Team Member Handbook

Contents

This handbook is intended to govern the employment of people employed at all Company Dealerships and Automotive Related Operations, including management at all levels. Please see separate Handbook for Kelley Employees Outside of Automotive Operations. Persons employed by Company working outside of Automotive Operations are exempt from this handbook.

Company (The "Company")

The Company's number one personnel goal continues to be to promote a spirit of cooperation that produces success for all. This policy and procedures handbook illustrates the Company's steadfast commitment to promoting open and ongoing communication with every team member. This Handbook has been prepared to serve as a guideline for team leaders in conducting Company policies, and for team members to understand Company policies. This Handbook also outlines the general benefits offered to each team member. The terms "team member" and "employee" are used interchangeably throughout this handbook.

Our team member policies and benefit programs are constantly under review and may be changed from time to time. We welcome team member comments. However, the Company reserves the right, in its sole discretion, to modify, without prior notice, any of the personnel policies or benefits described in this handbook and you will be notified of such changes as soon thereafter as practicable. The Company reserves the right to add to, delete, revoke, deviate from, or modify the policies and procedures in this Handbook at any time. The policies and procedures reflected in this Handbook completely replace and supersede any prior practices, policies, and procedures.

Please note that none of the policies or benefits described in this handbook are intended by reason of their publication to confer any special rights, privileges, or contractual rights or obligations upon specific individuals, or entitle any person to any fixed term or condition of employment. It is expressly understood that employment is for no fixed period of time and that it may be terminated by the team member or the Company at will. Rather, the policies and procedures described constitute guidelines by which the Company may conduct its business.

All decisions of the Company concerning these policies and procedures are made at the sole discretion of the Company.

General Employment Policies

It is our policy to employ people who are the best qualified, able, and willing to do the work required. The Company provides training, advancement for deserving team members, wages comparable to those prevailing in the area, and working relationships free from bias and discrimination. It is also our policy to make all employment decisions fairly, and without regard to any classification protected by applicable equal opportunity laws.

Customer Relations

Our customers deserve exceptional treatment! The Company is committed to continuing to provide individualized service and professionalism that go beyond the normal everyday "acceptable" treatment which our customers have learned to expect.

The Company proudly meets these customer expectations through an atmosphere of quality which is created directly by each team member's attitude, courtesy, common sense, and thoroughness. Every team member deals with our customers either directly or indirectly. Every job affects and reflects the quality of our Company's services and customer relations. Team members must always convey our excellence in attitude and service which draws customers back to the Company.

Team members who work in our public contact areas must strive to greet customers by name and to greet everyone with a cheerful demeanor. Team members who do not know the answer to a question must strive to find the answer for the customer or put the customer in contact with someone who can provide an answer. All team members contribute to providing the exceptional treatment of our customers.

Our Company Image

The Company enjoys a well-respected position and acceptance within the business community. We expect our team members to project the highest standards of truth, honesty, and respectability when dealing with each other, our customers, vendors and any third party affiliated with the Company. When you become a team member of the Company you assume that responsibility.

The Company further expects all team members to exercise the highest standard of excellence in the performance of their duties.

All team members have an obligation to avoid any business interests, relationships or improprieties which might adversely affect the performance of any service they perform for others on behalf of the Company.

Code of Ethics

Company subscribes to the following principles and standards. Implicit in our Code of Ethics is the requirement that we comply fully with all federal, state, and local law governing our business.

We pledge to:

- Operate this business in accord with the highest standard of ethical conduct.
- Treat each customer in a fair, open, and honest manner and prohibit discrimination of any kind.
- Meet the transportation needs of our customers in a knowledgeable and professional manner.
- Represent our products clearly and factually, standing fully behind our warranties, direct and implied, and in all other ways justifying the customer's respect and confidence.
- Advertise our products in a positive, factual, and informative manner,
- Detail all charges to assist our customers in understanding repair work and provide written estimates of any service work to be performed, upon request, or as required by law.
- Resolve customer concerns promptly and courteously.
- Put our promises in writing and stand behind them.

A complete version of the Kelley Code of Business Ethics can be found on the Kelley Intranet page. All Employees are required to review and follow the Code.

Integrity Statement

Integrity is the quality or state where people hold themselves to a high moral standard. It's the idea that you'll still behave honestly even if no one is watching you. The Company has committed itself to operating with integrity and has set forth that commitment in its Mission Statement, Team Member Handbook and Code of Business Ethics. Our culture and reputation depend upon adherence to these policies and values while we perform our work duties for our customers. The purpose of this statement is for everyone who works at the Company to understand the Company's commitment to fostering a workplace and workforce that behaves with integrity. Examples of the expected behaviors are as follows:

To perform their work with the highest degree of integrity.
To commit to truthfulness, reliability, and responsibility, by which we all strive to earn respect.
To support the development of good character.
To conduct their work transparently so that any person who would audit their work would find it beyond reproach.
For each employee to hold themselves accountable for their own success.
To operate in a manner guided by a desire for fairness, without prejudice or favoritism.
To never offer or accept bribes.
To adhere to all laws, rules, and compliance mechanisms when they conduct their work.

Team Member Information Update

Team members must immediately notify the Company of any changes in the following personal information:

- Street address
- Email Address
- Home and/or cell phone numbers
- Name change
- Insurance/401k beneficiary
- Emergency contact information
- Driver's license restrictions or change of any kind (a copy of any new or renewed license must be provided to HR)
- Arrests or convictions for the violation of any law

If the team member accepts Company benefits that cover dependents, the team member must notify the Company of any change in the status of said dependents as soon as possible, but no later than 30 days from the change. These status changes include, but are not limited to birth, death, marriage, divorce, or change in spouse's employment.

Kelley Employee Intranet

All Company computers are set to have their homepage open to the Kelley One Stop Intranet Site. Employees will find helpful information here, including news items, and links to commonly used sites.

Employees can also access this handbook, send a help request ticket to IT, or make anonymous suggestions via the Intranet page. Supervisors can access commonly used HR documents from the "Supervisor Drive" linked on the Intranet.

Anonymous Suggestion Boxes

The Company encourages employees to communicate their concerns and opinions, by any method they prefer. One method available for such communications is the Anonymous Suggestion Boxes located in each dealership's breakroom. These are just one method that may be utilized to bring to management's attention any item of concern, or suggestions for change in policy or procedures. These boxes are locked and are checked once a month by HR. There is also a link on the Employee Intranet page to submit suggestions anonymously via your computer.

Performance Reviews

A team member's work performance will continually be evaluated. These evaluations determine your employment status with the Company. Your team leader will periodically review the evaluations of your performance with you. Team members are expected and required to cooperate and fully participate in this periodic review process. General areas which will be reviewed include, but are not limited to:

- attendance and punctuality
- customer relations
- promptness in completion of tasks
- job understanding and general job performance.
- productivity, dependability, and cooperation
- adherence to the policies, procedures and expectations set forth in this Handbook and all other Company provided or published guidelines.

In addition to the continual evaluations, team leaders will make every effort to review team member's work performance on an annual basis in a written performance evaluation. Team members will be reviewed at a time selected by their team leader. If you have not had a written performance evaluation with your team leader within a 12-month period, you should contact your team leader and request a review at the earliest mutually agreed upon time.

Attendance and Working Hours

The schedule of working hours a team member will work will be furnished by the department team leader. These hours are subject to change from time to time to accommodate the needs of the Company and its customers. Permanent schedules are also at the discretion of the department manager and may be changed at any time.

Regular attendance and punctuality are a must as they directly contribute to the efficiency and smooth operation of the Company. Team members must have a good attendance record and be on time for work. Team members who show a lack of regard for these attendance expectations will be subject to disciplinary action up to and including termination.

Simply having PTO to apply to absences does not excuse irregular and poor attendance. Employees with PTO may still be disciplined or terminated for poor attendance and punctuality. An employee with PTO hours available, but who fails to follow the proper call-in procedure or who repeatedly takes unscheduled PTO, may also be denied PTO and required to take time off as unpaid.

