



Employee Handbook

Blue Springs Ford

Lee's Summit Honda

Lee's Summit Subaru

Smithville Ford

2025

Version 2.0

This handbook is the property of Blue Springs Ford, Lee's Summit Honda, Lee's Summit Subaru and Smithville Ford and must be returned upon request or at time of separation from employment.

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We believe in keeping employees fully informed about our policies, procedures, practices, benefits, what employees can expect from Balderston Auto Group (Hereinafter referred as “The Company”), and the obligations assumed as an employee of the Company. This practice is designed to provide fair treatment of employees. All employees are expected to become familiar with the policies, procedures, practices, and benefits of the Company. This handbook is intended to provide employees with basic information. The policies and practices described in this handbook reflect a great deal of concern for the people who make it possible for the Company to exist... **its employees.**

Because the Company is a growing, changing organization, it reserves full discretion to add to, modify, or delete provisions of this handbook at any time without advance notice. For this reason, employees should check with Human Resources to obtain current information regarding the status of any particular policy, procedure or practice. No individual other than the President of the Company has the authority to enter into an employment agreement or any agreement that modifies Company policy. Any such modification must be in writing and must be signed by the President of the Company.

All employment at the Company is at will. At will means that both employees and the Company have the right to terminate employment at any time, with or without advance notice, and with or without cause. No one other than the President of the Company has the authority to alter this agreement, to enter into an agreement for employment for a specified period of time, or to make any agreement contrary to this policy, and any such agreement must be in writing and must be signed by the President of the Company.

Descriptions of various fringe benefits in this handbook are summaries only. Should the descriptions with any formal agreement or document involved, the formal agreement or document shall be considered correct.

This Handbook is not a contract, express or implied, guaranteeing employment for any specific duration. Although we hope that your employment relationship with us will be long-term, either you or the Company may terminate this relationship at any time, for any reason, with or without cause or notice.

We wish you the best of luck and success in your position and hope that your employment relationship with the Company will be a rewarding experience.

Purpose Statement

A Family committed to Excellence, Growth and Harmony.

Our Values

Develop a team culture guided by integrity.

Build employee satisfaction through leading and serving with
compassion.

Create life-long relationships with our customers.

Be a positive and reliable partner in our community

Note from the Management Team

Welcome to Balderston Auto Group. We are glad you are a part of our team. The Company pledges to its employees that as long as the affairs of this Company are in our hands, the following principles will govern our actions with employees.

Our employees and their welfare are very important to us as well as to the success of our Company. Our long range objective is the continuous development of a growing and prospering business through which both the employees and the Company will benefit. Every employee is a member of our team. Our success as a Company is built on the recognition of the skills and efforts made by each employee. It is our policy to work with all members of our team in a fair and friendly manner and to treat each team member with dignity and respect.

The management of the Company will work continuously for the benefit of our present and prospective employees. The continued growth and success of our Company depends upon the attitude and effort of each individual employee. Employees have everything to gain by being courteous, neat, friendly, and helpful. We also have everything to lose by being discourteous, untidy, unfriendly and unhelpful. If just once we fail to serve our customers well, they may leave us, never to return.

No matter what position an employee holds within our Company, it is important and vital that they remember our basic objective is to provide quality service to each and every customer.

Our business operation has always been conducted on an aggressive and profitable basis. This makes our Company strong, both in a financial condition and a competitive position. Progressive and profitable Companies can offer maximum security to their employees: good pay, good benefits and good working conditions.

The loyalty and fine performance of our employees is a tremendous factor in the success of the Company. We consider our employees our most valuable asset. It is our hope that our association with you will last many years and you will strive daily to improve your position on the team.

General conditions such as safety, cleanliness, and employee accommodations will be evaluated periodically for possible improvement and will always compare favorably with good industry practice. We will be pleased to meet with any employee to discuss suggested improvements in working conditions.

We will devote our best effort to conducting an expanding business within which will promote an atmosphere of harmony with opportunity for all employees of the dealership.

The Management,

Bob
Karanne
Blaine
McCall



A. Hiring Policies

Our hiring priorities are:

- i. Applicants recommended by current employees
- ii. Applicants with experience meeting the job opportunity
- iv. Other qualified applicants

All candidates for employment with the dealership must fully complete, date, and sign the dealership's standard employment application form. *(A resume will not be accepted in lieu of a completed employment application.)* The application form should be completed in detail and signed by the applicant to verify the accuracy and completeness of previous employment and personal information.

Accuracy and honesty are of critical importance to the dealership. Therefore, the dealership may investigate any portion of the requested information at any time. The dealership reserves the right to deny or later terminate the employment of anyone giving false, misleading, or incomplete information. This right is reserved by the dealership during the entire employment relationship from the interview process, through employment.

The completed employment application form will be made part of the personnel file of those applicants accepted for employment.

We base our hiring decisions on personal contact with individuals to determine who is best qualified. Applications will only be considered active for ninety (90) days.

When we are in need of applicants to fulfill a vacant position we may perform some, all or none of the following: run ads, post notices at trade schools, notify our employees, notify vendors, contact associations and any other methods deemed necessary.

Their references will be checked and a positive reference must be received. Applicants who include unsolicited comments or nonresponsive information on their application will be disqualified for consideration for employment. Should an employee who has left our organization wish to be re-hired, we will review the circumstances of the individual's employment and departure from the Company and make a decision based on the needs of the Company at the time.

Unexplained gaps in employment histories will be a basis for disqualification. Falsification of applications will be a basis for disqualifying an applicant. If an employee has been discovered to have falsified an application, he or she shall be terminated. Applicants should have stable work histories.

B. Immigration Law Compliance

The Company is committed to employing U.S. citizens and aliens who are authorized to work in the United States and will not unlawfully discriminate on the basis of citizenship or national origin.

As a condition of employment and in compliance with federal law, each new hire must complete Section 1 of Form I-9 (Employment Eligibility Verification). The employee must also present an original document or documents that establish identity and employment eligibility within three (3) business days of the date employment begins or present a receipt showing application for the documents) within three (3) business days.

Identity can be established by providing documentation from List A or List B and C of the I-9. Documents such as a passport as a current state-issued driver's license, a state-issued identification card, or similar document such as a school identification with photograph, voter's registration card, or military service record. An **employment eligibility** document is a Social Security card, a birth certificate, or an immigration document.

If the employee cannot provide proof of current work authorization within the specified time period, the employee will not be allowed to continue employment.

C. Medical Examinations

To help ensure that employees can perform their duties safely, medical examinations may be required.

For certain positions or under certain circumstances and after an offer of employment, a medical examination may be required. When a medical examination is requested, the medical examination will be conducted by a dealership appointed physician at the Company's expense. Employment and assignment will be conditional pending the receipt of a satisfactory physician's report.

As a condition of continued employment, employees may be required to undergo periodic medical examinations, alcohol and drug screenings, at times specified by the Company. When necessary, these exams will evaluate an employee's ability to perform the essential functions of the position or need for possible accommodation. Such examinations will be conducted for all employees in the same job category and will be scheduled at reasonable times and intervals. In connection with these examinations, employees are required to provide the Company with access to their medical records, if requested. Further, it should be understood that the Company receives a full medical report from its examining physicians regarding the applicant's or employee's state of health.

All Company-required medical examinations, alcohol and drug screenings are paid for in full by the Company.

D. Motor Vehicle Record (MVR) Inquiry

Employees expected to drive dealership vehicles must provide the dealership with current and acceptable motor vehicle driving information. Employment and/or assignment will be conditional pending the receipt of a satisfactory report from the Department of Motor Vehicles. Employees driving records will be evaluated annually.

E. Equal Employment Opportunity

The dealership is built upon teamwork and equal opportunity. We will continue to be successful when people are treated fairly and allowed to advance and achieve their full potential. We are proud of the fact that we extend equal employment opportunities to all qualified employees and applicants for employment without regard to race, color, religion, sex, age, national origin, or disability, which if needing accommodation, may be reasonably accommodated as required by law.

We work hard to promote the fulfillment of human potential and equal employment 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 employees do the same. The Company will cooperate with federal, state and local government agencies who have the responsibility of observing our actual compliance with various laws relating to employment. The Company will furnish such reports, records, and other matters as requested in order to foster the program of equal opportunity for all persons regardless of race, color, religion, sex, age, national origin, disabled or Vietnam Era veteran status, or physical or mental disability.

Any violation or perceived violation of law should be reported to Human Resources who will make every effort to address the issue promptly.

F. Workplace Harassment

The Company is committed to providing a work environment free from harassment of any kind. We believe that everyone deserves to work in a respectful workplace that fosters growth and productivity. The Company will not allow unlawful discrimination or harassment of any employee by another employee, manager or company official. This harassment policy has been developed to outline the behavior that we expect from all employees.

This policy covers all employees, managers, and company officials. Each employee is expected to comply with this policy and ensure that prohibited conduct does not occur. Appropriate disciplinary action up to and including termination will be taken against violators.

The Company, in compliance with all applicable Federal, state, and local anti-discrimination and harassment laws, utilizes these definitions and guidelines in enforcing this policy.

1. Discrimination – discrimination means treating another individual less favorably for reasons based on race, color, gender, religion, or other protected status. Discrimination can include, but is not limited to:
 - Limiting job opportunities, privileges, or benefits.
 - Unequal working conditions.
 - Evaluations based on characteristics unrelated to work.
 - Harassment or permitting harassment.
 - Discrimination based on race, gender, disability, or other characteristics is a violation of federal law.
 - Discrimination in violation of this policy will be subject to disciplinary action up to and including termination.
2. Harassment – any verbal or physical conduct intended to threaten, intimidate, coerce, or demean any employee, co-worker, or individual working for the Company. It is any unwelcome behavior that creates a hostile or offensive work environment for another employee. Behavior becomes harassment when it is severe enough that a reasonable person would consider it intimidating, hostile, or abusive. The victim does not need to be the target of the harassment. Anyone who is affected by the conduct can be a victim of the harassment. Harassing behavior can include, but is not limited to:
 - Verbal harassment, such as offensive or unwelcome comments regarding a person’s nationality, race, color, religion, gender, gender preference, disability, or other characteristics.
 - Physical harassment includes any unwanted or unasked physical contact, such as hugging, touching, kissing, shoving, pushing.
 - Nonverbal harassment may include distribution or display of images belittling a protected class, intentional display of graphic or obscene material, staring or “staring down” a victim, and similar conduct.
 - Bullying can include any or all of these behaviors when taken beyond harassing and used to threaten or intimidate the victim or to coerce them into acting in a certain way.
 - Sexual harassment may include any of these behaviors, and especially when used to threaten, intimidate, or coerce them into performing sexual favors or sexual acts for the harasser. Sexual harassment becomes sexual assault when the victim is forced into performing sexual acts.
3. Reporting Harassment – Each member of management is responsible for creating any atmosphere free of discrimination and harassment, sexual or otherwise. Management will not condone or ignore any act of sexual or workplace harassment and will take prompt and decisive action to stop sex or workplace harassment they are aware of. Management must promptly report all incidents of sexual or workplace harassment to Human Resources. Employees are also responsible for respecting the rights of their co-workers.
 - If you experience any job-related harassment as outlined above, or believe you have been treated in an unlawful, discriminatory manner, you must promptly report the incident to Management or Human Resources, who will undertake an investigation. Your complaint will be kept confidential to the maximum extent possible.
 - If the Company determines after a thorough and complete investigation that an employee is guilty of harassing another employee, appropriate disciplinary action will be taken against the offending employee. Disciplinary action may include, but not limited to: verbal warning, written reprimand, withholding merit increases or other means of compensation, suspension, or discharge. Records of all disciplinary measure will be permanently retained in the employee’s personnel file. In addition, the harasser may be required to participate in appropriate training or counseling as part of the disciplinary process.

G. Harassment Complaint Procedure

Each member of management is responsible for creating an atmosphere free of discrimination and harassment, sexual or otherwise. No member of management will condone or ignore any act of sexual or workplace harassment and must take prompt and decisive action to stop sexual or workplace harassment they are aware of. All members of management must promptly report all incidents of sexual or workplace harassment to Human Resources. Further, employees are also responsible for respecting the rights of their co-workers.

If you experience any job-related harassment based on your sex, race, national origin, disability, or another factor, or believe you have been treated in an unlawful, discriminatory manner, you must promptly report the incident to the head of your department, Human Resources or the General Manager who will undertake an investigation. Your complaint will be kept confidential to the maximum extent possible.

If the Company determines after a thorough and complete investigation that an employee is guilty of harassing another employee, appropriate disciplinary action will be taken against the offending employee. Disciplinary action may include, but not be limited to, verbal warning, written reprimand, withholding merit increases or other means of compensation, suspension, or discharge. Records of all disciplinary measure will be permanently retained in the employee's personnel file. In addition, the harasser may be required to participate in appropriate training or counseling as part of the disciplinary process.

In addition to employees, agents, consultants, guests, customers, vendors and other nonemployees are forbidden to engage in any form of sexual harassment. Employees may refuse, without fear of reprisal, to work with a nonemployee who fails to refrain from sexual harassment. Any nonemployee who, in the sole opinion of the Company, violates this Policy may be barred from the Company's premises and the Company may seek appropriate relief from the legal relationship between the offending nonemployee and the Company.

The Company prohibits any form of retaliation against any employee for filing a bona fide complaint under this policy or for assisting in a complaint investigation. However, if, after investigating any complaint of harassment or unlawful discrimination, the Company determines that the complaint is not bona fide or that an employee has provided false information regarding the complaint, disciplinary action may be taken against the individual who filed the complaint or who gave the false information.

The Company recognizes the sensitivity and confidentiality of the information received during an investigation of workplace harassment. The Company will try to keep all information and documentation confidential, where at all possible.

H. Employment Provisions of the Americans With Disabilities Act (ADA)

Title I of the American with Disabilities Act (ADA) and the American Disabilities Amendment Act (ADAA) are federal laws that require employers to not discriminate against applicants and individuals with disabilities and, when needed, to provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of the Company to comply with all federal and state laws concerning the employment of individuals with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). It is the Company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment. To comply with the employment provisions of the American with Disabilities Act, the dealership will:

- Identify the essential functions of a job;
- Evaluate whether a person with a disability, with or without accommodation, is qualified to perform the duties; and
- Determine whether reasonable accommodation can be arranged for a qualified individual.

