employees use good common sense to protect themselves as well as others. Management will inspect working conditions and may suspend all work activity until an unsafe condition is corrected.

The safety of the associates is the most important. It is the associate's responsibility to abide by the safety rules made for his/her protection. Associates shall report all work-related injuries, however minor, to any department manager. Failure to report an injury as soon as it occurs may result in disciplinary action, and ineligibility for workers' compensation benefits.

### **8.1 GENERAL SAFETY RULES**

The following are general safety rules. These rules are illustrative, and not intended as a substitute for common sense and good judgment:

- Appropriate shoes are to be worn when working in the service area.
- Gasoline must be stored in metal safety cans.
- The location of fire extinguishers must be known and how to use them.
- All electric heaters must be turned off at end of day.
- Extension cords used with portable electric tools and appliances must be of the three-wire type. Defective cords must be replaced when they become defective.
- Defective materials or tools must be labeled with accident prevention tags. Labeling must be done on the same day on which the defective piece of equipment is discovered.
- All Material Safety Data Sheets (MSDS) supplied with hazardous materials must be read and abide by. Direct any questions to the department manager.
- If an employee suspects that a material might be harmful to his/her health, he/she should consult the department manager.
- Safety goggles and hearing protection are provided by the Company. Protective devices must be used when grinding, using a cutting torch, welding, sanding, using chisels, handling hazardous materials and operating loud power tools and machinery.
- Appropriate clothing for the job must be worn. This means shirts and long pants.
- Particularly for employees in safety-sensitive jobs such as technicians, all jewelry must be removed before reporting for work.
- Service lifts must not be propped up with any tools or objects.
- Practice good housekeeping. Keep work area clean and free from stumbling hazards, grease, etc.
- Learn to lift the correct way: Bend knees. Keep back erect. Get help for heavy loads.
- No scuffling or horseplay on the job.

Keep guards and protective devices in place at all times. When guards are removed for maintenance and repairs, replace in proper order before starting up equipment.

- Use tools only for their intended purposes. Do not use broken or dangerously dull tools.
- Do not attempt to operate special machinery or equipment without permission and instructions.
- Do not repair machinery while it is in operation. Never oil moving parts except on equipment fitted with safeguards for this purpose.
- Never work under vehicles that are supported by jacks or chair hoists without protective blocking in case of hoist or jack failure.
- Do not disconnect air hoses and compressors until hose line has been bled.
- Employees must be sure that their actions do not endanger other employees, or damage Company or personal property.

## **8.2 HAZARDOUS WASTE**

The Environmental Protection Agency has grouped certain chemicals and chemical groups into categories that have been classified as toxic. This means that in concentrated form or by accumulating and combining with other chemicals (even the air) these chemicals can be hazardous to human health if exposure occurs.

The Company insists that employees not create hazardous wastes that will contaminate the environment. Whenever possible, employees should choose materials that have been judged to be nonhazardous.

If employees use hazardous materials, he/she must properly dispose of them. No employee shall knowingly dump any hazardous wastes into the environment at any time. Violation of this policy will result in disciplinary action, up to and including termination.

If any employee suspects that the wastes he/she may encounter as an employee are hazardous (whether or not they are being created by the Company), he/she should inform the department manager immediately. If any employee does not know how to control or dispose of hazardous wastes and what to do if he/she is exposed to hazardous wastes, the employee should consult with the department manager.

- **Do not take chances.**
- **Be alert to hazardous wastes.**
- **Know how to properly dispose of hazardous wastes.**
- **Direct any questions to the department manager.**

## **8.3 PHYSICAL EXAMINATIONS**

The Company may require a medical and/or physical examination by a health care professional of the Company's choice. The exam will be job related and consistent with business necessity. The Company may require the employee to take a medical leave of absence if recommended by the physician.

## **8.4 VEHICLES, INJURIES AND ACCIDENTS**

An employee must immediately notify the department manager if he/she or a co-worker is injured or become(s) ill as a result of work, regardless of severity.

In the event of an accident involving a vehicle:

1. Call for medical assistance, if necessary;
2. Call the police (it is MANDATORY that a police report is filed);
3. Notify the department manager; and
4. Complete an accident report, being sure to obtain names and addresses of witnesses, other drivers and all other pertinent information. This report will be used when reporting the accident for insurance purposes. The report must be completed as soon as possible and delivered to the department manager.