When illness or other reasons make it necessary for a team member to be absent or late, or to leave early, the team member is expected to promptly report the absence or tardiness to his/her team leader – preferably before the start of the team member's scheduled work shift. A team member's failure to report an absence or tardiness as soon as is practicable will result in disciplinary action up to and including termination. Illness, even with a doctor's note, does not in any way alter an employee's duty to promptly report absences, tardiness, or the need to leave early. See further information about attendance below in Unscheduled Time Off or Unscheduled Use of PTO.

Failure to report to work or call in prior to your shift will be deemed a no-call/no-show and will subject an employee to immediate termination. Team members must call in prior to ***each shift*** if they are absent more than one day. Failure to do so will be deemed a no call/no show and will subject the employee to progressive discipline, up to and including termination.

Employee Status

Full-time status for the purposes of receiving an offer for medical insurance is defined by the Affordable Care Act (ACA) as anyone who works 30 or more hours per week. Company recognizes and follows this but requires employees to work greater than 35 hours per week for additional full-time benefits. Exceptions to this must be approved by management.

Lunch and Informal Breaks

All full-time team members are expected to clock in and out for a lunch break during regular working hours. The time for any breaks, including the lunch break, will be determined by your team leader. No team member is permitted to work through scheduled breaks without prior approval of management. An employee must clock out for any break that takes him/her away from his or her workstation.

Overtime

No team member eligible for overtime compensation is permitted to work in excess of 40 hours per week without prior approval of management. Any such team member who works in excess of 40 hours per week without management approval will be disciplined up to and including termination.

Attendance Reporting

All team members are required to personally and carefully record their timecard entries and are expected to do so via the Paycom phone app or Paycom desktop website. Team members are expected to be punctual and regular in attendance. Remember, our customers depend upon you.

Recording another person's time via the use of their password is prohibited under any circumstances and is cause for immediate termination.

Should you forget to record your time, adjustments to your time sheet must be requested though the Paycom phone app or the Paycom desktop website *as soon as you notice the error*. Every employee is responsible for his or her own time sheet and should have all missing punches or needed edits properly requested via Paycom *before* payroll processing day. Payroll is processed every other Monday morning on the Monday prior to the bi-weekly pay date.

Information Security Policy

Company has a responsibility to its customers to protect the non-public information they provide to the Company. Company endeavors to protect all information we receive from our customers to the best of its ability. All employees must also strive to protect customer information, regardless of where it is stored or in what form it exists. It is your responsibility to ensure that customer information you receive while working at the Company is always kept confidential and secure.

Team members will not intentionally share or disclose, or cause to be shared or disclosed, any customer information to any person or entity. Further, team members will not intentionally view or access, or cause to be viewed or accessed, any customer information.

Team members will not remove from The Company's place of business any Customer Information. Any attempt to remove Customer Information by current or former employees can result in disciplinary action and/or legal action, including prosecution for conversion or theft.

Team member's failure to safeguard Customer Information, whether intentional or unintentional, will be subject to disciplinary action. This disciplinary action may include termination of employment, or any other disciplinary measures deemed necessary.

Computer, Tablet, Mobile Device and Communications Systems Policies

The Purpose of this Policy is as follows:

1) to inform employees that they should have no expectation of privacy in information or data stored or placed within any Company provided computer, smart television, network, tablet, mobile device, phone system, application, internet access, or other communication or data storage system. (Hereinafter referred to collectively as Company's systems),
2) to prevent misuse of Company systems for illegal or unethical activities which would legally jeopardize the company or its customers, vendors, or other employees,
3) to prevent the disclosure of confidential customer or employee information or Company trade secrets,
4) to prevent employees from using these tools for excessive personal activities to the detriment of their work performance. Personal use is not banned on Company computers, tablets, mobile devices, or phones but should be limited during working hours, and
5) to inform employees of their duty to protect Company's systems from harm and the consequences for failing to do so.

Any violation of the Company's Computer, Tablet, Mobile Device and Communications Systems Policy will result in disciplinary action up to and including termination.

OWNERSHIP OF COMPANY'S SYSTEMS

Company's systems are Company's property and are provided to employees to be used for business purposes during working hours. All data files, email messages, and other information contained in Company's systems belong to Company. Use of Company's systems constitutes acceptance of this policy and its requirements.

PRIVACY

Company has various business, legal and ethical obligations to protect its Customer Information, employee information, reputation, and confidential business information, including trade secrets. To fulfill its obligations, Company must monitor its systems at all times. Therefore, employees have no presumption of privacy in their use of Company's systems. Company reserves the right to monitor, access, retrieve, read, and disclose all communications, files, and information contained in

Company’s systems at any time. In addition, Company reserves the right to engage in automated monitoring of communications, including Internet connections, to fulfill its business, legal and ethical duties. By using Company’s systems, a user consents to monitoring and disclosure of his/her communications and use.

EMPLOYEE USE

Employees are encouraged to make maximum use of Company’s systems in the daily conduct of their work. Company has invested heavily in those systems with the expectation that they will be used effectively to improve employee productivity and quality of work and enhance Company to better serve its customers.

Employees may be asked or required to utilize and provide their own cellular phone, home computer and internet service for work purposes. Cellular phones should be advanced enough to utilize certain applications such as Microsoft Outlook, Jive, Paycom etc. All Company business conducted, and customer information received or shared via a work related Virtual Private Network, or company provided applications onto personal devices remains subject to the Information Security Policy. Company.

PERSONAL USE

Company’s systems are provided to employees for the normal execution of job responsibilities. Any incidental personal use of Company’s systems should be limited during working hours and should never interfere with the employee’s work performance and is subject to all Company policies, including progressive discipline.

Company goes to great lengths to safeguard its computer systems and network from cyberattacks. However, no system is full proof, and employees should be aware that any personal use of Company’s systems may impact the security of their own personal information, personal passwords, accounts etc. Employee should avoid signing into personal accounts on Company systems to prevent such risks. Employees who choose to sign into personal accounts or enter personal information on Company systems are assuming the risk of such breaches.

USE OF EMAIL, VOICE MAIL AND OTHER COMPANY PROVIDED COMMUNICATION APPLICATIONS

Company-provided electronic mail, telephone voice mail, and communications applications are efficient and valuable business tools. Their content is also property of the organization. In short, as with all systems, neither of these systems are confidential to the employee. If an employee receives a message that is not addressed to him/her, he/she is not authorized to read or use information contained in that message.

Company reserves the right to access and read any and all information contained in Company systems, including computers, Company provided applications, computer files, email messages, or voice messages. Employees should have no expectation of privacy with regard to these communications. Employees will be in violation of the organization’s discrimination and harassment policy if they send, receive, or access discriminatory, harassing, or otherwise illegal messages, emails or voice mails.

Remember that even when an email, message or voice message has been deleted from a location, it may be still possible to retrieve and read that message.

PASSWORD SECURITY

Company’s systems, including its computer and network systems, and the data on those systems, are critical to the conduct of Company’s business. Security of those systems and data is the responsibility of all employees. Therefore, employees should not disclose anyone’s password (including their own) or enable unauthorized third parties to have access to or use Company’s systems, or in any way jeopardize the security of Company’s systems.

SOFTWARE

Only licensed software may be used on Company’s systems. Company purchases and licenses the use of computer software for business purposes from a variety of vendors and developers. Company does not own this software or its related documentation, and, unless authorized by the software vendor or developer, does not have the right to reproduce either the software or its documentation. All software must be used only in accordance with the software license agreement. Employees must not make, acquire, or use unauthorized copies of the computer software in connection with their employment at Company or their use of Company’s systems, including Company’s files and data. Software and data files that are unrelated to Company’s business may not be placed on Company’s systems. Company has installed anti-virus software on its computer systems, which should be operated on all computers at all times. The anti-virus software should detect any virus from data files and/or programs, which are downloaded onto the computer system; however, users should report any suspected virus.