The Company is committed to providing accommodation so long as accommodation does not place an undue hardship on the business operations or pose a threat to the health or safety of employees in the workplace.

Individuals who are currently using illegal drugs are excluded from coverage under the Company ADA Policy.

Accommodation Process

The Company will actively engage in an interactive process with employees who request accommodation to determine what, if any, accommodation can be provided. The Company will process requests for accommodations in a prompt and efficient manner.

I. Categories of Employees

Employees are designated as either non-exempt or exempt from federal and state wage and hour laws. Non-exempt employees are entitled to overtime pay under specific provisions of federal and state laws. Exempt employees are excluded from specific provisions of federal and state wage and hour laws and do not receive overtime pay. In addition to the non-exempt or exempt classification, employees are divided into the following categories for the purpose of compensation and benefit eligibility. Dealership policies apply to all categories of employees.

(1). Full-Time

Employees hired full-time (32 hours or more) on a full work week basis for a continuous and indefinite period of time are considered full-time employees for all compensation and benefit purposes. According to new healthcare reform laws, eligibility for health insurance is 30 hours, and available after 60 days of continuous employment. 32 hours will be the standard for all other benefits.

(2). Part-Time

Employees whose work schedule is less than full-time (*less than 32 hours*) on a full work week basis for a continuous and indefinite period are considered part-time employees for all compensation and benefit purposes. Part-time employees are eligible for some benefits by specific reference only.

(3). Temporary

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

J. Benefit Eligibility

The term “*eligible employee(s)*” used in *Section 3: Benefits* of this handbook refers to full-time employees, unless otherwise designated. Each employee will be advised of the status of his or her position when he or she is hired.

- Full-time employees are entitled to the benefits stated in this handbook provided they qualify for each individual benefit.
- Part-time employees are entitled to those employee benefits specifically designated.
- Temporary employees are not eligible for benefits.

K. Evaluation Period

During the first ninety (90) days of employment, the Company and each new employee are given an opportunity to evaluate whether the employment relationship should continue. Before the end of this ninety (90) day period, the employee's performance will be evaluated. An employee who satisfactorily completes the evaluation period will be notified by the appropriate department of his or her employment status.

During the evaluation period, an employee may voluntarily terminate employment without notice. If the performance of the employee is not satisfactory as determined by the Company, the employee may be released with or without notice. The completion of the evaluation period should not be considered as a guarantee of permanent employment. The dealership evaluates employees on a continuing basis and reserves the right to terminate an employee at any time during or after the evaluation period.

L. Employment of Relatives

The Company discourages the employment of close relatives, but may permit the employment of qualified relatives as long as the employment does not create an actual or perceived conflict of interest and is approved by the President of the Company.

For the purpose of this policy, a relative is any person who is related by blood or marriage such as spouse, child, parent, etc..or whose relationship with the employee is similar to that of people who are related by blood or marriage (i.e., significant other or person residing in the same household).

The Company will exercise sound business judgment in the placement of related employees in accordance with the following guidelines:

- Individuals who are related by blood or marriage are permitted to work in the same Company facility, provided no direct reporting or supervisory/management relationship exists. That is, no employee is permitted to work within the "chain of command" of a relative such that one relative's work responsibilities, salary, or career progress could be influenced by the other relative.
- No relatives are permitted to work in the same department or in any other positions in which the Company believes an inherent conflict of interest may exist.
- Employees who marry while employed are treated in accordance with these guidelines. That is, if, in the opinion of the Company, a conflict or an apparent conflict arises as a result of the marriage, one of the employees will be transferred at the earliest practicable time.

This policy applies to all categories of employment at the Company, including regular, temporary, and part-time classifications.

M. Employment at Will

We hope that each employee's period of employment at the Company can be a rewarding experience. However, we recognize that circumstances change with the passage of time and that some employees may seek opportunities elsewhere or choose to leave the Company for other reasons.

Other employees may not fulfill the operational needs of the Company or changed circumstances may reduce available employment opportunities which may result in involuntary terminations.

We sincerely hope that none of these situations occur, but realistically we must acknowledge that the possibility does exist. Therefore, the right of the employee or the Company to terminate the employment relationship *at will* is recognized and affirmed as a condition of employment.

At will means that both employees and the Company have the right to terminate employment at any time with or without cause.

N. Employee Information

Employees are expected to keep the Company informed about any major change which may affect their employment status. Each employee is responsible for promptly notifying the Company of important changes in personal data. Personal data should be current and accurate at all times and any change of the following should be reported to Human Resources:

- Name
- Address
- Home telephone number
- Marital status
- Number of dependents
- Emergency telephone numbers and whom to notify in case of emergency
- Change of Beneficiary
- Driving record
- Authorized payroll deductions
- Additional education and special training courses

O. Personnel Files

The Company will maintain a file on each employee. An employee's personnel file begins with his or her completed employment application form. From time to time various information will be added to this personnel file regarding an individual's employment status with the Company. Personnel files are the property of the Company and will be treated the same as any other confidential Company information.

An Employee's personnel file is composed of personnel records that may be a hybrid of both paper and electronic records and may be stored with Human Resources or digitally.

The following provisions apply with respect to the Company's standards for establishing, maintaining, and handling employee personnel files:

- All official records concerning an employee will be kept up to date insofar as possible and all employees shall promptly report all pertinent personal information and data changes to Human Resources.
- Employees will be permitted to review their personnel files as permitted by applicable laws.
- Information regarding the medical condition or history of an employee will be kept in a file with restricted access.
- The personnel file of an employee terminating employment will be maintained in accordance with applicable state and federal laws.

1. Contents of Personnel Files

Employee personnel files may include but not limited to the following:

- Original employment application
- Offer letter and acceptance
- Forms and supporting documentation related to an employee's hiring, orientation or employment
- Performance appraisal reports
- Disciplinary action notices
- Special commendation information
- Educational achievement records
- Status changes affecting employee's work and salary history
- Employee's resume (if submitted)
- Signed/Witnessed copy of Acknowledgment of Receipt and Understanding
- Signed/Witnessed copy Drug-Free Workplace Policy Employee Acknowledgment

2. Employee's Request for Review of Personnel File

The following provisions apply with respect to an employee's request to review his or her personnel file:

- Human Resources will have the responsibility of coordinating the review of an employee's personnel file with the employee's immediate supervisor.
- A member of Human Resources must be present while the employee reviews his or her personnel file.
- The employee may take notes, but may not remove, deface or otherwise make notations on the documents in his or her personnel file.
- Upon request from the employee, the Company may provide a copy of any item(s) in the employee's personnel file.

3. Management's Review of Personnel Files

All information in employee personnel files is considered confidential. This information will only be available to Human Resources, the employee, senior management personnel, and supervisors or managers who are responsible for the employee. Any violation of this policy is considered a very serious offense.

One exception will be in a transfer situation where the supervisor of the department to which an employee may be transferred will be allowed to review the employee's file with the approval of Human Resources and the employee's immediate supervisor.

A. Working Hours

Each employee is expected to complete a normal work day and work week and work any reasonable additional hours required to meet Company needs.

The supervisor will inform employees of scheduled break and/or lunch periods. Employees are expected back at their work station ready to start work at the end of each scheduled break and/or lunch period. If overtime is required, employees will be expected to work any additional time necessary with the approval of management.

B. Overtime

Employees may be scheduled to work overtime when operating requirements or other needs cannot be met during regular working hours. Whenever possible, advance notification will be provided. If determined necessary, overtime work will be authorized by management beyond an employee's standard work week. Non-exempt employees will be paid overtime compensation in accordance with federal and state wage and hour provisions. Overtime pay is based on actual hours worked. Time off for vacation leave, sick leave, a Company-observed holiday, or any leave of absence will not be considered as hours worked when computing overtime.

Any employee who fails to work scheduled overtime or works overtime without prior authorization from management may be subject to disciplinary action up to and including termination of employment.

C. Pay Period and Payment

1. Hourly Personnel

The pay period is weekly. Hourly personnel are normally paid on Friday for the previous week.

2. Sales and Management Personnel

The pay period is first day of the month until the 15th day and 16th day to the end of the month. Sales and Management personnel are normally paid on the 15th of the month for work performed the 1st through the 15th of the current month and on the last day of the month for work performed the 16th through the last day of the current month.

Bonus plans and commissions are based on a full month worked. No partial or pro-rated bonus or commission will be paid unless approved in advance by management. Bonuses will be paid on the 10th of the following month.

D. Recording Time Worked

Government regulations require that the Company keep an accurate record of time worked by employees in order to calculate pay and benefits.

Non-exempt employees are required to punch in when they report to work and punch out when they leave the premises. Nonexempt employees should not report to work more than five (5) minutes prior to their scheduled starting time and are not allowed to stay more than five (5) minutes after their scheduled work day has ended unless otherwise approved by their supervisor.

It is the employee's responsibility to sign his or her time record to certify the accuracy of all time recorded. The Supervisor will review and then initial the time record before submitting it for processing. In addition, if corrections or modifications are made to the time record, both the employee and the Supervisor must verify the accuracy of the changes by initialing the time record.

It is a violation of Company policy for one employee to enter another employee's time, alter another employee's time record or alter his or her own time record without permission.

If an employee has a question concerning his or her time record, he or she should discuss the matter with his or her supervisor.

E. Attendance

Regular and on-time attendance is expected for efficient operations at the Company. Excessive absenteeism and tardiness is not only inconvenient but also causes costly problems. 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 for continued employment.

Employees are expected to personally make the effort to notify the Company of any absence or tardiness with as much advance notice as possible. Employees should contact their supervisor 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 Supervisor is not available, then the employee should notify Human Resources of the absence or lateness.

Any employee who, in the opinion of the Company, fails to maintain an acceptable attendance record will be subject to disciplinary action. Unexcused absence or tardiness will affect future promotions and/or raises.

F. Unexcused Absence

The following describes the disciplinary actions that will result from unexcused absence. However, the Company reserves the right to take disciplinary actions other than those specified and in an order other than listed below:

- 1st Offense** Verbal reprimand with written notice to employee's personnel file
- 2nd Offense** Written notice (copy to employee's personnel file)
- 3rd Offense** Subject to termination after management review

G. Tardiness

Tardiness applies to returning from lunch and/or break periods as well as the beginning of the work day. The following describes the disciplinary actions that will result from tardiness, but the Company reserves the right to take disciplinary actions other than those specified and in an order other than listed below:

- 1st Offense** Verbal reprimand with written notice to employee's personnel file
- 2nd Offense** Verbal reprimand with written notice to employee's personnel file
- 3rd Offense** Subject to termination after management review

H. Severe Weather Conditions and Emergency Closings

If there is any question regarding hours of work during severe weather or in an emergency situation, employees are responsible for contacting their supervisor regarding opening and closing hours.

Unless otherwise notified, employees are expected to be at work on time. If an employee arrives late, leaves early, or otherwise alters his or her normal work schedule without prior approval from management, he or she will be expected to make up this time.

I. Incentive Programs

From time to time the Company and/or a manufacturer may announce incentive programs that may affect one or more departments. Incentive programs may take the form of cash, travel or recognition awards. The Company also has a *"BIRD DOG"* program which provides a cash award to an eligible employee who refers a new customer who ultimately purchases a vehicle from the dealership.

J. Payroll Deductions from Gross Pay

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

- Federal and state income taxes
- Social Security taxes
- Past due taxes
- Garnishments (*including child support*) or other court ordered wage deductions

- Employee's portion of group insurance premiums for individual and any covered eligible dependents
- Uniforms
- Loss, damage or destruction of dealership property
- 401(k) Retirement Savings Plan contributions

Any deductions (*other than statutory deductions*) must be authorized by the employee. No other deductions will be made unless specifically authorized in writing by the employee. All deductions will be itemized on the employee's paycheck stub. Questions regarding payroll deductions should be directed to the Payroll Department.

K. Error in Pay

The Company takes precautions to ensure that employees are paid correctly; however, if an error does occur, the employee should notify the Payroll Department. The Company will make every attempt to adjust the error no later than the employee's next regular pay period.

L. Garnishment of Employment Wages

Garnishments are court orders requiring an employer to withhold specified 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. The law also provides for an administrative fee to be charged when a garnishment occurs.

M. Advances and Loans

Any employee charges will be deducted from an employee's paycheck. Employees must fill out and sign an A/R form to specify the amount of the advance/loan and the number of pay periods needed for repayment of advance/loan. This form must also be signed by the Department Manager and General Manager.

A/R forms must be completed in full prior to any service or purchase. If the form is not filled out completely prior to the service or purchase, the full amount will be due on the next paycheck.

Section 3 - Benefits

The Company voluntarily tries to provide a well-balanced program of benefits designed to meet the needs of employees and provide protection from financial hardship. These benefits will be reviewed periodically to attempt to keep pace with area practice.

The information contained in this handbook regarding employee benefits is not a contract to provide these benefits to any employee and no contract is to be implied or relied upon. The eligibility requirements of these benefits are described in the summary plan documents and/or benefits booklets.

Full-time employees are eligible for benefits provided by the Company if they meet specific requirements.

At the present time, the Company pays for some of the cost of the benefits. This is subject to change without notice. Questions concerning benefits and/or insurance claim information should be directed to Human Resources.