If, after consideration of all relevant information, the Company determines that an employee was negligent or reckless in causing damage to a Company vehicle, the employee may be sent for a drug screening and may be subject to corrective action, up to and including termination, and may be liable for the cost of necessary repairs to the involved vehicle(s).

The 5 mph speed limit for vehicles on Company premises is to be observed at all times. Only designated employees may drive Company vehicles. Never give rides to others in Company vehicles unless directed to do so by the department manager.

## **SECTION IX ALCOHOL AND DRUG POLICY**

### **9.1 ALCOHOL AND DRUG POLICY PURPOSE AND GOALS**

Employees are our most valuable resource and their health and safety is, therefore, a serious concern. Substance abuse hurts job performance through increased absenteeism, lower job efficiency and increased accident rates. The Company is committed to maintain a safe and healthy workplace, free from the influence of drugs and alcohol. As such, employees must report to work in a condition ready to perform their job duties, and should never report to work under the influence of drugs and/or alcohol. In certain circumstances, this may include prescription drugs. Employees who are prescribed a medication that may affect their ability to efficiently and safely perform their job duties should notify their manager or the Associate Ambassador immediately.

### **9.2 PROHIBITED ALCOHOL AND DRUG USE**

Employees who engage in prohibited alcohol and drug use will be subject to disciplinary action, up to and including immediate termination. The behavior prohibited under this policy includes, but is not limited to:

- Being under the influence of, or use, possession, storage, manufacture, distribution, dispensation or sale of illegal drugs or drug paraphernalia, controlled substances (including but not limited to the unauthorized use of prescription medications) or alcohol, including the presence of these substances in an employee's system, while on Company premises, on Company business, in Company vehicles, or at any time during work hours;
- Using alcohol off Company premises or possession, use, manufacture, distribution, dispensation or sale of illegal drugs or controlled substances (including, but not limited to the unauthorized use of prescription medications) off Company premises that



adversely affects the employee's attendance or work performance, the employee's or others' safety at work, or Company's reputation in the community;

- Testing positive or failure to produce a negative result for alcohol/drugs when tested pursuant to this policy.
- Refusing to submit to testing according to the procedure outlined in this policy;
- Refusing to sign the Acknowledgment of Receipt and Understanding, agreement to abide by this policy.

Use of medication prescribed for an employee by a physician and according to the physician's directions is not typically prohibited by this policy, except for the use of medical marijuana. Employees, even those with a lawful and valid prescription, may not be under the influence of, use, possess, store, distribute marijuana while on Company premises, on Company business, in Company vehicles, or at any time during work hours. For certain positions, an employee's use of other legally-prescribed drugs can also pose a significant risk to the safety of the employee or others. If an employee believes that the use of such medication might impair his/her ability to perform the job safely and effectively, then he/she must report the use of the prescribed medication to the manager or the Associate Ambassador. Any employee who is found to be abusing legally prescribed drugs shall be treated in the same manner as employees using or abusing drugs and/or alcohol without prescriptions and will be subject to the same disciplinary actions pursuant to this policy.

The Company recognizes that situations may arise which are not specifically covered by this policy. The Company will deal with those situations on a case-by-case basis, taking into account such things as the nature of the particular situation and program, the employee's overall employment record, the job assignment, the potential impact on safety and any other factors that the Company deems relevant.

### **9.3 ALCOHOL AND DRUG TESTING**

The Company may, under appropriate circumstances, require and conduct substance testing to determine the presence of alcohol and/or illegal drugs. Substance testing may be conducted under any one or more of the following circumstances:

- **New Hire Testing:** The Company requires that every applicant for employment take and pass an objective drug screen upon receipt of a job offer. An applicant who does not pass the drug screen may reapply for employment after 60 days; however, there is no guarantee that the applicant will receive a job offer. An applicant reapplying will be considered for employment the same as other applicants and the Company shall hire the most qualified applicant for the position(s). An employment offer, if any, made to an applicant who is reapplying shall be conditioned upon passing the drug screen.
- **Reasonable Suspicion Testing:** Whenever the Company suspects that an employee's work performance or on-the-job behavior may have been affected in any way by alcohol or drugs, or that an employee has drugs or alcohol in his/her system, the Company may require the employee to submit a breath, urine, hair and/or blood sample for alcohol and drug testing. The Company will arrange for transportation to and from the testing site for the employee. An employee who tests positive for alcohol or

drugs as a result of such a test will be in violation of this policy. An employee who does not test positive will be allowed to return to work.