IPAD OR OTHER TABLET/MOBILE DEVICES

The use of a Company owned iPad or other tablet/mobile device is required for certain positions and such a device may be issued to an employee by the Company. The employee is responsible for the safety and security of the device at all times. When not being used by the employee, the device must be locked in a secured location. In addition to all other computer policies, at no time is an application, other than those required for work-related purposes, ever permitted to be installed on the device.

Company reserves the right to charge any employee up to $500 for the replacement of the device issued to the employee due it being lost, stolen, or damaged due to negligence.

Team members will not remove from The Company's place of business any Company iPad, Tablet or Mobile Device without authorization from management. Any unauthorized attempt to remove any Company iPad, Tablet or Mobile Device by current or former employees can result in disciplinary action and/or legal action, including prosecution for conversion or theft.

MISUSE OF COMPANY'S SYSTEMS FOR ILLEGAL PURPOSES

Company strives to maintain a workplace free from harassment and sensitive to the diversity of its employees. Therefore, Company prohibits the use of Company's systems in ways that interfere with a co-worker's ability to work, are legally offensive or harmful to others. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment of others. Any misuse of Company's systems will result in a written warning along with disciplinary action up to and including termination.

REMOVAL OR DAMAGE TO COMPANY'S SYSTEMS

Team members will not remove from The Company's place of business any Company Computer or other system information without authorization from management. Any unauthorized attempt to remove Company Computer or other system information by current or former employees can result in disciplinary action and/or legal action, including prosecution for conversion or theft.

Team members will not corrupt, delete, damage, alter, or attempt to alter any Company system, or allow third parties access to do the same. Such actions will result in disciplinary action and/or legal action, including prosecution.

Social Media Policy

The Company encourages employees to participate in social media endeavors. By doing so, our organization becomes more visible. The following guidelines are intended to help employees and/or contractors appropriately represent Company in social media outlets including, but not limited to: X, YouTube, Facebook, Instagram, Snapchat, Tik Tok, Pinterest, MySpace, SlideShare, Flickr, and/or any public blog.

Please read these guidelines closely and contact Human Resources if you have any questions. *If you are unsure about a post, speak with Human Resources first.*

GUIDELINES

- Internet postings should not disclose any information that contains confidential or unauthorized customer or vendor information, or Company trade secrets.
- Employees should neither claim nor imply that they are speaking on the Company's behalf. **Write in the first person.** Where your connection to The Company is apparent, make it clear that you are speaking for yourself and not on behalf of The Company. In those circumstances, you may want to include this disclaimer: "The views expressed on this [blog; website] are my own and do not reflect the views of my employer." Consider adding this language in an "About me" section of your blog or social networking profile.
- You are allowed, under limited circumstances to post Kelley products or services for sale. If you are posting products or services for marketing and sale, you **must** receive prior approval from the Vice President of Human Resources and Compliance or your Sales manager. In addition, the product or service **must** be displayed in the proper Company-approved format. You **mus**t include the following statement relative to any product or service posting at the beginning of the posting:

The below product or service is posted with the permission of the Company. The individual posting the below items has no authority to bind the Company for any business or legal purpose. Please confirm all pricing by contacting an individual at the Company during regular business hours.

- Respect copyright. Do not post any images or other content from another source unless you are sure it is in the public domain or that the owner has granted permission. Check website terms of service to see if the site has rules about when you may reproduce content. Postings should not include Company logos or trademarks unless permission is asked for and granted.
- Abide by laws and regulations in the country, state, and local jurisdictions, including rules regarding defamation, libel, and slander.
- Use a personal email address (not your work address) as your primary means of identification. Just as you would not use The Company stationery for a letter to the editor with your personal views, do not use your Company e-mail address for personal views.
- Ensure that your blogging and social networking activity does not interfere with your work performance.

Policy on Publishing Customer Name/Photo on Social Media or Other Medium

Company and its employees must keep all Non-Public Information we receive confidential. A customer's business relationship with Company is Non-Public Information that must be kept confidential unless the customer consents to its release.

On an employee's personal social media, website or other personal site the following rules apply:

- If an employee of Company wishes to publish, in any format, the fact that a customer has done business with Company, the employee must ask and receive affirmative consent from the customer.
- If an employee intends to publish the customer's name or likeness (photo) on social media, the employee must inform the customer what will be published, where it will be published, and ask explicitly for the customer's consent to publish.
- A customer agreeing to have a photo taken should NOT be considered consent for publication-the first two bullet points must be specifically followed.

On any Kelley social media or other Company controlled publishing medium the following rules apply:

- If Company wishes to publish, in any format, the fact that a customer has done business with the Company, Kelley must ask and receive affirmative consent from the customer.
- A signed written consent for publication must be signed by the customer prior to any publication.

Any delay or failure to follow this policy can result in liability to the individual employee and/or the Company. Discipline also will be utilized for employees and/or supervisors involved.

General Team Member Conduct

All team members are expected to conduct themselves in keeping with the Company goals, reflecting the highest standards of truth, honesty, and respectability. Failure to behave in a manner consistent with these goals will subject team members to disciplinary action up to and including immediate termination. Examples of some of the types of conduct which are prohibited include the following:

1. Dishonesty or fraud of any kind, including any deliberate falsification or misrepresentation, misleading or incorrect information in connection with the preparation of customer documents or Company records, including an application for employment.

2. Stealing, sabotage, willful damage, abuse or destruction of Company, customer or team member property, tools, or equipment, or failure to report any of the above.

3. Removal from Company premises of any Company property or the property of others, without proper authorization.

4. Possession or consumption of intoxicating substances, beverages, or illegal drugs on Company property.

5. Operating a vehicle of any type while under the influence of an intoxicating substance, beverage, or illegal drugs.

6. Threatening, intimidating, or assaulting a manager/supervisor, coworker, customer, or vendor, or engaging in any conduct which is in violation of the rights of others.

7. Making any statements or engaging in any actions that are in violation of Company's Anti-discrimination and Anti-harassment policies.

8. Illegal or indecent conduct.

9. Sleeping or appearing to sleep during assigned working hours.

10. Engaging in fraud by accepting other employment while on an authorized leave of absence for illness or debilitating injury.

11. Possession of a weapon by team members inside any Company building or property is strictly prohibited. A "weapon" shall be defined as any firearm or other instruments of violence. Employees may keep legally issued firearms in their vehicle on Company property. The employee vehicle must be locked at all times if it contains a firearm.

12. Reporting to work under the influence of intoxicating substances, beverages, or illegal drugs.

13. Carelessness or recklessness causing damage to, defacement or destruction of building, equipment or other Company property, or the property of others.

14. Excessive and/or unauthorized absenteeism, tardiness or early quits.

15. Damaging or defacing bulletin boards, walls, equipment, or other company property, or altering or removing notices there from.

16. Failure to observe department work-hour schedule, starting time, quitting time, rest, and meal periods.

17. Willful carelessness in the performance of work duties or the unreasonable refusal to perform work duties.

18. Rudeness or unprofessional behavior toward a customer, vendor or any third-party having contact with the Company.

19. Unauthorized use of Company materials, vehicles, or equipment.

20. Violation of Company safety rules.

21. Any act which might endanger the safety or lives of others or interferes with the proper completion of work by the Company or by other team members.

22. Failure to report any injury to team leader immediately upon its occurrence.

23. Unauthorized presence by employee or employee's guest on Company property.

24. Bringing non-team members on Company property during team member working hours without proper authority.

25. Gambling on Company property.

26. Violation of other work rules, Code of Business Ethics, regulations, orders, or laws.

27. Allowing others or inviting others to bring intoxicating substances or illicit drugs onto Company property or in a Company vehicle.

28. Failure of team member to improve behavior as requested by a team leader.

29. Failing to maintain required certifications or licenses necessary to conduct your job duties.

30. Failing to report any incident or situation that may jeopardize your ability or qualifications to conduct your job duties.