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

A. Paid Sick Leave

The Company allows employees paid sick days. The following provisions apply:

- All employees may request the use of sick days due to illness or medical related time off.
- Sick Day benefits are calculated on the basis of a benefit year. Per Missouri Proposition A, New employees start accruing paid sick days at the start of employment or May 1, 2025, whichever is later. These benefits will be calculated based on regular hourly rate of pay at the time of absence. Employees that have been employed 1 year up to 2 years will receive 32 hours (4 days) of paid sick leave for 2025 and the vacation listed below. Employees who have been employed two years or more will receive 24 hours (3 Days sick leave) and the vacation listed below.
- Sick Days will not be considered as time worked for the purpose of computing overtime.
- Paid sick time can be used for personal or family health needs (e.g., illness, injury, seeking diagnoses and treatment, and preventive care), public health emergencies resulting in closure of the employee's workplace or the school or place of care for the employee's child, and in response to certain needs relating to domestic violence, sexual assault, or stalking, including medical, counseling, relocation, or legal services.
- Sick Days must be pre-approved by a supervisor in advance, unless it is being used for unplanned illness or emergency situations.
- When an employee cannot report to work, the employee must contact his or her supervisor before the start of the employee's scheduled workday. This should be done for each day missed so that necessary arrangements may be made to redistribute work.
- The Company reserves the right to request an explanatory note from the employee's physician should an absence extend beyond two (2) consecutive working days due to a non-job related illness or injury.
- The law entitles eligible employees to use accrued paid sick leave in hourly increments.

The law prohibits interference with the use of paid sick leave and retaliation against employees for exercising rights under the law.

B. Vacation Eligibility

The Company recognizes that employees need a scheduled time away from normal work duties for their personal well being. The Company grants annual vacation with pay to full-time employees who meet the following service requirements:

Length of Continuous Service	Eligible Vacation
Less than 1 year	0 days
1 year	5 days
2 years	10 days
3 years	11 days
4 years	12 days
5 years	13 days
6 years.....	14 days
7 years or more	15 days

C. Vacation Schedules

Vacation requests must be made at least thirty (30) days prior to the desired vacation time. Vacation may be taken at any time during the year after eligibility with the following provisions:

- Employees are expected to take their paid vacation time as a means of rest and diversion for themselves and their families.
- Vacation must be approved in advance by the employee's supervisor.
- If vacation days are not taken each year, they will be forfeited.
- Vacation time must be taken in minimum increments of one (1) day.
- A holiday observed by the Company that falls during the vacation period will be considered as a paid holiday and not vacation time. This day of vacation may be taken at another time as approved.
- There will be no pro-rated vacations given for terminated Employees.
- Job requirements will always have precedence over vacation schedules.
- Length of service will be considered in the event a conflict of vacation schedules arises.

D. Vacation Pay

The following provisions apply with regard to vacation pay:

- Pay for vacation time will be at the employee's base rate of pay.
- Salespersons will be paid based on their average weekly earnings during the previous year.
- Service/Body Shop Technicians, Service Writers and Parts Countermen will be paid based on average earnings.
- All other personnel will be paid based on an hourly rate.
- Paid vacation time will not be considered as time worked for the purpose of computing overtime or bonus.

E. Observed Holidays

The Company normally recognizes the following holidays; however, the Company may decide to schedule work on a holiday depending upon job requirements. **Observed Holidays**

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

The following provisions apply with regard to holidays observed by the Company:

- When a recognized holiday falls on a Saturday or Sunday, its observance will be at management's discretion.
- Full-time employees who have completed ninety (90) days of continuous employment are eligible for holiday pay.
- To be eligible for holiday pay, an employee must also work the regularly scheduled work days before and after a holiday unless he or she is on an authorized vacation.
- Paid holiday time will not be considered as time worked for the purpose of computing overtime.

F. Group Health Insurance

Group health insurance is available to any employee who works 30 or more hours on a full work week basis for a continuous and indefinite period. Coverage will become effective on the first day of the month following sixty (60) days of employment.

As health care costs continue to rise, the Company will attempt to provide suitable health coverage to its employees, but conditions may require that employees pay a larger portion or all of such health care coverage. When necessary, the Company reserves the right to change the portion paid by employees for health insurance premiums.

If an employee previously covered by the Company's group health insurance plan is laid off because of temporary lack of work or illness and is rehired within three (3) months of the layoff, the employee will become eligible to participate in the dealership's group health insurance plan on the first day of the month after rehire and acceptance by the insurance carrier.

The insurance carrier will provide eligible employees with a detailed summary of the insurance coverage provided.

G. Continuation of Group Health Insurance (COBRA)

The Company will comply with federal regulations relating to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) which is designed to provide employees and eligible dependents with the opportunity to continue health insurance coverage at group rates in certain instances in which coverage would otherwise cease. The premium for this coverage is the sole responsibility of the employee or dependent. Further information may be obtained from Human Resources.

H. Group Life Insurance

Group life insurance is available to all full-time employees. Premiums for group life insurance are paid in full by the Company. This coverage becomes effective at the same time as the group health insurance. Information will be provided together with the group health insurance booklet. Questions regarding group life insurance should be directed to Human Resources.

I. 401 (k) Retirement Savings Plan

This program enables employees to save for retirement on a pre-tax basis. Employees may elect to defer up to the maximum amount allowed under the law. Employees are eligible to participate in the 401(k) Retirement Savings Plan following one (1) year of continuous service and having attained age 21 and may enter the Plan on the following calendar quarter.

The Company does not match employee contributions in the first year of employment. However, under present Company policy, after completing one (1) year of service (at least 1,000 hours worked) and beginning on the first day of the month following their employment anniversary date, employees are eligible for matching Company contributions.

Employee contributions are 100% vested immediately. Any matching Company contributions added to an employee's 401(k) account are vested according to the following schedule:

Years of Participation in the Plan	Vesting Schedule
Less than 2 years	0%
At least 2 years	20%
At least 3 years	40%
At least 4 years	60%
At least 6 years	80%
At least 7 years or more	100%

J. Jury Duty

When an employee is required to serve as a juror, time off will be granted as follows:

- The employee must have completed one year of employment to qualify for jury duty compensation.
- The employee must notify the HR department upon receipt of a summons so that arrangements can be made to accommodate the employee's absence.
- A document from the court which shows the time spent by the employee and the amount paid to the employee must be submitted to the HR department.

K. Bereavement Leave

An employee who has completed one year of employment, will be allowed time off in order to assist with funeral arrangements or to attend a funeral of immediate family (i.e. Spouse, child, parent, sibling, grandparent, aunt, uncle). An employee will be allowed up to three days of approved Bereavement leave with pay that will not be counted against your personal days. Any additional days will apply against the employee's Personal Days. If additional time is required, the employee may take unpaid leave time with the approval of their department manager. The company reserves the right to request documentation, such as an obituary or funeral program, as proof of the death.

L. Domestic Violence Victim Leave and Accommodation

Employees who are victims of domestic or sexual violence or have a family or household member who is a victim of domestic or sexual violence and whose interests are not averse to the employee as it relates to the domestic or sexual violence, may take up to two work weeks of leave during any 12-month period to address domestic or sexual violence.

A "workweek" is defined as the employee's standard workweek. The total number of workweeks to which an employee is entitled will not decrease during the relevant 12-month period. Leave may be taken consecutively, intermittently or on a reduced work schedule.

Leave will be unpaid, except that exempt employees will receive pay when required by applicable law.

Employees may use leave for any of the following reasons:

- Seeking medical attention for or recovering from physical or psychological injuries caused by domestic or sexual violence to the employee or the employee's family or household member;
- Obtaining services from a victim services organization for the employee or the employee's family or household member;
- Obtaining psychological or other counseling for the employee or the employee's family or household member;
- Participating in safety planning, temporarily or permanently relocating, or taking other actions to increase the safety of the employee or the employee's family or household member from future domestic or sexual violence or to ensure economic security; or
- Seeking legal assistance or remedies to ensure the health and safety of the employee or the employee's family or household member, including preparing for or participating in any civil or criminal legal proceeding related to or derived from domestic or sexual violence.

A "family or household member" means:

- A spouse
- A parent (meaning the biological parent of an employee or an individual who stood in loco parentis to an employee when the employee was a son or daughter, as defined below);
- A son or daughter (meaning a biological, adoptive or foster child, step-child, legal ward, or child of a person standing in loco parentis who is under 18 years of age or who is 18 years or older and incapable of self-care because of a mental or physical disability);
- Other person related by blood or by present or prior marriage;
- Other person who shares a relationship through a son or daughter; or
- Individuals residing jointly in the same household.

If the reason for using leave is also a qualifying reason under the federal Family and Medical Leave Act (FMLA) and the employee is in fact eligible for FMLA leave, then the Company will also deduct the leave from the employee's available FMLA leave.

Employees must provide at least 48 hours' advance notice of their intention to take leave, unless providing such notice is not practical. Employees who take leave under this policy are required to provide the Company upon request and within a reasonable period of time, with certification that the employee or the employee's family or household member is a victim of domestic or sexual violence and that the leave is for a permissible reason. An employee can satisfy this certification requirement by providing their sworn statement, along with any of the following: documentation from an employee, agent or volunteer of a victim services organization, an attorney, a member of the clergy, or a medical or other professional from whom the employee or the employee's family or household member sought assistance in addressing domestic or sexual violence and its effects; a police or court record; or other corroborating evidence.

If an unscheduled absence occurs, the Company will not take action against an employee if the employee, upon request and within a reasonable period of time, provides certification to the Company in the form of the above.

The Company will keep such documentation, including the employee's statement, and the fact that the employee has requested or obtained leave to address domestic or sexual violence, in the strictest confidence. The Company will not disclose such information unless the employee requests or consents to disclosure in writing or disclosure is otherwise required by applicable federal or state law.

During the leave, the Company will maintain any health insurance coverage being provided in the same manner as if the employee had not taken leave. Health benefits will be maintained through the leave period to the extent and under the same terms as they are maintained when the employee is not on a leave of absence.

Upon return from leave under this policy, an employee will be reinstated to the position held prior to taking leave or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment.

Reasonable Safety Accommodations

In addition to leave, the Company will provide reasonable safety accommodations for qualified employees and applicants in response to actual or threatened domestic violence, so long as the accommodation does not impose an undue hardship on the Company operations. A reasonable safety accommodation is an adjustment to a job structure, workplace facility, or work requirement, including:

- Transfer;
- Reassignment;
- Modified schedule;
- Leave;
- A changed telephone number or seating assignment;
- Installation of a lock;
- Implementation of a safety procedure; or
- Assistance in documenting domestic violence that occurs at the workplace or in work related settings.

When determining whether a safety accommodation is reasonable, the Company will consider any exigent circumstances or danger facing the employee or their family or household member.

Upon request, employees requesting a reasonable safety accommodation must provide a written statement signed by the employee or an individual acting on the employee's behalf, certifying that the reasonable safety accommodation is for an authorized purpose.

The Company will not retaliate or tolerate retaliation against an employee because the employee requests or used leave or an accommodation in accordance with this policy.

M. Crime Victim Leave

Eligible employees may take time off from work to comply with a subpoena to testify in a criminal proceeding, attend a criminal proceeding or participate in the preparation of a criminal proceeding relating to a crime.

Employees are eligible for time off under this policy if they are:

- The victim of the crime or juvenile delinquent act at issue in the proceeding;
- A member of the victim's immediate family (i.e., the victim's spouse, child, sibling, parent, grandparent or legal guardian);
- The victim's next of kin or guardian when the victim is deceased or disabled;
- The family member of a minor, incompetent or homicide victim; or
- A witness to a crime who is summoned to testify for the prosecution.

Time off under this policy will not be compensated except that exempt employees will not incur any reduction in pay for a partial week's absence for leave to appear as a witness and will otherwise be paid in compliance with applicable law. In addition, employees will not be required to use any vacation time, personal time or sick leave during the absence.

N. Witness Duty

Employees who are witnesses of a crime may take unpaid time off to testify in a criminal proceeding, attend a criminal proceeding, or participate in the preparation of a criminal proceeding.

Employees must provide the Company reasonable advance notice of the need to take time off under this policy. The Company will not discriminate or retaliate against any employee for requesting or taking leave in compliance with this Policy.

O. Voting

The Company encourages all employees to fulfill their civic responsibility and to vote in public elections. Most employees' schedules provide sufficient time to vote either before or after working hours. Employees should plan to vote prior to or following normal work hours.

P. Emergency Responder Leave

Employees who serve with any fire department for fire protection district, including any municipal, volunteer, rural or subscription fire department or organization, or any volunteer fire protection association, as a volunteer firefighter, or the Missouri-1 Disaster Medical Assistance Team, Missouri Task Force One or Urban Search and Rescue Team, or is activated to a National Disaster Response by the Federal Emergency Management Agency (FEMA), may take time off to respond to an emergency.

Time off under this policy will be without pay, except that exempt employees will be compensated as required by applicable law. Employees must make a reasonable effort to notify their supervisors that they may be absent from, or late to work in order to respond to an emergency.

In addition, employees must provide the Company with a written statement from the supervisor or acting supervisor of the volunteer fire department of the commander of Missouri-1 Disaster Medical Assistance Team, or the FEMA Supervisor, stating that the employee responded to an emergency and stating the time and date of the emergency.

Q. Civil Air Patrol Leave

Any employee who has qualified for a civil air patrol emergency service specialty or who is certified to fly counter narcotics missions will be granted a leave of absence to perform civil air patrol emergency service duty or counter narcotics missions. Such leave may not exceed 15 working days in any calendar year. The Company reserves the right to request that an employee be exempted from responding to a specific mission.

Any employee seeking leave under this policy must notify their supervisor and/or Human Resources Manager as far in advance of the leave requested as possible. This leave does not count as a loss of any regular leave or of any other rights and benefits the employee is entitled to and is separate and independent of time spent responding to a state or nationally declared emergency within the state of Missouri.

Any employee receiving leave to perform civil air patrol emergency service duty or fly counter narcotics missions will not receive pay during this leave, except that exempt employees will be compensated in accordance with applicable law.

R. Family/Medical Leave

In general, an employee who has completed at least twelve (12) months of continuous service with the Company and performed at least 1,250 hours of service in the prior 12-month period is eligible to receive an unpaid family/medical leave in accordance with the Family and Medical Leave Act of 1993 (FMLA). The following provisions apply with regard to the family/medical leave policy for employees of the Company.

- Family/medical leave may be taken only if it is made necessary due to one of the following reasons:
 1. Within 12 weeks of the birth of a child of the employee in order to care for the child.
 2. Within 12 weeks of the placement of a child with the employee in connection with adoption or foster care in order to care for the child.
 3. A serious health condition of the employee's child, parent, or spouse.
 4. A serious health condition of the employee which prevents him or her from performing the essential functions of his or her job.