- **Post-Accident Testing:** Whenever an employee seeks medical treatment for a work-related injury or may have contributed to an accident involving a fatality, serious bodily injury, or substantial damage to property, the Company may require the employee to submit to a breath, urine and/or blood sample for alcohol or drug testing. The Company will arrange for transportation to and from the testing site for the employee. An employee who tests positive for alcohol or drugs as the result of such a test or who refuses to submit to testing will be in violation of this policy. An employee who does not test positive will be allowed to return to work.

An employee who tests positive or who refuses to submit to testing in connection with a work-related injury may not qualify for compensation and benefits under the Workers' Compensation Act. This is because a positive test or the refusal to be tested creates the presumption (belief) that alcohol or drugs were the main cause of the work-related injury. This includes medical marijuana even when used pursuant to a lawful and valid prescription. However, this presumption is rebuttable, meaning that the employee may dispute it and prove that neither alcohol nor drugs caused the injury. The burden of proof is on the employee.

- **Unannounced Testing:** The Company has a right to conduct testing of all employees according to an unannounced selection process. An employee who tests positive for alcohol or drugs as the result of such a test or who refuses to submit to testing will be in violation of this policy. An employee who does not test positive will be allowed to return to work.
- **Follow-up Testing:** Any employee who has previously tested positive for drugs or alcohol, or who has voluntarily identified a substance abuse problem and undergone treatment, will be subject to additional unannounced tests for as long as the Company deems necessary. Any employee with a second positive test result will be terminated. Follow-up tests will be unannounced and may occur at any time for a time period that management considers reasonable.
- **Return from Leave of Absence/:** Employees who are returning from an extended leave of absence (12 weeks or more) will be required to undergo a drug and alcohol test prior to being reinstated.
- **Re-Hire:** Employees who have been re-hired will be required to undergo a drug and alcohol test prior to being reinstated, if they are gone for more than 30 days.

#### **9.4 TEST PROCEDURES**

Collection of all tests shall be accomplished at a site determined by the Company. The testing collection site will explain the testing procedures. All employees subject to testing will also be

afforded the opportunity, prior to testing, to list all prescription and non-prescription drugs they have used in the last 30 days and to explain the circumstances surrounding the use of such drugs to a medical review officer (MRO).

The Company will pay for all initial testing (including initial confirmation tests) conducted under this policy at the time of initial testing.

Adulterated or tampered samples will be treated as a positive result.

Employees subject to testing must sign, prior to testing, any required form consenting to the testing and consenting to the release of the test results to the Company. Test results and related information will be treated confidentially and divulged to the Company's management only on a need-to-know basis.

## **9.5 INSPECTION**

If there is a reason to suspect drug or alcohol possession, use or sale, an employee's vehicle, locker, clothing, personal effects, handbag, desk, work area, lunch box or any container brought onto Company property shall be subject to immediate inspection by the Company. Employees are expected to cooperate in the conducting of such searches. An employee's consent to a search is required as a condition of his/her employment and the employee's refusal to consent may result in disciplinary action up to and including termination, even for the first refusal. Law enforcement authorities may be contacted and requested to come onto Company property when appropriate in conjunction with a referral for criminal prosecution.

# **SECTION X COMPANY/CUSTOMER VEHICLES AND TRAVEL EXPENSES**

## **10.1 COMPANY/CUSTOMER-OWNED VEHICLES**

The following are specific policies related to Company-owned vehicles:

- Company-owned vehicles will be driven only as needed for jobs during working hours unless otherwise approved.
- All employees driving Company/customer-owned vehicles or any vehicle in the scope of their jobs, must abide by all applicable state/federal/local driving laws.
- An employee with multiple motor vehicle violations or an employee who is uninsurable by the Company's auto insurance carrier may not drive Company/customer vehicles and is subject to possible termination.
- An employee who has been categorized as an "excluded" driver by the auto insurance company shall not drive a Company owned vehicle and shall not drive their own vehicle for business use.
- No alcoholic beverages or illegal drugs will be aboard a Company/customer vehicle at any time.
- No driver who has been drinking alcoholic beverages or is under the influence of drugs or otherwise impaired (as provided in the Alcohol and Drug Policy) will be allowed to drive a Company/customer vehicle.
- An employee misusing Company/customer vehicles will be subject to dismissal.
- Any damage to Company/customer vehicles caused by employee carelessness or

misjudgment is the responsibility of the employee. This includes insurance deductibles.