31. Engaging in behavior that could be deemed dangerous to oneself or others.

32. Misrepresenting your qualifications or certifications at any time.

33. Distribution of inappropriate or unauthorized materials on Company property during worktime.

34. Failure to cease a behavior as requested by supervisor.

35. Operating any vehicle on Company property or adjacent streets to the property in a reckless manner.

The above code of work rules is not meant to be exhaustive but is simply illustrative of the kinds of misconduct which cannot be tolerated in the workplace.

Progressive Discipline

The Company engages in Progressive Discipline, with the goal of correcting inappropriate behavior or poor performance through counseling and escalating levels of discipline. The Company, however, reserves the right to skip any step in the Progressive Discipline process when it is in the best interest of its business and for the good of its remaining team members. Termination of employment may result if Progressive Discipline does not correct the issue.

Progressive Discipline is a management technique and should in no way be viewed as conveying any rights of employment or due process to the team members of the Company.

Drugs, Narcotics, and Alcohol

The Company recognizes the growing problem of drug and alcohol abuse in society, while also realizing that drug and alcohol dependency can be treated and controlled. The Company desires to provide a safe work environment for all team members. To this end, the purpose of this policy is to provide a work environment that is free of illegal drugs and alcohol. **The below policy is not exhaustive and only supplemental to any additional requirements deemed necessary by the industry in which the employee performs his or her duties, or by the Company to which the employee is contracted for work.**

GENERAL PROVISIONS

A. Use, Sale, and Possession

In keeping with the Company's objective of a drug and alcohol-free workplace, team members will be subject to disciplinary action up to and including termination for violations of the following rules:

1. Using, selling, or possessing illegal narcotics, drugs, or controlled substances (including, but not limited to, marijuana, cocaine, crack, PCP, heroin, LSD, amphetamines, and barbiturates) while on the job or on Company-owned or leased property (including vehicles). In addition, any illegal substances will be turned over to the appropriate law enforcement agency and may result in criminal prosecution.

2. Bringing or consuming alcohol or other intoxicating substance on any Company owned or leased property (including vehicles).

3. Working while under the influence of alcohol or with a detectable level of prohibited drugs, intoxicating substance, or alcohol in one's system. Prohibited drugs include both illegal substances, legal, but intoxicating substances, and prescription drugs that have not been specifically prescribed by a registered physician for

specific treatment purposes for the team member or were prescribed but are being used in a manner that causes impairment or intoxication. Team members are required to report to work in a condition that allows them to perform their duties. Team members who appear to be unfit for work may be subject to a drug test and/or a fitness-for-duty examination at a designated medical facility.

4. Operating a Company owned vehicle while under the influence of alcohol, illegal drugs, or other intoxicating substance.

5. Allowing or inviting any individual to bring illicit drugs onto Company property or into a Company owned vehicle.

B. Searches

The Company does not intend to authorize indiscriminate searches of team member lockers, desks, vehicles, or personal effects such as purses and lunch boxes, but the Company reserves the right to authorize searches for illegal drugs, alcohol, stolen property or contraband, if legally warranted.

C. Use of Prescription Medicine

Team members who are undergoing prescribed medical treatment using prescription or over-the-counter drugs are responsible for being aware of any potential effects such drugs may have on their judgment and ability to safely perform their duties and to report such use to Human Resources. This information will be handled on a confidential basis. Failure of a team member to report medical treatment or drug use which impacts an employee's ability to safely perform their job may subject the team member to disciplinary action, up to and including termination.

D. Substance Testing

The drug testing methods approved by the Company are urinalysis and evidential breath testing devices. To support the objective of providing a drug and alcohol-free workplace, testing for chemical substances is required under the following circumstances:

1. After a work-related accident, with or without physical injury, where an impairment of judgment, coordination, or physical or mental ability due to drug or alcohol use could have caused or contributed to the accident, testing may be required.
2. On an unannounced and random basis for team members who have previously tested positive for drugs or alcohol while employed within the Company. Team members who are to be tested will be notified and the testing procedures required by this policy will be explained to them.
3. Team members may be required to submit to an alcohol/drug screen if the Company has reasonable suspicion to believe that a team member possesses, is under the influence, or is using alcohol or prohibited drugs.
4. Team members will be subject to drug testing as may be required by federal, state, or local laws. If any provision of this policy is in conflict with any federal, state or local law or regulation, the provisions of the applicable law or regulation will control.
5. If the Company learns that a test sample is adulterated and there is no evidence that chain-of-custody procedures have not been followed, it will be presumed that the sample has tested positive.

E. Disciplinary Action

While the Company hopes it will never need to discuss alcohol abuse or drug problems with any team member, every Company team member must understand the consequences of violating this policy. A violation by any team member of any part of this policy will result in disciplinary action up to and including termination. Refusal to submit to a drug or alcohol test will result in immediate termination.

If the Company has reasonable suspicion to believe that a team member possesses or is using alcohol or prohibited drugs in violation of this policy, the team member will be suspended until the drug test results are returned. If the test results are determined to be negative, the team member will be reinstated with compensation for any lost wages during the suspension. If the results are positive, the team member will be subject to disciplinary action, up to and including termination.

Use of Tobacco Products

The Company facility is a smoke and tobacco free environment. Smoking is defined as the carrying, holding, and/or inhaling of a lighted cigarette, pipe, or any other lighted or electronic vapor-based smoking equipment. This policy applies to all tobacco products including smokeless and chewing tobacco.

Team members are not allowed to smoke on any Company property, this includes surrounding lots or outside of buildings. Employees who wish to smoke must clock out and leave the premises, clocking back in upon their return.

General Personal Appearance Requirements/Uniforms/PPE

Because clothing and our appearance are an important part of the Company professional image, these guidelines are in place as a tool to determine appropriate dress. Though we respect your individual freedom of expression, we expect our employees to always look professional in the workplace, especially employees with direct contact with customers. All employees must comply with the following minimum personal appearance standards. An employee's safety and the safety of those in our facilities is of paramount importance. Safety concerns will always outweigh any individual's desired attire.

EMPLOYEES SHOULD NOT WEAR

- Suggestive attire
- Jeans
- Workout clothing
- Shorts that reveal the upper thigh
- Flip-flops
- Casual t-shirts
- Baseball hats in a dealership showroom or during any customer interaction within any Company building
- Any items with logos or graphics that reflect any form of violent, discriminatory, abusive, offensive, or demeaning message.
- Clothing that is wrinkled, torn, dirty or frayed.
- Halter tops, tops with spaghetti straps, tank tops, midriff baring tops, or low-cut tops
- Short and/or tight skirts. All skirts should be an appropriate length for a business setting.
- Any other item that does not present a professional appearance.

PERSONAL APPEARANCE GUIDELINES

- Hair should be clean, combed, and professional.
- Sideburns, mustaches, and beards should be clean and neatly trimmed.
- Body piercings (other than earrings) should not be visible.
- Earrings should be professional. Please refrain from wearing more than one pair while at work.

**Certain employees may be required to meet special dress codes, such as wearing uniforms or business suits, depending on the nature of their position. Managers will set any special dress codes within their department.*

TATTOO GUIDELINES

Tattoos may be visible on an employee's arms, hands, legs, and feet. Tattoos on all other parts of the body must be covered, including, but not limited to, head, neck, face, ears, back, chest, and shoulders.

A professional appearance is always required. No explicit, obscene, or offensive tattoos will be allowed by any employee, regardless of placement on the body. Words and images that may offend any reasonable person are prohibited.

Any team member who interacts with a customer on any level, must consider and be aware of the impact tattoo exposure may have, positively or negatively, on that relationship. You should govern your tattoo exposure accordingly.