- Employees will be required to use their paid vacation, personal, or sick leave for any part of the twelve (12) week period. The Company will provide only provide enough unpaid leave to total twelve (12) weeks.
- In no instance does the federal law require the Company to grant more than a total of twelve (12) weeks of unpaid leave in any consecutive twelve (12) month period.
- If an employee and his or her spouse both work for the Company, they would be eligible for a single twelve (12) week period which they can split between them; however, if they need for leave is for their own serious health condition or that of their spouse or child, each would be eligible for a total of twelve (12) weeks.
- Any leave granted to an eligible employee under this law because of a serious health condition of a family member may be taken consecutively or intermittently depending on the legitimate needs of the employee. The employee must make a reasonable effort to schedule such leave so as not to disrupt the Company's business operations.
- Any leave granted due to the birth or adoption of a child must be taken consecutively unless otherwise agreed to by the dealership and must be completed within one (1) year of the birth or adoption.
- During the leave, the employer will maintain the employee's health care coverage under the same conditions as coverage would be provided if the employee were continuously employed during the entire leave period. Both the employer and the employee will be responsible for payment of their share of the premium during the leave period.
- Eligible employees must provide reasonable prior notice to the Company when requesting a leave of absence under the law. The Company may require an employee to provide certification issued by a licensed health care provider in order to ensure that the employee meets the eligibility requirements.
- Under FMLA, the Company may deny reinstatement after a leave to an employee who is among the highest paid 10% of employees if the employer determines and can establish that substantial and grievous economic injury would result from reinstatement at that time.

The HR department is responsible for administering the FMLA policy, including processing requests, providing notices, maintaining records, and resolving disputes. The HR department will also ensure that all managers and supervisors understand their responsibilities under FMLA and this policy.

It is prohibited to interfere with an employee's exercise of FMLA rights, retaliate against an employee for exercising FMLA rights, or discriminate against an employee based on their use of FMLA leave.

S. Lactation Accommodation Policy

It is the Company's priority and responsibility to provide reasonable breaktimes and make reasonable efforts to provide an appropriate space (which cannot be a bathroom) for breastfeeding/chestfeeding employees to express milk during their work day. This includes the following lactation accommodations policy. This policy will be provided to all current employees and to all new employees at the start of their employment.

In accordance with Federal law, the Company provides reasonable accommodations for employees' pregnancy, childbirth, or related medical conditions, including accommodations for lactation. Before an employee returns from parental leave, the Company will seek to discuss with the employee what reasonable accommodations the employee may need to express breast milk at work.

The Company will not tolerate discrimination or harassment against any employee based on the request for or usage of lactation accommodations. Any discrimination, harassment, or other violations of this policy can be reported to Human Resources.

T. Religious Accommodation Policy

The Company respects the religious beliefs and practices of all employees and will make, on request, an accommodation for such observances when a reasonable accommodation is available that does not create an undue hardship on the Company's business.

Requesting a Religious Accommodation

An employee whose religious beliefs or practices conflict with his or her job, work schedule, or with the Company's policy or practice on dress or appearance, or with other aspects of employment, and who seeks a religious accommodation, must submit a written request for the accommodation to his or her immediate supervisor. The written request will include the type of religious conflict that exists and the employee's suggested accommodation.

Providing Religious Accommodation

The immediate supervisor will evaluate the request considering whether a work conflict exists due to a sincerely held religious belief or practice and whether an accommodation is available that is reasonable and that would not create an undue hardship on The Company's business. An accommodation may be a change in job, using paid leave or leave without pay, allowing an exception to the dress and appearance code that does not affect safety requirements, or for other aspects of employment. Depending on the type of conflict and suggested accommodation, the supervisor may confer with his or her manager and with the Human Resource Manager.

The supervisor and employee will meet to discuss the request and decision on accommodation. If the employee accepts the proposed religious accommodation, the immediate supervisor will implement the decision. If the employee rejects the proposed accommodation, he or she may appeal too Human Resources.

U. Military Leave

We are dedicated to making sure that our employees in the military are protected in the event they need to take any time off for military service as dictated by the federal protection in the Uniformed Services Employment and Reemployment Rights Act (or USERRA).

The employee should request a military leave of absence as soon as possible. Upon returning, they must request reemployment.

An employee taking military leave is allowed to continue their health insurance and disability coverage under the same terms and conditions as if they were still actively employed. The employee will be responsible for payment of the premium.

Employees do not accrue vacation, personal leave, or sick leave while on a military leave of absence.

Employees taking military leave, for the purposes of salary, promotions, bonuses, or raises, are considered to have been actively working continuously for the entire duration of their leave. This means that upon return, employees are eligible for any raises or promotions they would have been eligible for during their leave.

Employees are not eligible for these reemployment exceptions if they have been dishonorably discharged or if the continued employment would create an undue hardship upon the Company or be impossible to implement.

V. 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 Company matches the amount of Social Security taxes paid by each employee. Contact the local Social Security Office for details.

W. Workers' Compensation

Employees of the Company are covered by Workers' Compensation insurance which is purchased by the Company in the state in which it operates. This insurance provides compensation to an employee for lost wages caused by illness, accidental injury, or death suffered in the course of, or as a result of his or her employment with the Company in accordance with the laws of the state of Missouri.

- 1. Eligibility**
Eligibility for benefits under Workers' Compensation insurance is automatic and is effective on date of hire.
- 2. Reporting**
A report must be filed within twenty-four (24) hours of the onset of illness or injury.
- 3. Benefits**
Workers' Compensation benefits provide weekly payments based upon a statutorily specified amount of the employee's regular earnings as well as payments for medical and dealership expenses arising out of an occupational illness or injury.
- 4. Effect on Continuous Service Date**
Any time lost by an employee due to an occupational illness or injury covered by Workers' Compensation insurance will be credited as active service for all Company benefits.

The Company will comply with all state and federal laws pertaining to Workers' Occupational Diseases and Workers' Compensation.

X. Employee and Family Vehicle Purchases

Full-time employees are entitled to certain privileges on items sold by the Company after completing three (3) months of continuous service. This policy excludes limited edition or limited production vehicles. The following guidelines reflect our policy on employee vehicle purchases:

1. New and Used Vehicles

- Employee purchases from the Company will be approved by the General Manager.
- The Company does not sell wholesale vehicles to employees.
- General Manager will approve all trades.
- Purchases must be for personal use, not resale.
- Special pricing will be available to employees based on availability and model at discretion of the Company.
- The dealership may publish prices or promotional rates for employee.

2. Collision Repair, Parts and Service Discounts

- Employees will be allowed to purchase parts for their personal vehicles at cost plus 10% .
- Service on an employee's personal vehicle is available at our regular labor rate less 35%
- Discounts on vehicles, parts and service are restricted to employees and their personally owned vehicles
- No discount shall apply for insurance work (discount towards the deductible will be at the discretion of the manager)
- Immediate family members will receive a discount of cost plus 15% on parts and retail minus 25% on labor. No discounts on insurance work.
- Any discounts on non-personally owned vehicles will be at the discretion of management.
- The employee discount will apply to all Balderston Auto Group dealerships regardless of which dealership the employee is employed at.

Section 4 - Transfer of Employees and Separation from Employment

A. Transfer of Employees

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

B. Separation from Employment

An employee may be separated from employment voluntarily or involuntarily by retirement, voluntary resignation, lack of work, or termination. Usually, before an employee is terminated, he or she will be told the reason(s) and will be counseled by his or her supervisor. However, if any misconduct warranting discipline is severe enough, the supervisor has the authority to discharge the employee immediately.

The supervisor will advise Human Resources immediately of the date and reason for terminating an employee.

All Company property in the employee's possession must be returned to the supervisor upon separation from employment before the final pay check is released.

C. Voluntary Resignation

Any employee who voluntarily resigns his or her position with the Company is expected to provide the Company with advance written notice of at least two (2) weeks.

If the employee does not provide advance notice as requested, the employee will not be eligible for rehire.

D. Exit Interview

An employee planning to leave the Company may be asked to participate in an exit interview. In addition to discussing his or her decision to leave the Company with his or her immediate supervisor, a member of Human Resources may meet with the employee prior to the termination. Discussion concerning the reasons for leaving will assist the Company in evaluating the effectiveness of its personnel policies and practices. At the time of the exit interview matters relating to final pay and any other personal considerations will be arranged. Bonus plans and commissions are based on a full month worked. No partial or pro-rated bonus or commission will be paid unless approved in advance by management.

E. Pay at Time of Separation From Employment

The Company will determine if the terminating employee has any outstanding debt owed to the Company and whether the individual has in his or her possession any uniforms, tools, keys, safety equipment, manuals, vehicles, or other Company property.

Upon completion of a full accounting of the employee's and the Company's accounts (*as determined by the Company*), a final pay check for time worked (*less deductions*) will be issued to the employee on the next regular pay day in accordance with applicable federal and state law.

The Company will issue a check designated as the final payment for all services rendered. The final check will not reflect any time not actually worked.

Upon resignation or termination, the employee should contact Human Resources for possible conversion of group insurance and to address any financial issues.

Any employee terminating employment is expected to return any dealership property in his or her possession.

Section 5 - Work Policies and Regulations

A. Care of Equipment and Facilities

Employees should be concerned with the care and safe use of Company-owned equipment and facilities. Employees are expected to follow all operating instructions, safety standards and guidelines. Good housekeeping is also expected of every employee.

If any equipment, machinery, tool, vehicle, etc. appear to be damaged, defective, or in need of repair, notify the supervisor. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others.

Unsafe, destructive, careless, negligent, or improper use or operation of equipment may result in disciplinary action up to and including termination of employment.

B. Parking/Parking Lot

Adequate and convenient parking is necessary for our customers. Therefore, it is important that all Company employees park in the area designated as employee parking. Employees may park in any space that is not marked reserved. Please cooperate by not blocking any gate, door, or driveway. Do not park in the fire lanes, or handicapped. The Company assumes no responsibility for an employee's vehicle or the contents of the vehicle while on Company property. 10 mph speed limit applies to all Company property.

C. Personal Appearance/Dress Code

Every employee contributes to the dealership's overall public image during working hours. Appropriate attire enhances an employee's effectiveness in providing superior service. Each employee personally represents the dealership and is required to dress in a manner appropriate with prevailing business style.

Personal appearance, proper hygiene, and appropriate attire are important to our work practices. A neat, well-groomed appearance is important to the employee, his or her fellow workers, and to our customers. Employees are expected to report to work wearing clean clothing.

Our customers may gauge the quality of our dealership by the attention we show to personal appearance and attire. Each employee personally represents the dealership and is required to dress in an appropriate manner.

The Company's dress code policy is designed to help us all provide a consistent professional appearance to our customers and colleagues. Our appearance reflects on ourselves and the Company. The goal is to be sure that we maintain a positive appearance and not to offend customers, clients, or colleagues.

The following policy applies to all customer facing positions.

Dress Code Policy:

- Employees are expected to dress in a Company embroidered shirt, Company gear shirt or uniform shirt. This can be a polo, button down, cardigan, sweater, full or ¼ zip, blazer or jacket. T-shirts and hoodies are not allowed.
- Employees may wear jeans as long as they are free of holes, rips, bedazzled items and are not of an excessive wash or discoloration. Leggings and sweatpants are not allowed. Jeggings are allowable, but must have pockets to be considered acceptable.
- Employees may wear khakis, slacks or skirts that are knee length or longer.
- Employees must always present a clean, professional appearance. Dyed hair is acceptable as long as it is a natural hair color or hi-light (no vivid colors). Everyone is expected to be well-groomed, and wear clean clothing, free of holes, tears or other signs of wear. All clothing should be free of graphic words/designs or inappropriate images.
- Facial piercings are acceptable as long as they are small (1.75 mm for studs) or small thin hoops (8mm).
- Tattoos can be visible as long as they are free of graphic words/designs or inappropriate images.
- Employees can follow the above stated dress code policy, otherwise they must dress in business

professional attire as defined as below:

For Men:

- Business Suit
- Dress Pants with a sport coat
- Button down shirt
- Simple conservative tie
- Dress shoes should be clean and well maintained.

For Women:

- Business suit
- Professional dress, at or below the knee or dress slacks. Sleeveless or spaghetti strap dresses are not allowed. Management and Support Staff that are not on the lot and getting in and out of cars, can wear dresses or skirts that are mid-thigh.
- Blouses or button-down shirts made of heavier fabric and not low cut. Sleeveless or spaghetti strap shirts are not allowed.
- Tailored skirt and blazer combo
- Closed-toe shoes, heels should be no more than 1.5 inches.
- Management and support staff that are not on the lot and getting in and out of cars can wear open toe shoes and heels. All shoes should be clean and well-maintained.

Managers or supervisors are expected to inform employees when they are violating the dress code. Employees in violation are expected to immediately correct the issue. This may include having to leave work to change clothes.

Repeated violations or violations that have major repercussions may result in disciplinary action up to and including termination.

D. Uniforms

Service Technicians, Body Shop, and Parts Department personnel are provided with sets of uniforms which will be worn at work. Employees are responsible for a portion of the cost of cleaning their uniforms.

The cost of the uniforms is shared equally by the Company and the employee. The Employee will be charged a uniform deposit that will be deducted weekly until the full deposit is met. When the employee leaves, if they return the uniforms, the deposit will be refunded to the employee. If the uniforms are not returned, the deposit will be forfeited.

E. Smoking Policy/Chewing/Vaping

The Company is dedicated to providing a healthy, comfortable and productive work environment for our employees as well as a healthy and comfortable environment for our customers.

Smoking, vaping, chewing or use of any tobacco products is prohibited throughout the facilities. There is to be no smoking, vaping, chewing or use of any tobacco products anywhere near a customer or near any customer entrances. This same policy also applies to the usage of company and customer vehicles.

All employees share in the responsibility of adhering to and enforcing this policy. Any conflicts should be brought to the attention of Human Resources. Any employees in violation of this policy will result in disciplinary action up to and including termination of employment.