## **10.2 REIMBURSEMENT FOR TRAVEL EXPENSES**

The Company will reimburse an employee for reasonable and necessary travel expenses incurred when he/she is attending a management-approved automotive class/seminar. This includes the reasonable cost of lodging, meals, and other necessary travel expenses.

Employees should confer with their department manager about the travel expense allowance prior to the class/seminar. Employees may submit for reimbursement any pre-approved travel expense by providing the business office with receipts showing name(s), date(s), and amount(s). Employees are expected to use moderately priced lodging and restaurants (as approved) and will not be reimbursed for alcoholic beverages.

## **SECTION XI EMPLOYMENT LEAVE**

### **11.1 CIVIC LEAVE**

When an employee is required to serve as a juror or is subpoenaed to serve as a witness during Company hours of operation, unpaid time off will be granted as follows:

- The employee must notify his/her department manager upon receipt of a summons.
- A document from the court that shows the time spent by the employee and the amount paid to the employee must be submitted to the business office.
- Verification of an employee being seated on a jury, being detained in a jury pool, or subpoenaed as a witness is required.

If the court dismisses the jury early, the employee is expected to return to work as soon as possible.

- Should the employee's work duties with the Company be vital to its operation, we may ask the court to excuse the employee from jury duty.

### **11.2 MILITARY SERVICE LEAVE**

The Uniformed Service Employment and Reemployment Rights Act (USERRA) provides that any individual who is absent from employment because of a voluntary or involuntary military service obligation has the right to reemployment and all its accompanying benefits, as long as each of the following conditions are met:

- The employee provides advance notice to the employer of his/her impending military service;
- The employee is honorably discharged;
- The leave does not exceed the maximum length of absence as defined by the law; and
- The employee applies for reemployment in a timely manner as defined by the law.

#### **Continuation of Group Insurance Benefits While You Are on Leave**

While on military service leave, the employee has the right to continue the group insurance benefits for up to 24 months. Failure to provide advance notice of the need for military service leave, except where impossible or precluded by military necessity, will result in cancellation of health care coverage. If the leave exceeds 30 days, he/she must pay the full

insurance premium, plus an administrative fee of 2%. If the leave is for fewer than 31 days, he/she must pay the regular share of the insurance premium for that month. If while on military service leave, he/she does not elect continuing coverage and are reemployed after the conclusion of military leave, the healthcare coverage will be reinstated without any waiting period or limitations. The employee must notify the Company within 60 days after receiving the USERRA healthcare continuation election form if he/she wants to continue coverage and payments must be made monthly to maintain coverage.

Please contact the Associate Ambassador with any questions concerning a military service leave.

### **11.3 BEREAVEMENT**

In the event of a death in an employee's immediate family, the employee will be allowed days off in order to assist with arrangements or to attend the funeral as follows:

- Five (5) days **with pay** for spouse, child, foster child.
- Three (3) days **with pay** for parent, spouse's parent, step-parent or legal guardian, sibling, step-sibling, spouse's sibling, spouse's step-sibling, grandchild, spouse's grandchild, grandparent, spouse's grandparent, step grandparent, spouse's step grandparent and great- grandparent, spouse's great-grand parent, step great-grandparent and spouse's step great- grandparent.
- One (1) day **without pay** for all other relatives or a close personal friend.

If additional time is necessary, PTO time may be used provided the employee is eligible for PTO time. Additional time may be granted on an unpaid basis with prior approval from the department manager. The Company reserves the right to request substantiation of the loss and for attendance at a funeral.

### **11.4 FAMILY AND MEDICAL LEAVE (FMLA)**

The Family and Medical Leave Act ("FMLA") is a federal law that generally provides for unpaid leave of absences for up to 12 weeks for eligible employees for:

- 1) child care for the employee's newborn or adopted child;
- 2) care for the employee's spouse, child or parent with a "serious health condition" (an illness, injury, impairment or physical or mental condition that involves inpatient care or continuing treatment by a health care provider); or
- 3) for an employee's serious health condition that renders the employee incapable of performing his/her job.

*Note: Leave related to a child's birth or placement for adoption or foster care must be completed within the 12 month period beginning on the date of the birth or placement.*

A leave of absence of up to 26 weeks in any single 12 month period (rolling forward) will be granted to eligible employees to:

- Care for a covered family member or next-of-kin (nearest blood relative) who is injured or recovering from an injury or illness suffered in the line of duty while on active duty as current member of the Armed Forces, including the National Guard or Reserves, provide that such injury or illness renders the covered service-member unfit to perform his/her

duties and for which the member is (1) undergoing medical treatment, recuperation or therapy; (2) in outpatient status; or (3) on the temporary disability retired list.