If the Company receives complaints regarding any tattoo of any nature from a vendor; customer or co-worker; appropriate action in accordance with all Company policies governing these interactions will be taken, including requiring the employee to cover the tattoo. The Company reserves its right to legally protect its team members from any type of harassment, from any source.

DRESS DOWN CODE
Certain positions and departments may be entitled to occasions to dress down to a more casual attire on certain pre-designated days throughout the year. Please see your manager to verify applicability. If this attire is permitted, please be mindful of continued interaction with customers and clients. Apparel should be tasteful. No attire that would expose the midriff, upper thighs, chest or back is allowed.

Specific Departmental Requirements

- Properly fitted uniforms are supplied by a local supplier. Employees in some positions will be required to wear Company provided uniforms. Additional clothing can be purchased by the employee. Improperly fitted or defective uniforms should be brought to the attention of the department team leader.
- Hats should be limited to outdoor work only but may be worn inside when necessary due to environmental conditions.
- Shirttails are to be worn inside trousers with belts.
- Name tags may be required depending on position.
- Some job duties require that PPE (Personal Protective Equipment) be worn by the employee. Some PPE items are provided by the Company, others are the responsibility of the employee. Examples of required PPE for some positions includes:
    - Eye Protection (safety glasses or full-face shield)
    - Masks (full or partial)
    - Gloves
    - Ear plugs
    - Proper footwear

We recognize and appreciate cultural and religious diversity. Certain exceptions to this personal appearance policy may exist because of this. Please see your supervisor, or Human Resources if you have any questions.

Personal Telephone Use

Company telephones are available for the purpose of conducting Company business. Personal use of Company telephones during working hours should be limited and not interfere with your job performance. Personal use of Company telephones during breaks is permitted if such calls are kept to a minimum and remain as short as possible. Long distance and collect calls are not permitted without prior express permission from the team leader/department head.

The above policy also applies to the personal use of cellular telephones that are owned by a team member. Use of cell phones should be limited to break time, if at all possible. While a team member is working, cell phone ringers should be turned to low or vibrate to prevent interfering with the Company business. If a phone call is taken on Company property, the team member must be conscious of his or her surroundings. Team members must make extra effort to ensure that their cell phone usage does not interfere with the working environment of their team members or with a customer's experience with the Company. All conversations should be conducted in a professional tone and manner for the benefit of those customers that may be nearby. Inappropriate language or subject matter must be avoided.

Cameras On Company Property

Team members should be aware that personal cell phone use or other conversations may be recorded by our security cameras. Company has installed numerous cameras throughout its facilities. These cameras are on the inside and outside of buildings and properties and are necessary due to a documented history of theft and other criminal activity on Company property. The cameras also serve as safety monitoring for employees and customers. *Restrooms and private changing areas do not contain any Company cameras.

Most of the cameras have audio recording capabilities. Although Company does not actively monitor employee communications on its property, there is a possibility that a camera may record any audio within its range.

Equal Employment Opportunity

Equal Employment Opportunity has been, and will continue to be, a fundamental principle at the Company, where employment is based upon personal capabilities and qualifications. It is the policy of the Company to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex (with or without sexual conduct), age, disability, military service, alienage or citizenship status, marital status, creed, genetic predisposition or carrier status, sexual orientation, gender identification, or any other characteristic protected by law. The Company prohibits and will not tolerate any such discrimination or harassment.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment.

Appropriate disciplinary action, up to and including termination, may be taken against any team member willfully violating this policy.

Non-Discrimination and Anti-Harassment Policy

The Company is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. The Company requires that all relationships among persons in the workplace be business-like and free of bias, prejudice, and harassment. All individuals should be addressed by the gender pronoun that relates to the sex to which they identify.

DEFINITIONS OF HARASSMENT

a. Sexual harassment constitutes discrimination and is illegal under federal, state, and local laws. For the purposes of this policy, sexual harassment is defined, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

b. Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, national origin, age, disability, alienage or citizenship status, marital status, creed, genetic predisposition or carrier status, sexual orientation, gender identification, or any other characteristic protected by law or that of his/her relatives, friends or associates, and that: (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities.

INDIVIDUALS AND CONDUCT COVERED

These policies apply to all applicants and team members, and prohibit harassment, discrimination, and retaliation, whether engaged in by fellow team members, by a supervisor or manager, or by someone not directly connected to the Company (e.g., an outside vendor, consultant or client).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

COMPLAINT PROCEDURE (REPORTING AN INCIDENT OF HARASSMENT, DISCRIMINATION OR RETALIATION)

The Company strongly urges the reporting of all incidents of discrimination, harassment, or retaliation, regardless of the offender's identity or position. Individuals who have experienced conduct they believe is contrary to the Company's policy or who have concerns about such matters should file their complaint with their supervisor, team leader, Human Resources, or any member of management before the conduct becomes severe or pervasive. Individuals should not feel obligated to voice their complaints with their immediate supervisor first before bringing the matter to the attention of any other member of management. The Company strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. The Company will make every effort to stop alleged harassment before it becomes severe or pervasive but can only do so with the cooperation of its team members.

The availability of this complaint procedure does not preclude team members who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

THE INVESTIGATION
Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly, and impartially. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained by the Company throughout the investigatory process *to the extent possible and consistent with adequate investigation and appropriate corrective action.*

RESPONSIVE ACTION
Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately. Disciplinary action, up to and including termination, may result for individuals found to be in violation of this policy.

RETALIATION IS PROHIBITED
The Company prohibits retaliation against any individual who reports discrimination, harassment, engages in any activity protected under the law, participates in an investigation of discrimination, harassment, or other protected activity. Retaliation against an individual is a serious violation of this policy and will be subject to disciplinary action, up to and including termination.

Anti-Bullying Policy

Company defines bullying as the mistreatment of one or more people by a perpetrator. It is abusive conduct that includes:

- Physically threatening, humiliating, or intimidating behaviors.
- Work interference/sabotage with the purpose of preventing an employee from getting their work done or interfering with that work.
- Verbal abuse.

Company will not *in any instance* tolerate bullying behavior that creates a feeling of danger or peril in the workplace and impacts an employee's ability to perform their work duties. The Company will make every reasonable effort to prevent and eliminate conduct which falls within the scope of this Policy. Employees found in violation of this policy will be disciplined, up to and including termination.

Paid Time Off (PTO)

Company offers Paid Time Off (PTO) to full-time Team Members (employees who work 35 hours or more per week) in accordance with the guidelines established below. PTO may be used as vacation, personal, sick-time, or as desired.

This PTO policy, as well as all policies set forth in this Handbook, are subject to change at the Company's discretion, with or without Notice to Team Members.

The purpose of PTO is for the Team Member to take necessary time off in order to maintain a healthy work/life balance. The current PTO policy has been drafted to facilitate this purpose. The established allocation schedule is calculated on the basis of an "anniversary year" (the 12-month period commencing with the Team Member's anniversary date of hire or rehire) based on the anniversary date of employment. PTO is earned based on the Team Member's length of service with Company.

PTO HOURS EARNED/ACCRUAL RATES
Team Members earn PTO at the end of each bi-weekly pay period worked according to the schedule below. Employment status must be "active" for the entire pay period in order for any time to be earned. Team Members do not earn time for the pay period in which they terminate employment. Team Members will not earn PTO hours for any pay period in which no hours were worked, except for when on PTO or otherwise required by law.

	Bi-weekly Hours Earned	Total Annual Earning (in hours)	Total Annual Earning (in days)	Total Annual Earning (in weeks)
1st year of employment	1.85	48.10	6.0	1.2
Following 1st anniversary	3.08	80.08	10.0	2.0
Following 2nd anniversary	4.00	104.00	13.0	2.6
Following 5th anniversary	4.77	124.02	15.5	3.1
Following 10th anniversary	6.16	160.16	20.0	4.0

Team Members who have been rehired will have their PTO earning level calculated from their most recent full-time hire date. Team Members who have moved from part to full time will have their PTO earning level calculated from the date that they went to full-time, not their hire date.