F. Personal Belongings

The Company recognizes an employee's desire to display mementos pertaining to his or her family or other personal items. While the Company can take no responsibility for the safekeeping of these items, it welcomes its employees to personalize their work areas for added comfort or pleasantness. However, several guidelines must be observed. They are as follows:

- Safety Comes First – No object can interfere with job safety as viewed by Company Management.
- Nothing can be displayed that (*in the opinion of management*) is derogatory to any person or system of beliefs.

- Objects that (*in the opinion of management*) are inappropriate or hinder work efforts will not be allowed and must be removed upon request.

G. Personal Tools

Service technicians will furnish their own tools to perform job assignments. Any service technician who does not have sufficient tools to perform work assigned will be asked by their supervisor to correct any deficiency. Any employee who fails to do so will be subject to disciplinary action including termination of employment.

The Company discourages employees from lending or borrowing tools.

Personal tools are the responsibility of each individual employee. The Company will not be responsible for personal tools that are lost, stolen, or damaged. It is recommended that each employee maintain an active inventory of his or her personal tools. The supervisor should be provided with a copy of the inventory on a regular basis.

H. Using the Telephone

Each time an employee makes or receives a telephone call he or she represents the Company. The manner in which a call is handled determines how the Company is judged by our customers. We have a limited number of telephone lines at the dealership and it is essential that we keep those lines open for calls pertaining to dealership business.

Employees should use their own phone during breaks, meal periods, or at other times with management approval when making personal calls. Employees should not use their cell phones to contact customers.

• Call Recording Policy

As part of our commitment to providing the best possible service to our clients, the Company utilizes a service intended to make an electronic recording of all telephone calls made to designated numbers. These telephone calls may be monitored by the Company.

This policy has been adopted so that the Company can use the recordings as part of the Company's "quality assurance" and "customer service" program. Such numbers may be used to track calls from prospective clients. The Company may also record outbound calls, or incoming calls to direct telephone numbers. The Company and those employees given access by the Company, which may include co-workers may review the recorded calls.

When a person (the "Caller") makes a call to the Company through designated numbers, all of these calls will be recorded and may be used for the following objectives:

- For staff training and development purposes, to assess and improve the quality of call responses, to assess and improve the responsiveness and efficiency of our services and to assess and improve the consistency and accuracy of the information we provide.
- For data collection purposes relative to the nature and quantity of inquiries received whereby the data may be used for training and development.

The content of all recordings will be held confidential. We are committed to protecting your privacy. The Company will store the recordings securely and destroy them upon expiration of the set time frame.

When the callers make a phone call to a person, the person will be automatically advised that each call is subject to recording and monitoring prior to the connection of the telephone through these designated numbers (the Recorded Call Prompt Message). The caller will not receive any such notification during the call and this policy serves as the notification of such.

I. Visitors in the Workplace

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

J. Personal Mail at the Workplace

The mail system is reserved for business purposes only. Employees will not be allowed to send or receive personal mail at the workplace. Any mail received at the dealership address is considered dealership property and may be subject to inspection.

K. Internet and Email Policy

You are responsible for using the Company provided electronic services, including our e-mail system, in a manner consistent with the dealership's commitment to the highest business and ethical standards.

1. Company access privileges

The dealership provides people with e-mail and voice mail message systems and access to interactive online services (e.g., Internet, Intranet, E-mail, etc.) for the purpose of conducting Company business. The dealership reserves the right to monitor, at any time, your e-mail, voice mail, Internet and Intranet usage.

Internet usage, Intranet usage, e-mail messages, voice mail messages and related data, that reasonably may be considered inappropriate, offensive or disruptive to any person should not be sent or retrieved (i.e., downloaded) via the dealership's e-mail, Internet, Intranet or voice mail systems. Offensive messages include, but are not limited to, comments or images that could be considered threatening or offensive to someone on the basis of his or her age, gender, sexual orientation, religious or political beliefs, national origin or disability. The use of Internet or e-mail messages must not disrupt the operation of the dealership network or the network users; it must not interfere with your productivity. In addition, no one, including system administrators, should use the Company's electronic systems to satisfy idle curiosity about the affairs of others.

Any copy of internal communications and data obtained via internal message systems or Intranet (be it hard copy or electronic) sent to anyone outside the dealership without the express approval of executive management will be considered a breach of confidentiality, and will be grounds for discipline.

Any issues of abuse or performance problems resulting from use of the Company's message systems or online access system will be addressed through our Company disciplinary process.

2. Sending and receiving messages

All messages composed, sent or retrieved via the Company's message systems, including messages unrelated to dealership business, are dealership property. The dealership has the right to retrieve and read any message composed, sent or received using Company facilities. Also be aware that information sent by e-mail or voice mail cannot be considered confidential.

Company equipment or resources should not be used to violate any law or perform any unethical business act. Examples of such violations include, but are not limited to:

- Attempting to access any organization's computer systems without authorization, (a practice known as "hacking")
- Changing data without authorization
- Sending threatening, offensive or disruptive messages or images
- Representing yourself as someone else
- Violating copyright laws
- Sending chain letters or jokes through electronic mail

3. Maintaining security

You are responsible for adhering to established security procedures, including the security of your account password, and for not bypassing security controls. You should never divulge your logon or password to anyone, including your supervisor. You will be held responsible for all use or misuse of your account and for cooperating with any reasonable security investigation conducted by the Company.

The use of unauthorized codes or passwords, or use of any other means to gain access to another's e-mail or voice mail communication is strictly prohibited. Sending a message using someone else's password or initials also is strictly prohibited.

Electronic messages or files on the Internet without encryptions are not secure. Therefore, you should not send confidential or sensitive information via the Company's access lines without express authorization. You should also not send or post Company confidential or sensitive information to any unauthorized people, inside or outside the Company.

You must have prior approval from Administration (which will be granted only on an exceptions basis) to download any executable files. For example, files with extensions such as .exe, .com, .bat, .zip. You must always virus check before downloading any data files, attachments or other information into our system or upon receipt of any attached files received with electronic mail from outside the Company. You should not directly transfer interactive files to our system, such as when participating in an Internet Relay Chat.

4. Personal access

In using any online electronic services that you access via a personal online account, do not identify yourself as a dealership employee or discuss Company customers or services. Use of Company equipment to access a personal account is prohibited.

L. Social Media

Social media can be a fun and rewarding way to share your life and opinions with family, friends and coworkers. The use of social media does also create certain risks and bring with it responsibilities. The decision to create or participate in a blog, wiki, online social network or other forms of online publishing is your decision. Below we have defined "social media" and our expectations as an employee of the Company in the use of these channels. Our objective is to establish a practical, reasonable and enforceable guideline by which our employees can conduct responsible and constructive social media communication in both work and non-work related capacities. It is our goal to promote a safe environment for employees to share subject matter to promote themselves and recognition for the use of social media for business purposes.

"Social Media" includes all means of communicating or posting information or content of any sort on the Internet, including your own or someone else's blog, personal website, social networking, etc.

As an employee, you are responsible for what you post online. Always be respectful and courteous to fellow associates, customers, members, or suppliers. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance or the performance of fellow co-workers, suppliers, customers, etc. may result in disciplinary action up to and including immediate termination. Keep in mind that you are more likely to resolve work related complaints by speaking directly with your co-workers or direct supervisor than by posting on a social media outlet. Should you choose to do so, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating.

Make sure that you are always honest and accurate when posting information and news. If you make a mistake, correct it immediately. Remember that the internet archives almost everything. Never post any information or rumors that you know to be false about any Balderston Auto Group Dealership or manufacturer, fellow associates, members, customers, people working on behalf of the Manufacturer or competitors. Inappropriate postings that may include discriminatory remarks, harassment, retaliation, and/or threats of violence or similar inappropriate/unlawful conduct will not be tolerated.

Maintain the confidentiality of the Company and Manufacturer trade secrets and proprietary information. This information may include information regarding development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications. Respect financial disclosure laws. Such online conduct may also be viewed or violate the Insider Trading Policy.

Do not create a link from your blog, website, or social media networking site to any Balderston Auto Group dealership or manufacturer website without identifying yourself as a Company employee. Express only your personal opinion. Never represent yourself as a spokesperson for the Company. If the Company is a subject of the content you are creating, be clear and open about the fact that you are an employee and these views do not represent those of the Company, fellow associates, members, customers, etc. 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 Dealership". Do not use your Company email address to register on social networks, blogs or other online tools or personal use.

The Company prohibits retaliation against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another co-worker for reporting a possible deviation from this policy or

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

M. Solicitation and Distribution of Literature

In the interest of maintaining a proper business environment and preventing interference with work and inconvenience to others, employees may not distribute literature or printed materials of any kind, sell merchandise, solicit financial contributions, or solicit for any other cause during working time. Employees who are not on working time (e.g., those on lunch hour or breaks) may not solicit employees who are on working time for any cause or distribute literature of any kind to them. Furthermore, employees may not distribute literature or printed material of any kind in working areas at any time. Nonemployees are likewise prohibited from distributing material or soliciting employees on the dealership premises at any time.

Section 6 – Drug and Alcohol-Free Workplace Policy

The Company is committed to maintaining a safe workplace free from unlawful drugs and alcohol and complies with all applicable laws including the Federal Drug-Free Workplace Act. For purposes of this policy, “unlawful drugs,” as defined by the Federal Government, means drugs such as marijuana (this includes medical marijuana and/or marijuana obtained legally under state law), cocaine, and methamphetamine, as well as prescription drugs used by a person who does not have a valid current prescription for such drug.

As a condition of continued employment, the Company prohibits you from reporting to work or performing your duties with any unlawful drugs or alcohol in your system. You are also prohibited from using, consuming, possessing, manufacturing, selling, trading, distributing, dispensing or making arrangements or offering to distribute unlawful drugs or alcohol while at work, while performing job duties, off site at training or meetings, on Company or customer property (including personal vehicles onsite), during lunch or breaks, or in Company vehicles. The Employee must notify the Company of any conviction for a drug-related offense committed in the workplace within (1) day of the conviction. Further, the Company prohibits all unlawful drug use, possession, or distribution, whether on or off duty- — drugs can stay in your system and affect work later.

This policy certifies the dealership's intent to maintain a drug-free workplace. The first section describes the prohibitions of this policy such as the manufacture, distribution, sale, possession or use of a controlled substance in the workplace.

In addition, this policy creates a Drug Awareness Program that provides information on the dangers of workplace drug use to all employees as well as information about available private and community treatment facilities. The last section of this policy lists the disciplinary actions that employees will face for any violation of the dealership's Drug-Free Workplace Policy. Finally, an employee acknowledgment must be signed and dated by each employee who receives a copy of this policy.

A. Prohibitions

The Company's Drug-Free Workplace Policy prohibits employees from engaging in any of the following activities:

1. Use, possession, manufacture, distribution, dispensation or sale of illegal drugs on dealership premises or dealership business, in dealership supplied vehicles, or during working hours
2. Unauthorized use or possession, or any manufacture, distribution, dispensation or sale of a controlled substance on Company premises or while on Company business or while in Company-supplied vehicles.
3. Storing in a locker, desk, automobile or other repository on dealership premises any controlled substance whose use is unauthorized.
4. Any possession, use, manufacture, distribution, dispensation or sale of illegal drugs off Company premises that adversely affects the individual's work performance, their own or the safety of others at work, or the dealership's regard or reputation in the community
5. Failure to adhere to the requirements of any drug treatment or counseling program in which the employee is enrolled
6. Failure to notify the dealership of any conviction under criminal drug statutes for a workplace offense within one (1) day of the conviction
7. Refusal to sign a statement to abide by the dealership's Drug-Free Workplace Policy

B. Drug and Alcohol Testing

The Company is committed to providing a safe, efficient, and productive work environment for all employees; therefore, job applicants will be required to, and current employees may from time to time be asked to provide body substance samples (such as urine and/or blood) to determine illegal use of drugs or alcohol. Any applicant who fails the drug test will not be accepted for employment unless the applicant decides on his/her own to go through a Drug and Alcohol Rehabilitation Program. The applicant may re-apply for employment after showing proof of completion and passing the drug test at that time. Any employee who refuses to submit to drug testing or fails such testing is subject to disciplinary action up to and including termination of employment.

To enforce this policy, the Company may, at any time where lawful, require as a condition of continued employment, any employee to submit to a physical examination and/or urine, breath, blood, or other type of test to determine the presence of drugs or alcohol in their system. The Company may conduct, and the employee shall be required to submit to alcohol or drug testing following an injury suffered in the course and scope of employment for which benefits may be due pursuant to Missouri's

(or any other jurisdiction's) Workers' Compensation Law. The other possible occasions for drug testing include, but are not limited to:

- A. When the Company has a reasonable suspicion that you have violated the Drug and Alcohol Policy.
- B. When you suffer or contribute to an on-the-job injury or are involved in or contribute to an accident and it's possible this policy may have been violated; or
- C. As part of any random program of testing which the Company might implement.

The Company may conduct alcohol testing when it has a reasonable suspicion that you have violated the Drug and Alcohol Policy, including accidents suggesting carelessness, disregard of safety rules or other conduct indicating a possible violation of the Drug and Alcohol Policy. Any employee who suspects another employee of drug or alcohol use, or any violation of this policy, should report it to Human Resources.

Alcoholic beverages may be available for consumption at certain business-related events, meetings and social occasions, as well as industry meetings and conferences. The purchase and/or consumption of alcohol at these events does not violate this policy. However, you may not be under the influence of alcohol such that judgment and/or job performance is impaired, offensive and/or unprofessional conduct occurs, or other Company policies are violated.

C. Medicine

An employee undergoing prescribed medical treatment with any drug which may alter their physical or mental ability must report this treatment to his or her supervisor who will determine whether a temporary change in the employee's job assignment is warranted during the period of treatment.