*Note: Leave for care of an injured or ill service-member, when combined with other FMLA-qualifying leave, may not exceed 26 weeks in any single 12 month period.*

**Eligibility:**

You must have been employed for at least 12 months and must have worked for at least 1,250 hours during the previous 12-month period. Also, the Company must employ 50 or more employees at the work site or within 75 miles of the work site.

**Requests for Leave:**

If the leave is foreseeable, typically a request for leave must be made in writing to the Office Manager at least 30 days before the leave is to begin. If the need for the leave is unforeseeable or such advance notice is not possible, the request is to be made as soon as practicable after the need for leave is known. In such circumstances, the employee must follow the Company's attendance policy (call-off procedure). The employee may be required to provide sufficient documentation to support the need for the leave. A request for leave form can be obtained from the Business Office.

**Use of Available Paid Time Off:**

Employees on approved medical leave must first exhaust any unused accrued PTO. The balance of the leave will be unpaid unless he/she is eligible for short-term disability pay, long-term disability pay or workers' compensation benefits. If applicable, time off for workers' compensation [and/or paid] leave will run concurrently with FMLA leave and count against the FMLA leave entitlement.

Coverage under the existing Group Health Insurance Plan will be continued during the associates FMLA leave under the same terms as if they continued to work. The associate must continue co-payment of premiums as applicable.

**Reinstatement:**

Upon return from FMLA leave, the employee will be reinstated to the position they held when he/she began the leave or to an equivalent position with equivalent pay, benefits, and terms and conditions of employment. However, the Company may determine that a highly-compensated employee is not eligible for reinstatement. If an employee is a highly-compensated employee not eligible for reinstatement, he/she will be notified.

**Certifications:**

If an employee requests leave under this policy, either for himself/herself or a covered family member, the Company may require that the associate provide medical documentation from the appropriate health care provider. Additionally, a medical exam by a physician of the Company's choosing may be required if a second or third opinion of a certification of a serious health condition is required, or to determine fitness to return to work. The Company may also require recertification of FMLA leave and intent to return to work.

**Modified Work Schedule:**

Leave may be taken on an intermittent basis (in separate blocks of time due to a single covered health condition) or reduced work schedule basis (reducing the usual number of hours you work per workweek or workday) when medically necessary due to: (1) a covered family member's or his/her own serious health condition; (2) to care for a covered member of the Armed Forces; or (3) a qualifying exigency.

When intermittent or reduced work schedule leave is foreseeable due to planned medical treatment, the employee must make reasonable efforts to schedule the treatment so as not to unduly disrupt the Company's operation and the Company may temporarily transfer him/her to an alternative position for which he/she is qualified, if it better accommodates these reoccurring periods of leave. The Company may waive one or more of the requirements stated in the PTO policy when PTO time is to be used for FMLA leave.

For questions or further information about FMLA, please contact the Associate Ambassador.

The Company will reasonably accommodate employees who may need additional medical leave beyond any FMLA or other forms of leave provided herein, to the extent provided by law. All requests for such leave shall be submitted in writing to the Associate Ambassador or the department manager. Each request shall provide sufficient detail such as the reason for the leave and the expected duration of the leave. The request for leave should be made at least 30 days before the leave is to begin. If the need for the leave is unforeseeable or such advance notice is not possible, the request is to be made as soon as practicable after the need for leave is known. At the time of such leave any accrued PTO leave must be used by the employee. Contact must be made with the Company at least every 30 days with status of leave. A doctor's excuse will also need to be provided. If one does not make contact with the Company by day 30, the Company will attempt to contact the employee on day 31. If the Company does not speak with the employee by day 32 it will be considered a voluntary resignation of employment, unless contrary to law. While on leave an employee will also need to pay for their portion of the health benefits. A check can be written out to the store and the business office can provide him/her with the weekly/biweekly amount they will owe. If he/she fails to make a payment on time, benefits may be terminated.

For questions or further information, please contact the Associate Ambassador.

*The Company appreciates you taking the time to read about the policies, procedures and benefits of our employees. Please don't hesitate to ask any member of management if you have any questions.*

*We have worked hard to provide all the information contained in this Handbook as a reference for you. As we stated on our cover, **the success of our organization is driven by you**. We hope you take every opportunity to achieve the goals you have set for yourself at the Germain Automotive Group.*

*Thank you so much for choosing the Germain Automotive Group,  
Steve Germain*