PTO pay will consist of the Team Member's regular base rate of pay for the PTO period. Regular base rate of pay for commissioned Team Members will be established using his or her average from the previous calendar year or other reasonable time period if the employee has not been employed for one year. See HR for details on absentee rate calculation for specific job positions. PTO will be paid on the regularly scheduled pay day for the pay period in which the PTO time is used.

In order to plan accordingly, Team Members must submit PTO requests electronically via the time keeping system **at least 30 days in advance when possible.** Failure to seek PTO in advance may result in its denial. Scheduled PTO should be used in half day increments, if possible.

Management reserves the right to designate when some or all PTO must be taken, or deny a PTO request, when necessary, to ensure adequate staffing levels are maintained to meet employer and client needs. No Team Member is guaranteed approval of the dates of PTO time that he or she has requested. Seniority within a department has no impact on management's decision regarding approval or denial of PTO requests. PTO requests also are not necessarily granted on a "first come, first served" basis. Management can consider the impact of granting a PTO request on the entire department and team. All PTO requests will be fairly considered and not unreasonably denied.

Requests for time off in excess of a one-week interval must be approved at least 30 days in advance by your location's General Manager, the Vice President of Human Resources or CEO/COO.

All time off, for whatever reason, may be subtracted by Company from the Team Member's PTO balance, regardless of whether the Team Member properly requests the hours be paid or not. The only exceptions to this rule are when the Team Member receives prior approval or if the deduction is legally impermissible.

MAXIMUM EARNED HOURS AND USAGE CAPS

A Team Member's allocated PTO hours may be used at any time throughout the year under the terms of this policy. He or she will never "lose" already earned hours because they are not taken by a certain date. However, a Team Member will cease earning PTO hours once their PTO Balance reaches the total "Annual Hours Earned Cap." If at the cap, a Team Member must use some PTO time before their PTO earnings will resume.

PTO earnings are posted to each Team Member's PTO balance every other Sunday morning, following the completion of a pay period. Team Members who are at or near the cap should make sure to properly request PTO time they are using in advance of the day it is taken, so the taken time will reduce their balance, before additional earnings are posted.

Team Members may also not manipulate the timing of PTO earnings, or their use, to allow him or her to use more PTO hours in any 12-month period than the stated Maximum Annual Hours Usage.

	Annual Maximum Earned Hours Cap	Annual Maximum Hours Usage (in any rolling 12 month period)
1st year of employment	48.10	88.00
Following 1st anniversary	80.08	120.00
Following 2nd anniversary	104.00	144.00
Following 5th anniversary	124.02	164.00
Following 10th anniversary	160.16	200.00

ADVANCE USE OF PTO A/K/A NEGATIVE PTO

Under limited circumstances, if an employee has insufficient PTO to cover time off requested, they may be allowed to use PTO not yet earned, *up to a total of 40 hours*. Under NO circumstances will an employee be approved for PTO hours in excess of the Annual Maximum Hours Usage Cap.

Negative PTO:

- Will only be granted by HR for a compelling reason, such as unexpected medical or family emergency; unscheduled time off is not eligible for negative PTO outside of emergency circumstances.
- Must have written approval by the Team Member's supervisor. Even with supervisor's written approval, HR approval is not guaranteed.
- Must be accompanied by a signed "Request for Advance Use of PTO Form", which includes a payroll deduct authorization, submitted to HR prior to taking the time off, if at all possible. Failure to submit the signed Request at the earliest possible time may result in denial by HR.
- Will be repaid by the Team Member by earning back the PTO hours posted to their balance over time

Because negative PTO is not guaranteed or earned, it is not payable at termination. A Team Member who resigns or is terminated while having a negative PTO balance, will have the amount of the negative balance deducted from his or her final paycheck.

UNSCHEDULED TIME OFF OR UNSCHEDULED USE OF PTO

Team Members who are unable to report to work at their scheduled time must leave a message with their supervisor before the scheduled start of their workday, if possible. A message should also be left prior to the start of the workday on each additional day of absence.

Team Members who have repeated instances of unscheduled time off, or who are absent after exhausting their PTO, will be subject to discipline, up to and including termination.

Team Members are encouraged to regulate their PTO use and maintain some PTO in case of emergency.

If a Team Member is absent for more than two (2) consecutive days due to illness or injury, a physician's statement may be requested if there is a question as to the Team Member's fitness for duty. Such verification may be requested for other absences as well. In the event that such physician's statement is not provided when requested, the Team Member will be subject to discipline, up to and including termination, for failing to follow a work rule. **A doctor's note does not excuse a Team Member's absence from work. All absences are governed by the PTO and Attendance rules set forth in this Handbook.**

EXHAUSTION OF PTO

After exhaustion of PTO, any time off will be unpaid, except in cases impermissible by law. Time off after the exhaustion of PTO hours is not favored, and Team Members should make every attempt to regulate their PTO use to accommodate unexpected days off.

Approval for days off following the exhaustion of PTO will be given only under very limited and compelling situations. Because time off after exhaustion of PTO is not generally permissible, unapproved time off after exhaustion of PTO may be cause for disciplinary action, up to and including termination.

For Team Members exempt under FLSA, deductions from pay are permissible when absent from work for one or more full days for personal reasons other than sickness or disability; for absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness; to offset amounts Team Members receive as jury or witness fees, or for military pay; or for unpaid disciplinary suspensions of one or more full days imposed in good faith for written workplace conduct rule infractions. Also, Company is not required to pay the full salary in the initial or terminal week of employment; for penalties imposed in good faith for infractions of safety rules of major significance. In this circumstance, either partial day or full day deductions may be made.

UNUSED PTO BALANCE AT TIME OF TERMINATION

Any positive remaining PTO balance at the time of an employee's termination of employment will be paid out to the employee automatically on his or her final paycheck.

Paid Emergency Medical Leave Policy

In order to assist long-term team members with unexpected emergency situations that may arise, the Company has established a limited Paid Emergency Medical Leave option. For full-time team members who have completed their 10th year of service, they are entitled to an additional 40 hours of paid time off under the following *limited* and *exceptional* situation:

1. The team member has exhausted all PTO and requires medical treatment or hospitalization which prevents him or her from returning to work *in any capacity*.
2. The team member is not being paid via worker's compensation or disability insurance.
3. The team member has provided HR with medical certification of his or her inability to return to work in any capacity.

Company reserves the right to not pay emergency medical leave time and to utilize employee in a light duty or limited capacity job if the employee's restrictions so allow.

The 40 paid hours of Emergency Medical leave are only available one time per calendar year and are not carried over into an employee's PTO bank if not used. These hours expire if the above conditions are not met by the end of the calendar year. Because Paid Emergency Leave time is not guaranteed, these hours are not payable upon termination.

Company reserves the right, as with all PTO, to change, alter or discontinue this Paid Emergency Medical Leave offering at any time, with or without notice. ALL PAID EMERGENCY MEDICAL LEAVE TIME MUST MEET ALL THE REQUIREMENTS OF THIS POLICY AND MUST BE APPROVED BY THE VICE-PRESIDENT OF HUMAN RESOURCES.

The leave set forth in this policy is in addition to the PTO policy and the negative PTO policy previously mentioned.

Paid Medical Pregnancy and Childbirth Leave Policy

PURPOSE/OBJECTIVE

Company strives to support our pregnant employees during the time following the birth of a child. Company recognizes that unique physical, emotional, and financial hardships arise relative to the carrying and delivery of a child, and we seek to ease these burdens on our child-bearing employees.

The purpose of paid medical pregnancy and child-birth leave (hereinafter paid leave) is to enable the employee to recover from childbirth and care for and bond with a newborn child. This policy will run concurrently with Family and Medical Leave Act (FMLA) leave, as applicable.