Although the proper use of medication is not prohibited, the abuse of prescription medication is unlawful and may subject you to disciplinary action up to and including immediate termination. Further, you should consult with a Company-designated physician, or Human Resources, if you are legitimately taking medication which you have reason to believe may affect safety or performance. This includes but is by no means limited to prescription opioid medications such as OxyContin, Percocet, Vicodin, Lortab, Codeine, Morphine, Fentanyl, and other similar medications. Any prescription medication brought into the Company or customer property (including vehicles) must be retained in its original container labeled with the original pharmacy label.

Any violation of the rules set forth in this policy will result in immediate termination of current employees. These rules include:

- 1. A confirmed positive test indicating being under the influence of alcohol or the presence of unlawfully used drugs in your system.
- 2. Refusal to submit to or cooperate with the Company in any test, search or investigation, or to execute any paperwork or consent forms necessary for examinations or tests.
- 3. Possession of, distribution of, or consumption of unlawful or abused drugs, unauthorized alcohol, or drug paraphernalia.
- 4. Tampering with, adulterating, or diluting a test sample; or
- 5. Unlawful conduct while working. Further, unlawful conduct off duty may result in discipline, up to and including immediate termination of current employees.

D. Unemployment and Workers' Compensation Benefits

Employees who refuse to submit to a test or test positive for alcohol or unlawful drugs may be disqualified for unemployment benefits. Employees who refuse to submit to a test or test positive for alcohol or unlawful drugs following a workplace injury may be disqualified for workers' compensation benefits.

If a workplace injury has occurred in conjunction with the use of alcohol or unlawful drug, workers' compensation and/or death benefits shall be reduced by fifty percent (50%). If an employee's use of alcohol or unlawful drug is the proximate cause of the injury, then workers' compensation and/or death benefit will be forfeited.

E. Drug and/or Alcohol Related Convictions

Employees must notify the Company of any criminal drug statute conviction for a violation occurring within the workplace no later than five (5) days after the conviction. Employees must also notify the Company for any driving infraction (DWI or DUI) that impacts an employee's insurability with the Company.

F. Marijuana

While some states have decriminalized marijuana for medicinal or recreational purposes, the Company is not required to allow the use of marijuana in the workplace for any reason. Marijuana and its use are strictly prohibited on Company property. Any employee who fails a drug test for marijuana may be subject to discipline, up to and including termination, unless otherwise limited by applicable law.

G. Drug Awareness Program

To assist employees and their families to understand and avoid the perils of drug abuse, the Company has developed a comprehensive Drug Awareness Program. The dealership uses this program in an educational effort to prevent and eliminate drug abuse that may affect the workplace.

The Drug Awareness Program will inform employees about:

- dangers of drug abuse in the workplace
- the dealership's Drug-Free Workplace Policy
- availability of treatment and counseling for employees who voluntarily seek such assistance
- disciplinary actions for violations of the dealership's Drug-Free Workplace Policy

Employees of the Company are our most valuable resource and, for that reason, their health and safety is our number one concern. Any drug use which imperils the health and well being of our employees or threatens our business will not be tolerated. The use of illegal drugs and abuse of other controlled substances on or off duty is inconsistent with the law abiding behavior expected of citizens. Employees who use illegal drugs or abuse other controlled substances on or off duty tend to be less productive, less reliable, and prone to greater absenteeism. This, in turn, can result in increased costs, delays and risks to the Company's business.

Drug use in the workplace puts the health and safety of the abuser and all other workers around them at increased risk. Employees have the right to work in a drug-free environment. In addition, drug abuse inflicts a terrible toll on the nation's productive resources and the health and well-being of American workers.

Early recognition and treatment of drug abuse is important for successful rehabilitation. Whenever feasible, the Company will assist employees in overcoming drug abuse by providing information on treatment opportunities and programs. However, the decision to seek diagnosis and accept treatment for drug abuse is primarily the individual employee's responsibility.

Employees with drug abuse problems should request assistance from management. The Company will treat all such requests confidentially and will refer the employee to the appropriate treatment and counseling services. Employees who voluntarily request the Company's assistance in dealing with a drug abuse problem may do so without jeopardizing their continued employment, provided they strictly adhere to the terms of their treatment and counseling program. At a minimum, these terms include the immediate cessation of any use of drugs, and participation, where required by a program, in periodic unannounced testing for a twenty-four (24) month period following enrollment in the program.

Voluntary requests for assistance from employees will not, however, prevent disciplinary action for violation of the Company's Drug-Free Workplace Policy.

The Company has instituted a zero tolerance level program. The Company is committed to maintaining a safe workplace free from the influence of drugs. All employees are hereby notified that the Company will comply with the requirements of the Drug-Free Workplace Act of 1988, and all applicable regulations issued thereunder, as well as, when applicable, any more stringent rules created by other federal agencies.

The Company's Drug Awareness Program does not create an employment contract between the employer and employee. Furthermore, the Company has the sole right to modify the policy and program at any time.

H. Disciplinary Actions

1. A violation of the Company's Drug Free Workplace Policy is subject to disciplinary action, up to and including termination of employment, at the Company's sole discretion.
2. In addition to any disciplinary action, the dealership may, in its sole discretion, refer the employee to a treatment and counseling program for drug abuse. Employees referred to such a program by the Company must immediately cease any drug use, may be subject to periodic unannounced testing for a period of twenty-four (24) months, and

must comply with all other conditions of the treatment and counseling program. The Company shall determine whether an employee it has referred for drug treatment and counseling should be temporarily reassigned to another position for safety reasons.

3. The Company will promptly terminate any employee who tests positive for drugs while undergoing treatment and counseling for drug abuse.

I. Notice to All Personnel of Disciplinary Policy

This is a formal notice of the Company's intent to take disciplinary action, up to and including termination of employment, against any employee who violates the Company's Drug-Free Workplace Policy.

The Company's Drug-Free Workplace Policy prohibits the use, sale, distribution, manufacture or possession of all controlled substances as listed in Schedules I through V of Section 202 of the Controlled Substance Act (21 U.S.C. 812).

Company policy also prohibits the performance of work or presence at any Company building, facility, equipment or work area/site while under the influence of a controlled substance.

Section 7 - Conflicts Of Interest

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

Conflicts of interest should be avoided and may include the following examples:

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

A. Personal Conduct

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 the Company's business. The highest standards of ethical conduct should always be used by employees of the dealership

Improper conduct by and between employees and/or by and between employees and business associates on dealership premises or adversely affecting dealership work will not be tolerated. Any employee demonstrating improper conduct will be subject to disciplinary action including termination of employment.

B. Confidentiality

The Company is engaged in a business which requires that a strict code of confidentiality of information be maintained. No employee will store information outside of the Company (*either in written or electronic form*) about any matter pertaining to the conduct of the Company's business. No information regarding the purchase prices of the Company shall be given to any customer, competitor, or vendor. No information regarding selling prices to one customer or vendor shall be given to another customer or vendor.

Do not discuss selling prices of products with vendors. This is delegated to senior management personnel. Likewise, conversations regarding prices, service, problems, gossip, etc. about one vendor to another is only for the discretion of senior management personnel. Lack of discretion in these matters is looked upon as a very serious matter. Any employee failing to abide by this policy will be subject to disciplinary action including immediate termination of employment.

In addition, any employee engaged in or responsible for idle gossip or dissemination of confidential information within the Company, such as personal information, financial information, etc. will be subject to disciplinary action or possible termination of employment.

C. Bribes, Kick-Backs and Other Illegal Payments

Bribes, kick-backs and other illegal payments to or from any individual with whom we conduct business (in any form and for any purpose) are prohibited.

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.

D. Accepting Gifts

Normally a gift to an individual from an outside source is considered the property of the dealership unless management makes an exception. It is the policy of the dealership that no employee shall receive any gift, excessive or unusual entertainment, loan, or other favor from any outside source (including customers and suppliers) without approval from management. Any employee who fails to abide by this policy will be subject to disciplinary action including immediate termination of employment.

Section 8 - Guidelines For Appropriate Conduct

It is the policy of the Company to expect all employees to abide by certain work rules of general conduct and performance at all times. The regulations governing employee conduct and responsibilities have been established in the best interest of the Company, its employees, and its customers.

Accordingly, a violation of these regulations constitutes misconduct on the part of the employee and appropriate disciplinary action will be initiated. **These rules are guidelines only and are not all inclusive.** Disciplinary action may include, but is not limited to, verbal reprimand, written notice, suspension from work without pay, and immediate termination of employment. Management reserves the right to terminate or discipline any employee that the Company, at its discretion, considers necessary in individual circumstances.

In the event an employee is suspended from work for disciplinary reasons, benefits will not accrue nor will benefits be recoverable during the suspension period.

A. Examples of Misconduct

The following are only examples of misconduct for which an employee may be subject to discipline and these examples do not constitute a complete list of the circumstances for which discipline will be warranted.

- Deliberately lying to customers or supervisors.
- Falsification of any records or reports pertaining to absence from work, claims pertaining to injuries occurring on Company premises, claims for any benefits provided by the Company, communications or records including personal production records.
- Giving false fire alarms, or causing false fire alarms to be given, or tampering with protection equipment.
- Restricting output, or persuading others to do so, or promoting, encouraging, agitating, engaging in or supporting suspension of work, slowdowns, or any other interruptions of production.
- Sabotage or subversive activity of any kind.
- Misuse or removal from the premises, without authorization, of any dealership property, or possession of any property removed from Company premises without proper authorization.
- Bringing, using or having in possession weapons on Company premises at any time.
- Bringing, using, having in possession, transporting, selling or promoting the use of alcohol, any intoxicant, any narcotic, any barbiturate, any amphetamine, any hallucinogen, or any other stimulating or depressing drug on Company premises at any time.
- Reporting for work under the influence of or when suffering from a hangover from alcohol, any intoxicant, any narcotic, any barbiturate, any amphetamine, any hallucinogen, or any other stimulating or depressing drug.
- Striking or manhandling another person or fighting while on Company premises at any time.
- Striking a member of management at any time in connection with any matter relating to employment.
- Theft of any property on dealership premises, or theft of Company property at any time.
- Willful abuse, or deliberate destruction of Company property, tools or equipment, or of any property on Company premises at any time.
- Gross insubordination: a willful and deliberate refusal to follow reasonable orders given by a member of management.
- Violation of the Company's Equal Employment Opportunity Policy or any policy on harassment.
- Committing an immoral or indecent act while on Company property regardless of whether the act was committed during the employee's work day.
- Altering any employee time record regardless of whether it is the employee's own time record or that of another employee.
- Intentionally entering the time record of another employee or having another employee enter his or her time record.
- Punching in more than five (5) minutes prior to the start of the employee's work day or punching out more than five (5) minutes following the conclusion of his or her work day without authorized permission.
- Conviction of any offense by a court of law which in management's judgment would make that employee undesirable for association with the Company and its other employees.

- Threatening, intimidating, coercing or interfering with any person on Company premises at any time.
- Sleeping on Company time.
- Altering, defacing or removing governmental or dealership notices and bulletins that are posted on the Company bulletin board.
- Gaining unauthorized access to Company records and files whether they are locked or otherwise.
- Handling or operating machines, tools or equipment which do not come within the employee's authority. Careless or negligent use or operation of Company tools or equipment.
- Failure to immediately report to management any injury or accident resulting from an on-the-job situation.
- Performing substandard work both in quality and quantity after having been instructed in proper procedure and technique.
- Unauthorized leave from the work area during work schedule exceeding the time allowed for scheduled break or lunch period.
- Unauthorized manufacture of products for personal use (including sale or gifts).
- Unauthorized distribution of literature in the work area or posting on, Company property.
- Distraction of other employees, or causing confusion by unnecessary shouting, catcalls, whistling or demonstration while on company property.
- Engaging in horse play, practical jokes, gambling, selling merchandise, solicitation or general loitering while on Company property.
- Having non-employees on Company property at any time without authorized permission.
- Using profane language on Company property which in management's opinion is offensive to visitors and to other employees.

As an integral member of the Company, you are expected to accept certain responsibilities, adhere to acceptable business principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times. This not only involves sincere respect for the rights and feelings of others, but also demands that both in your business and in your personal life you refrain from any behavior that might be harmful to you, your co-workers, and/or the Company, or that might be viewed unfavorably by current or potential customers or by the public at large.

Whether you are on duty or off, your conduct reflects on the Company. You are, consequently, encouraged to observe the highest standards of professionalism at all times.

The rules shown above, others which may be established from time to time, departmental rules and the procedure for disciplinary action are published to promote a general understanding of what is considered unacceptable behavior and to encourage constructive and consistent application of discipline throughout the Company. It is the Company's intent that discipline be administered in an atmosphere of correction rather than punishment. Each incident will be evaluated on an individual basis and appropriate discipline determined. That discipline may be of a lesser or greater severity than shown in the examples below, depending on the circumstances of the evaluation.

B. Disciplinary Action

There are four levels of disciplinary action:

- A. Verbal Warning = VW
 - B. Written Warning = WW
 - C. Suspension = S
 - D. Discharge = D
1. All disciplinary action must be documented by the management involved and the employee advised of any action to be taken. Next, management will sign and provide signed form to Human Resources to be placed in the employee's file.
 2. The above examples of misconduct and recommended discipline are not intended to cover every possible situation. The Company reserves the right to determine what behaviors are deemed unacceptable and are therefore subject to appropriate disciplinary action.
 3. At the time of disciplinary action, the employee will be advised in writing, of any time restrictions that may apply to the individual circumstance; e.g. when the circumstance will be re-examined, when behavior modification should be completed, etc.

The Company is committed to the safety of its employees and its property and equipment. To this end, we will utilize a safety program in our daily activities. It is necessary that the Company establish safety rules and regulations to be observed by all employees at all times.

Any employee who disregards any Company safety rule and/or regulation is subject to disciplinary action including termination of employment.

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 something less than it should be, the employee should inform their supervisor.
- 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's commitment to safety.
- Should a hazardous situation or condition exist and a decision has to be made on safety or production, safety concerns should always take precedence over production

It is 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 periodically inspect working conditions and may suspend all work activity until an unsafe condition is corrected.

The most important part of safety is **YOU**. It is **your responsibility** to abide by the safety rules. These rules are made for **your protection**. Report any personal injury **IMMEDIATELY**, however minor. Report all dangerous conditions and unsafe practices to a supervisor.

A. Safety Rules

The following is not a complete list of safety rules and those rules are not intended as a substitute for common sense

1. All employees are expected and good judgment to work with the highest regard for safety. No employee shall engage in any activity that would knowingly increase their chances of accident or injury to unacceptable levels. Also, no employee shall create a violation under Federal Occupational Safety and Health Administration (OSHA) regulations.
2. Abide by the Company Eye Protection Policy.
3. Abide by the Company Seat Belt Use Policy.
4. Personal Protective Equipment (PPE) is provided by the Company. Use of PPE is expected anytime conditions or job tasks indicate the need for its use.
5. Do not lift heavy or bulky items or push cars by yourself. All employees are expected to ask for assistance from other employees or to use mechanical lifting devices on heavy or bulky items. All employees are expected to work with the highest regard for safety in order to minimize risks in each job or task performed.
6. The use of alcohol and drugs on company property at any time is strictly prohibited. Also, employees are expressly prohibited from coming to work under the influence of alcohol or any illegal drug. Violation of this rule can lead to immediate termination.
7. Read the Material Safety Data sheets on each paint and chemical you use. Become familiar with precautions and hazards associated with each material.
8. Become familiar with all safety plans and programs, including Hazard Communication, Respiratory Protection Program and Emergency Action Plans.
9. Report any injury to your supervisor **immediately**, regardless of how minor it may seem.
10. Know the location of the fire extinguishers and how to properly use them.
11. Know the location of the First Aid kits and eye wash stations.
12. Keep floors, aisles, storage areas and work bays clear.
13. Keep all stairways completely clear of materials. Place nothing on treads.
14. Keep aisles and walkways clear of hoses, cords, material or other potential tripping hazards.
15. Keep flammable liquids in closed, approved UL containers away from ignition sources.
16. Check to ensure all electrical devices/tools are properly grounded.
17. Regularly inspect shop tools to be sure they are in good working condition. Replace or repair as needed.
18. Repair or replace broken extension cords and plug-in attachments before using.

19. Do not tamper with or remove any guards or tool rests on any grinder.
20. Ensure that guards are in place on any piece of equipment with moving parts.
21. Do not remove guards from any piece of equipment.
22. Regularly inspect hand tools for defects and replace or repair as required.
23. No employee is allowed to eat, drink or smoke in the detail shop, body shop or in *any* other location where toxic chemicals are present.
24. Technicians must not wear jewelry when working. When around moving or rotating machinery, use extreme caution when wearing long sleeves and coats. DO NOT wear loose clothing.
25. At no time will horseplay be allowed.
26. Bring unsafe actions, conditions or equipment to the attention of management ***immediately***.
27. Circuit breakers, fuse panels, mains and other electrical panels are to be kept clear at all times. At no time are materials to be placed within 3 feet.
28. All bench and pedestal grinders in the facility are to have tool resets that are adjusted to less than ½ inch from the abrasive wheel. At no time are these tool rests allowed to be loosened or removed.
29. Only employees that are familiar with vehicle lifts and have been trained in their operation are allowed to use lifts.
30. Jack stands are to be used *anytime* a vehicle is raised off the floor for repair of any portion of the vehicle.
31. Protect your feet. Wear safety shoes when working.
32. Technicians are required to connect vehicles allowed to run inside the facility for any amount of time during repairs to the vehicle exhaust system.

Service Department

1. Do not smoke around flammable or combustible materials, especially gasoline. Do not smoke while performing repairs to any portion of a vehicle's fuel system.
2. All employees are expected to keep their work bays as clean and organized as possible. Before bringing another vehicle into your bay for repair, take the time to sweep the floor and clean up any spilled liquids. Good housekeeping is crucial to safety!
3. Make sure all chemical and solvent containers are properly sealed and labeled.
4. All waste batteries are to be appropriately stored away from flammable or combustible materials. Batteries are not allowed to be left around the shop.
5. Before going home at night, all technicians will ensure that shop rags are picked up and appropriately stored.
6. Under no circumstances is an employee to go under a vehicle on a lift unless the safety latches have been engaged.
7. No employee will disable or circumvent lift safety latches ***at any time or for any reason***. To do so may result in *immediate* termination.
8. Never use gasoline to clean parts.
9. Do not smoke when changing brakes, clutches or any other components containing asbestos.
10. Use appropriate respirators and refrain from smoking when using turning brake rotors, drums, flywheels, or other friction surfaces that have been exposed to pads containing asbestos.
11. Use only approved methods for working with brake dust. Use appropriate respirators, vacuum systems and solutions as necessary. *Under no circumstances are you to ever use an air hose to remove brake dust.*
12. Do not use an incandescent trouble light while working on any portion of a vehicle's fuel system, or in any area close to gasoline.

Parts Department:

1. Stairways are to be always kept completely clear. Do not store materials on treads.
2. Keep gate on parts mezzanine loading dock always closed.
3. Keep aisles and walkways clear.
4. Do not store materials around or under circuit breaker panels.
5. Wear safety glasses when using the key cutter or other times when appropriate.
6. Store heavy items on bottoms of shelving, not on top.

B. Hazardous Materials and Wastes

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

From time to time in the normal course of their jobs, employees may handle materials which have been classified as hazardous by the standards of the Occupational Safety and Health Act (OSHA) regulations.

Hazardous materials that are received from our suppliers should be accompanied by Material Safety Data Sheets (MSDS) or labels which state the chemical ingredients of the contents, precautions to take, and what to do if exposure occurs.

The Company maintains a current file of all Material Safety Data Sheets for all material used. This file is located in the Parts Department and on the Body Shop computer and is available for review by employees at any time.

Employees will be instructed on how to control hazardous wastes and what to do if they are exposed to hazardous wastes.

If any employee suspects that the materials or wastes he or she may encounter as an employee are hazardous (*whether or not they are being created or used by the dealership*), he or she should inform the supervisor immediately.

As a Company, we are committed to not creating or disposing of hazardous wastes which will contaminate the environment. Whenever possible we will choose materials which have been judged as non-hazardous and we will properly dispose of hazardous materials if they are used. Also, we will not knowingly dump any wastes into the environment at any time.

Any employee who knowingly dumps or condones dumping of any materials or wastes without strict compliance with dealership policy or applicable laws or regulations is subject to severe discipline including termination of employment.

C. Reporting Injuries and Accidents

When any accident, injury, or illness occurs while an employee is at work, it must be reported to Human Resources immediately regardless of the nature or severity.

The Company will provide the proper forms for reporting job-related accidents, injuries and illnesses. Any employee failing to report such occurrences is subject to disciplinary action.

In the event of a vehicular accident involving a Company owned/leased vehicle or while on Company business, the employee must report all information immediately to the supervisor and/or the office. In no instance should responsibility for an accident be expressed to anyone until the proper person in the dealership has been notified and permission to make statements has been obtained.

The employee should attempt to determine if there were any witnesses to the accident and if so, obtain name(s), address(es), and telephone number(s).

D. Modified Duty/Return-To-Work

This "Modified Duty / Return-to-Work Policy" is intended to serve as a guide to management to assist employees who have sustained a work-related injury, return to gainful, productive employment as soon as possible, while adhering to temporary, physician-imposed physical restrictions. As such, the company will make reasonable efforts to provide modified duty work assignments to employees injured in the course of employment for which professional medical treatment is sought.

In the context of this policy, a "modified duty" job assignment is a temporary job assignment that conforms to the treating of the physician's-imposed limitations. The temporary job assignment may or may not be in the same classification or location as the employee's regular job. Additionally, the temporary job assignment may or may not be equivalent (in terms of weekly hours worked and/or monetary compensation received) to the employee's regular job.

At the discretion of management, all employees are eligible to return to work on a "modified duty" status, considering that the following criterion exist:

1. The injury sustained by the employee has been determined to be work-related and compensable under current workers' compensation legislation; and
2. The physical restrictions imposed by the treating physician are specific (e.g. no lifting over 50 pounds); and
3. The physical restrictions imposed by the treating physician are for a specified, temporary period (e.g. 10 days); and
4. Work-related tasks which are within the physical limitations of the treating physician are available and are within the physical and skill capacities of the injured employee, with reasonable accommodations made by the employer, the employee or both.

For every work-related injury that has the potential to involve time off work and/or physician imposed physical restrictions, the injured employee and an employer representative (both) shall inform the treating physician of the availability of modified duty work assignments. Similarly, an employer representative shall inform the workers' compensation insurance carrier of the

availability of modified duty work assignments with every reported injury that has the potential to involve time off work and/or physician-imposed physical restrictions.

Modified duty work assignments are temporary. In no way should a modified duty work assignment be perceived as permanent work activity. As such, any modified duty work assignment must be reviewed by the management of the Company and the company's workers' compensation carrier to determine if the modified duty work assignment is to be extended beyond the initial period. In the event that a modified duty work assignment is permitted to extend beyond the initial period, a similar review shall be conducted every week thereafter.

As previously noted, the Company will make reasonable efforts to provide employees with modified duty work assignments following a work-related injury for which the treating physician imposes temporary physical restrictions. As long as the assigned modified duty work does not violate the treating physician's imposed physical restrictions, the employee is expected to return to work. Refusal of a modified work duty assignment may result in the termination of workers' compensation indemnity benefits and/or the termination of employment.

E. Workplace Searches

In order to safeguard the security and property of our employees, our customers, and the dealership, and to help prevent workplace violence and/or the possession, use, and sale of illegal drugs on dealership premises, the dealership reserves the right to question employees and all other persons entering and leaving our premises, and to conduct searches for controlled substances, alcohol, firearms, weapons and company property. These searches could include, but are not limited to, any packages, parcels, purses, handbags, briefcases, lunchboxes, toolboxes, company vehicles or personal vehicles brought on company property, or any other possessions or articles carried to and from the company's property. In addition, the dealership reserves the right to search any employee's office, desk, files, locker, or any other area or article on our premises. In this connection, it should be noted that all offices, desks, files, lockers, company vehicles, etc., are the property of the dealership, and are issued for the use of employees only during their employment. Inspections may be conducted at any time at the discretion of the dealership, therefore, employees should not bring any item onto the dealership property they do not want company officials to inspect.

In conjunction with implementing this policy, the dealership has posted notices in conspicuous places throughout our facilities informing all employees, prospective employees, customers, visitors, and all other persons of the company's policy and right to question individuals and conduct inspections.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy will not be permitted to enter the premises. Employees working on, entering, or leaving the premises who refuse to cooperate in an inspection, as well as employees who after the inspection are believed to be in possession of stolen property or illegal drugs, will be subject to disciplinary action up to and including discharge if upon investigation they are found to be in violation of the dealership's security procedures or any other company rules and regulations.

F. Eye Protection Policy

The Company believes that our employees are an asset and we desire to provide a workplace that is as safe and healthful as possible.

Working with chemicals or vapors, or any potential act that may put the eyes at risk of harm. It is the policy of the Company that the wearing of Eye Protection is to protect a worker from injury to the eyes caused by flying objects (small or large).

OSHA 1910.133 States: The employer shall ensure that each affected employee uses appropriate eye or face protection when exposed to eye or face hazards from flying particles, molten metal, liquid chemicals, acids or caustic liquids, chemical gases or vapors, or potentially injurious light radiation.

Appropriate eye protection is expected to be used:

- When working with chemicals (as per manufacturer's warning).
- When using air tools.
- When using shop equipment that creates (or can create) flying particles.
- When using welding equipment.
- When using oxygen/acetylene torch sets.
- When underneath a vehicle for any amount of time or for any reason.
- When chipping, cutting or grinding.

- When using tools making metal-to-metal contact (impact).
- When using compressed air for cleaning.
- Anytime you are within close proximity to equipment or processes that create (or can create) flying particles.
- Other times that conditions warrant the use of appropriate eye protection.

All employees must always have Eye Protection with them when working in any eye or face hazard.

Regular prescription eyeglasses are not considered safety glasses. Only ANSI approved glasses are acceptable.

Failure to comply with this policy can result in disciplinary action, up to and including discharge.

Note: Per state law, any employee who suffers an eye injury while not using appropriate eye protection is subject to a 25% - 50% reduction in workers' compensation benefits.

A. Company-Owned/Leased Vehicles

All travel in Company vehicles on other than Company business must be authorized in advance by the General Manager. This includes vehicles that may be leased by the Company as well as those vehicles that are owned by the Company.

The following are specific policies related to Company owned/leased vehicles:

- Daily records must be kept for all mileage driven.
- Company owned/leased vehicles will be driven only as needed during working hours.
- Company owned/leased vehicles will be driven only for transportation to and from destinations as specified.
- Company owned/leased vehicles will not be driven for private use unless specific arrangements have been made in advance.
- Alcoholic beverages or illegal drugs or chemicals will not be allowed in a Company vehicle at any time.
- No driver who has been drinking alcoholic beverages or is under the influence of drugs or chemicals will be allowed to drive a Company owned/leased vehicle.
- No one, other than an authorized Company employee, is permitted to operate or ride in a Company owned/leased vehicle.
- Vehicles must be kept clean (interior and exterior) at all times and thoroughly washed on a regular basis.
- Vehicles must be properly maintained according to the manufacturer's schedule
- Any employee who misuses a Company owned/leased vehicle will be subject to dismissal.
- Any damage to a Company owned/leased vehicle caused by employee carelessness, neglect, or misjudgment is the responsibility of the employee. This includes insurance deductibles.

B. Demonstrator Vehicles

Demonstrator vehicles are provided to select members of management. The following provisions apply with regard to demonstrator vehicles.

- Demonstrator vehicles must always be in showroom condition.
- A demonstrator vehicle must have a minimum of one-half (1/2) of a tank of gas at all times.
- Smoking, eating or drinking is not allowed in demonstrator vehicles.
- In the event of damage, the employee assigned to the vehicle will be responsible for expenses up to the insurance deductible.