In order to relieve some of the stressors due to childbirth, Company will provide all full-time pregnant employees, upon meeting certain conditions set forth in this policy, six (6) weeks of paid leave following the birth of their child. If additional time off is needed, before or after the birth, that time will be handled in accordance with the dictates of the Family and Medical Leave Act (FMLA).

This policy in ***no way*** implies that adoption or fostering children is not important and impactful on the employee's family, or that fathers or non-childbearing parents aren't key in the birth or adoption or fostering of children. However, this policy's sole purpose is to support the employee who gives birth and to alleviate some of the impact of that occurrence.

ELIGIBILITY

Eligible employees must meet the following criteria:

- Have been employed with the Company for at least 12 consecutive months at the time of the leave.
- Have worked at least 1,250 hours during the 12 consecutive months immediately preceding the date the leave would begin.
- Be a full-time, regular employee (temporary employees and interns are not eligible for this benefit).
- Sign an agreement to work for Company for one (1) year following the leave time.
- Have given birth to a child.

ADDITIONAL PROVISIONS

- Each week of paid leave is compensated at 100 percent of the employee's regular, straight-time weekly pay. Paid leave will be paid on a biweekly basis on regularly scheduled pay dates. The paid leave will have all relevant taxes and benefit contributions deducted.
- Employees must take paid leave in one continuous period of leave. Any unused paid leave will be forfeited.
- Upon termination of the individual's employment at the Company, the employee will not be paid for any unused paid leave for which employee was eligible while employed.
- No employee is required to accept this benefit, and it is solely discretionary. As consideration for payment of this benefit, employees who are paid under this policy will be required to sign an agreement with the Company to return to work following their leave for a period of one year. If the employee returns to work and works at Company for one year, their leave payments are forgiven. If the employee quits or is terminated before the expiration of one year, a pro rata share of the leave payments made on their behalf must be repaid.

COORDINATION WITH OTHER POLICIES

- Paid leave taken under this policy will run concurrently with leave under the FMLA; thus, any leave taken under this policy that falls under the definition of circumstances qualifying for leave due to the birth of a child, the leave will be counted toward the 12 weeks of available FMLA leave per a 12-month period. All other requirements and provisions under the FMLA will apply. In no case will the total amount of leave—whether paid or unpaid—granted to the employee under the FMLA exceed 12 weeks during the 12-month FMLA period. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.
- After the paid maternity leave is exhausted, the balance of FMLA leave (if applicable) will be compensated through employees' prior allocated PTO balance. Upon exhaustion of PTO, any remaining leave will be unpaid leave, unless the person has short-term disability. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA. The short-term disability benefit begins only after any Company paid leave is exhausted.
- The Company will maintain all benefits for employees during the paid leave period just as if they were taking any other Company paid leave.
- If a Company holiday occurs while the employee is on paid leave, such day will be charged to holiday pay; however, such holiday pay will not extend the total paid leave entitlement.
- An employee who takes paid leave that does not qualify for FMLA leave will be afforded the same level of job protection for the period of time that the employee is on paid leave as if the employee was on FMLA-qualifying leave.
- This leave time is in addition to the time allocated as Annual Maximum Hours in the PTO policy.

REQUESTS FOR PAID PREGNANCY AND CHILD-BIRTH LEAVE

- The employee will provide their supervisor and the human resource department with notice of the request for leave at least 30 days prior to the proposed date of the leave. The employee must complete the necessary HR forms and provide all documentation as required by the HR department to substantiate the request.
- As is the case with all Company policies, the organization has the exclusive right to alter, change and/or interpret this policy.

Welcome Child Paid Leave Policy

PURPOSE/OBJECTIVE

Company strives to support our employees by providing time off following the birth or the adoption of a child. Company recognizes that unique physical, emotional, and financial hardships arise relative to the arrival of a child, and we seek to ease these burdens on our employees. The leave time is provided with the intent that the employee will spend that time with the parent who gave birth and/or the child in furtherance of care, support, and bonding.

The Welcome Child Paid Leave Policy (hereinafter paid leave) applies to the following full-time employees:

1. The employee is the biological parent to a newborn child, but did not give birth to the child;
2. The employee lives with ***and*** is the spouse of the parent who gave birth to a newborn child; or
3. The employee is a parent to a newly adopted child.

This policy will run concurrently with Family and Medical Leave Act (FMLA) leave, as applicable. If two parents are both employed by Company, this policy can run concurrently or consecutively with the Paid Medical Pregnancy and Child-Birth Leave Policy.

In furtherance of the purpose of this policy, Company will provide all full-time employees, upon meeting certain conditions set forth in this policy, forty (40) hours of paid leave following the date of the birth of a child or the adoption of a child. These hours must be taken consecutively so that the employee's department can plan for the employee's absence.

For non-adopted children, the time for taking this leave must be within the first six (6) weeks of the birthdate of the child.

For adopted children, the date to begin the paid leave for a parent can begin at any time during the adoption process and may be selected by the parent but cannot begin later than six (6) weeks from the day the child is brought into the home. The selected date must be communicated to HR as stated below under the *Requests for Paid Leave* section of this policy.

If additional time off is needed, before or after the birth or adoption date, that time will be handled in accordance with the dictates of the Family and Medical Leave Act (FMLA).

This policy in ***no way*** implies that fostering children is not important and impactful on the employee's family, However, this policy's purpose is to support the employee who is a biological parent to a child, or whose spouse has given birth, or who is a parent to a child being adopted.

ELIGIBILITY

Eligible employees must meet the following criteria:

- Have been employed with the Company for at least 12 consecutive months at the time of the leave;
- Have worked at least 1,250 hours during the 12 consecutive months immediately preceding the date the leave would begin;
- Be a full-time, regular employee (temporary employees and interns are not eligible for this benefit);
- Sign an Agreement to work for Company for 6 months following the leave time;
- Be the biological parent to a newborn child, but did not give birth to the child; or
- Lives with and is the spouse of the parent who gave birth to a newborn child; or
- A parent to a newly adopted child.

ADDITIONAL PROVISIONS

- Each week of paid leave is compensated at 100 percent of the employee's regular, straight-time weekly pay. Paid leave will be paid on a biweekly basis on regularly scheduled pay dates. The paid leave will have all relevant taxes and benefit contributions deducted.
- Employees must take paid leave in one continuous period of leave. Any unused paid leave will be forfeited.
- Upon termination of the individual's employment at the Company, the employee will not be paid for any unused paid leave for which employee was eligible while employed.
- No employee is required to accept this benefit, and it is solely discretionary. As consideration for payment of this benefit, employees who are paid under this policy will sign an agreement with the Company to return to work following their leave for a period of six (6) months. If the employee returns to work and works at Company for six (6) months, their leave payment is forgiven. If the employee quits or is terminated before the expiration of (6) six months, a pro rata share of the leave payments made on their behalf must be repaid.
- Documentation proving eligibility, such as, but not limited to, birth certificate or marriage certificate, and adoption papers are required to be presented to HR.
- This policy may only be utilized one time during any twelve-month period.
- If employee in any way abuses this policy by not utilizing the paid time for the care and bonding purposes for which it is intended and stated above, the employee will be subject to immediate termination and be required to repay the paid leave amount.

COORDINATION WITH OTHER POLICIES

- Paid leave under this policy will be utilized before PTO time is deducted from the employee.
- If the paid leave taken under this policy qualifies for FMLA Leave, it will run concurrently with leave under the FMLA; thus, any leave taken under this policy that falls under the definition of circumstances qualifying for leave due to the birth of a child, the leave will be counted toward the 12 weeks of available FMLA leave per a 12-month period. All other requirements and provisions under the FMLA will apply. In no case will the total amount of leave—whether paid or unpaid—granted to the employee under the FMLA exceed 12 weeks during the 12-month FMLA period. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.
- After the paid leave is exhausted, the balance of FMLA leave (if applicable) will be compensated through employees' prior allocated PTO balance. Upon exhaustion of PTO, any remaining leave will be unpaid leave. Please refer to the Family and Medical Leave Policy for further guidance on the FMLA.
- The Company will maintain all benefits for employees during the paid leave period just as if they were taking any other Company paid leave.
- If a Company holiday occurs while the employee is on paid leave, such day will be charged to holiday pay. The holiday will extend the total paid leave entitlement by one day.
- This leave time is in addition to the time allocated as Annual Maximum Hours in the PTO policy.