C. Driving Policy

The Company has made a commitment of safety, service, and quality to both our employees and customers. The Company insists that both our employees and non-employees operate all vehicles owned by or used by Balderston Automotive Group in a safe and economical manner. The following summarizes policy guidelines:

- Vehicles are not to be operated unless in a safe operating condition.
- Drivers must be physically and mentally able to drive safely.
- Drivers must conform to all traffic laws and allowances made for adverse weather and traffic conditions.
- Respect the rights of other drivers and pedestrians. Courtesy is contagious.
- Drivers may not use drugs or alcohol, or be under the influence of drugs or alcohol, while operating a vehicle.

1. Accidents

All accidents are to be reported to management of the Company within twenty-four (24) hours after the accident occurs. All accidents will be reviewed and a determination made as either preventable or non-preventable which result from factors outside of a driver's control. *A preventable accident is defined as an accident in which the driver failed to do everything reasonably possible to avoid it.*

2. Driver Standards

Employees who qualify as a driver may be evaluated and selected based on their driving ability and history. Motor Vehicle Records (MVRs) will be checked periodically on anyone where driving for company use is a part of their job. The

MVR will be reviewed to determine whether the driver holds a valid license and their driving record is within the parameters set by company management. MVRs that reveal the following will disqualify the driver from using vehicles for company use for the Company:

a.) Within the past 3 years:

- Three (3) or more traffic violations and/or at fault accidents for drivers age 25 and older
- Two (2) or more traffic violations and/or at fault accidents for drivers age 18 through 24
- One (1) or more traffic violation and/or at fault accidents for drivers 17 and under or-
- One or more violations or convictions of the following type of serious offenses within the past 3 years will disqualify the driver from driving vehicles for company use for the Company:
 - Driving while under the influence of alcohol or a controlled substance
 - Refusal to submit to test for alcohol or controlled substances as required (e.g., Failure to take a Chemical Test, Blood Test, or Breath Analyzer Test).
- Leaving the scene of an accident without reporting it.
- Homicide, assault, or criminal negligence resulting from the operation of a vehicle
- Using a motor vehicle to commit a felony
- Driving while license is suspended or revoked
- Reckless driving as defined by state or local law, including, but not limited to, offenses of driving a motor vehicle in a willful or wanton disregard for the safety of property or persons
- Racing
- Passing a stopped school bus
- Illegal possession, transportation or unlawful use of a controlled substance

Drivers with other violations, convictions and/or at-fault accidents within the past three years may also exceed our driver standards. Examples include, but are not limited to, distracted driving violations, cell phone violations, and seat belt violations, but do not include such non-moving violations such as weight violations, no insurance violations, administrative type violations, or improper or inadequately maintained equipment violations.

3. Distracted Driving and Mobile Devices

We deeply value the safety and well-being of all employees. Vehicle crashes are the number one cause of fatalities to dealership employees. Studies conducted by the National Highway Traffic Safety Administration (NHTSA) show that up to 85% of fatal car crashes are caused by distracted drivers, of which cell phones contribute greatly. Due to the increasing number of accidents resulting from distracted driving and the use of mobile devices, we have adopted the following policy regarding the use of cell phones by employees while operating vehicles:

At no time will employees place or receive calls while operating a motor vehicle. If you must receive or place a call, pull off the road and stop first. Better yet, allow voicemail to pick up the call and call back at a time that is more convenient.

It is our Company policy that you not engage in activities that cause you to become distracted when driving, including, but not limited to:

- Sending or reading text messages.
- Using a hand held mobile device for either outgoing or incoming calls
- Using a hands free device for either outgoing or incoming calls
- Using cell phones and other devices for social media and other forms of entertainment
- Adjusting or programming controls of audio or navigation systems
- Searching for and/or reaching for items in the vehicle
- Eating or drinking beverages
- Reading maps or other printed material

The above restrictions apply anytime the vehicle is in motion. It is our company policy that, in all circumstances, you pull the vehicle over to a safe area prior to engaging in these activities. Employees are also expected to follow all state laws regarding mobile device usage. Any violation of these mobile device state laws or the restrictions listed above may be grounds for termination.

4. Vehicle Usage

Your primary responsibility when driving a motor vehicle for our organization is driving the vehicle safely. The Company has developed the following expectations for you as a driver to help ensure company-owned vehicles and/or those used by company employees will be operated in a safe and economical manner.

- Seat belts must be worn at all times when the vehicle is in motion.
- Defects and needed repairs of any company vehicle will be reported to management so necessary repairs can be made.
- Cargo must be secured and doors locked while in route and when company vehicles are parked.
- All accidents must be reported to the manager consistent with the Company's Accident Reporting Policy.
- You, the employee, may be held responsible for damages to vehicle(s) resulting from preventable accidents as determined by the Company's accident review process. All traffic violations received will be paid by you, the employee.
- No permission may be given for any other person, including family members, to drive company vehicles. Specific permission must be obtained from company management for any personal use of a company vehicle.
- The use of radar detectors is forbidden in all vehicles owned or used by the company. Use of a radar detector will result in revoked driving privileges.
- Hitchhikers and passengers, other than company employees or authorized persons, are not permitted in company vehicles.

Company consequences for failing to follow company policy:

- Employees may be transferred to a non-driving position.
- Employees may be given warnings prior to being terminated for violation of the policy.
- Employees who violate this policy may be subject to disciplinary action.
- Employees who violate this policy may be subject to disciplinary action including termination.

D. Seat Belts

One of the largest exposures to injuries that our employees face are vehicle accidents. Each year, our workers' compensation insurance carrier pays large amounts of money for vehicle accidents, many that occur without the vehicle's occupants wearing seat belts. As such, our carrier has adopted a required seat belt usage policy for the Company. Recognizing the need for increased awareness and usage of seatbelts by our employees, in an effort to help protect our employees and provide a safe workplace, it is a general policy of the Company that seat belts be worn *anytime* an employee of the Company is in a vehicle that is moving (at any speed, for any distance.) *Specific* times that seat belts are required are outlined below:

- Parts drivers on parts routes.
- Technician test driving vehicles.
- Salespeople on demo drives.
- Any time an employee is in a dealership demonstration vehicle or customer vehicle.
- Any time an employee of the Company is in a vehicle in motion conducting Company business.

Failure to comply with this policy can result in disciplinary action, up to and including discharge.

In addition, any employee who suffers an injury while not using a seat belt as appropriate is subject to a **25%-50% reduction in workers' compensation benefits as allowed by Missouri State Law.**

E. Helmet Use

Head injury is the leading cause of death in motorcycle and all terrain vehicle accidents!!!

Each year, more than 2,200 people are killed and more than 55,000 are injured in motorcycle/ATV accidents. If these individuals had been wearing helmets, many of these deaths and disabling injuries would have been prevented as a helmet is the most effective piece of safety equipment. Helmets will not prevent accidents, but they clearly will cut down on deaths and injuries when an accident does occur.

It is the mandatory policy of the Missouri Automobile Dealers Workers Compensation Fund that all employees wear a helmet while operating or riding on a motorcycle or ATV. Employees test driving or riding on a motorcycle or ATV are required to wear a helmet even if the motorcycle or ATV does not leave the dealership premises.

Employees are also expected to use the highest degree of caution for safety for themselves and others while operating a motorcycle or ATV.

Failure to adhere to this policy can result in immediate disciplinary action, up to and including termination.

If an employee fails to adhere to this helmet policy and suffers an injury while operating a motorcycle or ATV without a helmet, a **25%-50% reduction in workers' compensation benefits will apply as allowed by Missouri State Law.**

F. Financial Responsibility

1. During an employee's employment at the Company, the Company may charge an employee for negligence resulting in loss or damage of store or customer property. The employee understands that I am/will be responsible for store and customer property during the period of time it is entrusted to the employee. The employee agrees that if the store or customer property is stolen, lost, damaged, or involved in an accident and the Company determines that this resulted from negligent or intentional acts on my part, the employee will be responsible for reimbursing the Company for an amount agreed upon for repairs up to the amount of the deductible. Negligence is defined as: failure to use reasonable care under the circumstances. In an auto accident case, failure to use reasonable care often includes but is not limited to:

- driving too fast for the weather or road conditions.
- not looking carefully for other traffic or pedestrians.
- failing to obey traffic signals, and
- being distracted by a cell phone, the radio, or a passenger.
- Failure to follow the Company Workplace Safety Policy and/or the Company Driving Policy.

2. Under the federal Fair Labor Standards Act (FLSA), employers are permitted to dock your pay for making mistakes, the employee hereby agrees that for the employee's benefit and convenience the cost will be deducted from their paycheck, charges will be computed on the basis of the company's internal cost. At least seven (7) days prior to the payday on which said deductions shall commence, the Company shall provide written notification to me of the date the deductions shall begin, the amount of each deduction, and the period of time said deductions shall be made.
3. The employee understands that nothing in this agreement precludes the Company from taking any disciplinary action it deems appropriate in its discretion or from taking other legal measures to recover amounts due in paragraph (1) above.

Section 11 - Complaint Resolution Policy

Misunderstandings or conflicts can arise in any organization. To ensure effective working relations, it is important that such matters be resolved before serious problems develop. Most incidents resolve themselves naturally; however, should a situation persist that you believe is detrimental to you or the Company, you should follow the procedure described here for bringing your complaint to management's attention.

A. Step One

Discussion of the problem with the person with whom there is a conflict should be the initial action. If this does not resolve the issue, then discussion of the problem with your immediate supervisor is encouraged as a first step. If, however, you don't believe a discussion with your supervisor is appropriate, you may proceed directly to Step Two.

B. Step Two

If your problem is not resolved after discussion with your supervisor or if you feel discussion with your supervisor is inappropriate, you are encouraged to request a meeting with your department head. In an effort to resolve the problem, the department head will consider the facts, conduct an investigation, and may also review the matter with a member of our Human Resources. You will normally receive a response regarding your problem within five (5) working days of meeting with your department head.

C. Step Three

If you are not satisfied with your department head's decision and wish to pursue the problem or complaint further, you may prepare a written summary of your concerns and request that the matter be reviewed by the Company problem-solving committee. This committee is composed of the head of Human Resources, the head of your division, and a third member of senior management from outside your division to be selected by the other two committee members.

The committee, after a full examination of the facts (which may include a review of the written summary of your statement, discussions with all individuals concerned, and a further investigation if necessary), will normally advise you of its decision within fifteen (15) working days. The decision of the committee shall be final.

The Company does not tolerate any form of retaliation against employees availing themselves of this procedure. The procedure should not be construed, however, as preventing, limiting, or delaying the Company from taking disciplinary action against any individual, up to and including termination, in circumstances (such as those involving problems of overall performance, conduct, attitude, or demeanor) where the Company deems disciplinary action appropriate.

Employee Acknowledgement

Company Operational Policies:

1. All of our employees must be honest and completely above reproach in everything we do with all our customers, vendors and business partners.
2. As an operational policy, our collision center will not under any circumstances, repair salvage, flood, branded title or severely damaged vehicles that have been declared total losses for resale to our customers.
3. As an operational policy, we will not knowingly purchase salvage, flood, branded title or severely damaged vehicles that have been previously declared a total loss at any auction. Should a retail customer trade in such a vehicle as part of their sales transaction, our policy shall be that it will be wholesaled without being made available for retail resale at our Company.
4. We will run a Carfax or similar vehicle history report on every vehicle we take in trade prior to completion of be transaction, or upon purchase from an auction prior to resale.
5. All known damage shall be noted on the vehicle appraisal and damage disclosure form at the time the vehicle is accepted in trade. Each customer will sign both documents prior to the completion of the sales transaction.
6. All known damages from previous customer trade-ins and auction vehicles shall be clearly disclosed to the purchasing customer on the sales-buyers order at the time of the sale.
7. Any Company employee noting the possibility of prior damage on vehicles intended for resale, which has not been previously identified, shall report their observations to the sales desk immediately.
8. Vehicles intended for re-sale to retail customers shall not be purchased from independent wholesalers when the history of the vehicle cannot be determined.
9. No employee shall sell or attempt to sell a vehicle previously designated as “wholesale” on the used vehicle bid slip to a retail customer without the express advance authorization of the owners or General Manager, and then only after said vehicle passes our internal used vehicle inspection and has a completed Missouri State Inspection. (MVI)
10. Every vehicle intended for resale to a retail customer shall undergo a mechanical used vehicle inspection and a Missouri State Inspection (MVI). Any observed prior vehicle damage shall be reported along with the relevant inspection forms to the sales desk immediately.
11. Every employee shall follow faithfully the Privacy Act requirements and obtain authorization signatures from customers prior to running credit reports or accepting any other information defined as “private” under the Gramm-Leach-Bliley Act (the employee acknowledges that the customer has received a copy of this low forthier review.) Phone applicants will be read the required disclosure, and after the customer concurs, a copy of the disclosure form will be mailed to the customer the same day, with the original remaining as part of the deal jacket for future review.
12. All employees will comply with all aspects of the Truth in Lending/Fair Credit Reporting Acts (the employee acknowledges that he/she has received a copy of this law for their review.)
13. Documents requested from customers that are required by lenders to obtain credit (stipulations) shall be original in form and retained in the deal jacket.
14. Any expenses relating to undisclosed damage or repairs required for undisclosed damage shall be charged back to the dealer and employees involved to the full extent of the commission or bonus.

Employee's Signature

Acknowledgement of Receipt and Understanding of Information Handbook

I acknowledge, understand, and/or agree that:

- The statements contained in the Information Handbook for Employees of the Company are intended to serve as general information concerning the Company and its existing policies, procedures, practices of employment and employee benefits.
- Nothing contained in the Information Handbook for Employees of the Company is intended to create (nor shall be construed as creating) a contract of employment (express or implied) or guarantee employment for a definite or indefinite term.
- From time-to-time the Company may need to clarify, amend and/or supplement the information contained in the Information Handbook for Employees of the Company and that the Company will inform me when changes occur.
- I have read and understand the information outlined in the Handbook for Employees of the Company, have asked any questions I may have concerning its contents and will comply with all policies and procedures to the best of my ability.
- The Information Handbook for Employees is the property of the Company and must be returned upon request or at the time of separation from employment.

Employee Signature