REQUESTS FOR PAID LEAVE UNDER THIS POLICY

- The employee will provide their supervisor and the human resource department with notice of the request for leave at least 30 days prior to the proposed date of the leave. The employee must complete the necessary HR forms and provide all documentation as required by the HR department to substantiate the request.
- As is the case with all Company policies, the organization has the exclusive right to alter, change and/or interpret this policy.

Breastfeeding Policy

Company supports breastfeeding individuals by accommodating those who wishes to express breast milk during the workday. The provisions of this Policy meet the requirements of the Fair Labor Standards Act and the State of Indiana as those laws relate to breaks for nursing mothers.

For up to one year after the child's birth, any employee who is breastfeeding will be provided reasonable break times to express breast milk for the newborn. A locked room, other than a restroom, and a refrigerator will be provided. The employee bears all responsibility for labeling, disposing of and maintaining breast milk in the provided refrigerator. Please contact the Company Human Resources Department so that the Company may make the necessary arrangements to accommodate your needs.

Breaks of more than 20 minutes in length will be unpaid, and the employee should indicate breaks more than 20 minutes on their time record.

Holidays

Company will grant holiday time off with pay to full-time employees (those who have a regular schedule of more than 35 hours per week) on the days listed below:

HOLIDAY:	**DATE OBSERVED:**
New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving	4th Thursday in November
Christmas	December 25

To be eligible for holiday pay, employees must work the last scheduled day immediately preceding and the first scheduled day immediately following the holiday or have pre-approved PTO scheduled. Supervisors have authority to deny any employee's request for PTO before or after a holiday on any basis he or she sees fit, including fairness of PTO use within the department.

See additional guidance regarding the granting or denying PTO in the previous section on PTO. Employees taking un-scheduled PTO or time without pay will not be eligible for holiday pay.

Generally, a recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday. However, management reserves the right to amend when holidays are observed.

If a recognized holiday falls during a full-time employee's paid absence (such as PTO) and falls on a day of the week the employee normally works, holiday pay will be provided instead of the paid time off benefit that would otherwise have applied.

If full time employees work on a recognized holiday, they will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday. Employees must receive pre-approval to work on a holiday. Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

Jury Duty/Subpoenaed Witness

Any team member called to jury duty or as a subpoenaed witness needs to bring it to the attention of their immediate team leader. Team members must present their team leader with a copy of the subpoena or other court document to verify the reason for the time off. The team member will be given unpaid leave to perform his/her civic duty. The team member may request to use PTO for this time off.

Bereavement Time

Employees who wish to take time off due to the death of a family member to attend services should notify their supervisor immediately.

Three (3) days (24 hours) of paid bereavement leave for the death of an immediate family member will be provided to full time regular employees. Part time employees also are eligible for bereavement leave if the required time off for funeral/showing occurs on a day that the part-time employee would have otherwise worked per his/her normal schedule.

Immediate family members include: spouse or life partner; children, and the employee's brother; sister; father; mother; step-parents, step-children, step-siblings, grandchildren, and grandparents. Time off should be scheduled by the employee with employee's manager at or near the time of the death.

One (1) day (8 hours) of paid bereavement leave will be provided to full time regular employees for the death of extended family members. Part time employees also are eligible for bereavement leave if the required time off for funeral/showing occurs on a day that the part-time employee would have otherwise worked per his/her normal schedule.

Extended family members include: Employee's father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, aunts, uncles and cousins. Time off is generally granted between the date of death and the day following the funeral.

Bereavement pay is calculated based on the base pay rate at the time of absence.

Management may grant additional unpaid, or PTO days as deemed appropriate.

Group Health Insurance

The Company offers group health insurance to its team members and their dependents. If you are interested, please see Human Resources for information. They will also assist you with any questions you may have regarding the basic plan.

The team member is required to contribute to the monthly premium cost, as determined by the Company. The benefits, eligibility, coverage, limitations, and exclusions are described in the Health Plan Document that you may obtain upon request from Human Resources.

Extended Group Health Coverage (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives team members and their families the opportunity to continue health insurance coverage under the Company's health plan when a qualifying event would normally result in the loss of eligibility. Some common qualifying events are voluntary and involuntary termination of employment other than for gross misconduct, reduction in a team member's work hours, transition between jobs, death, divorce, or a dependent child no longer meeting eligibility requirements.

The Company will provide team members with written notice describing their rights under COBRA when they become eligible for health insurance continuation coverage. The notice will provide important information about the team member's entitlements and obligations. Should you be aware of a qualifying event or have questions regarding COBRA coverage, please contact Human Resources.

Military Leave/USERRA

An employee who is a member of the United States Army, Navy, Air Force, Marines, Coast Guard, National Guard, Reserves or Public Health Service will be granted an unpaid leave of absence for military service, training or related obligations in accordance with applicable law. Employees on military leave may substitute their allocated paid time off for unpaid leave. At the conclusion of the leave, upon the satisfaction of certain conditions, an employee generally has a right to return to the same position he or she held prior to the leave or to a position with like seniority, status and pay that the employee is qualified to perform.

CONTINUATION OF HEALTH BENEFITS

During a military leave of less than 31 days, an employee is entitled to continued group health plan coverage under the same conditions as if the employee had continued to work. For military leaves of more than 30 days, an employee may elect to continue his/her health coverage for up to 24 months of uniformed service but may be required to pay all or part of the premium for the continuation coverage.

Requests for Leave for Active or Reserve Duty
Upon receipt of orders for active or reserve duty, an employee should notify his/her supervisor, and Human Resources, as soon as possible, and submit a copy of the military orders to Human Resources.
Leave for Training and Other Related Obligations (e.g., fitness for service examinations)
Employees will also be granted time off for military training (normally 14 days plus travel time) and other related obligations, such as for an examination to determine fitness to perform service. Employees should advise their supervisor and/or the Company head of their training schedule and/or other related obligations as far in advance as possible.

RETURN FROM MILITARY LEAVE

Notice Required
Upon return from military service, an employee must provide notice of or submit an application for reemployment in accordance with the following schedule:

1) An employee who served for less than 31 days or who reported for a fitness examination, must provide notice of reemployment at the beginning of the first full regular scheduled work period that starts at least eight hours after the employee has returned from the location of service.
2) An employee who served for more than 30 days, but less than 181 days, must submit an application for reemployment no later than 14 days after completing his/her period of service, or, if this deadline is impossible or unreasonable through no fault of the employee, then on the next calendar day when submission becomes possible.
3) An employee who served for more than 180 days must submit an application for reemployment no later than 90 days after the completion of the uniformed service.

4) An employee who has been hospitalized or is recovering from an injury or illness incurred or aggravated while serving must report to Human Resources (if the service was less than 31 days) or submit an application for reemployment (if the service was greater than 30 days), at the end of the necessary recovery period (but which may not exceed two years).

Required Documentation
An employee whose military service was for more than 30 days must provide documentation within two weeks of his/her return (unless such documentation does not yet exist or is not readily available) showing the following: (i) the application for reemployment is timely (i.e., submitted within the required time period); (ii) the period of service has not exceeded five years; and (iii) the employee received an honorable or general discharge.

Time in the military service covered under the Uniformed Services Employment and Reemployment Rights Act (USERRA) will count toward fulfilling the length of employment and hours of work requirements to be eligible for FMLA leave.

Family And Medical Leave Act ("FMLA")

The Family and Medical Leave Act (FMLA) provides eligible employees with up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. During this leave, an eligible employee is entitled to continued group health plan coverage as if the employee had continued to work. At the conclusion of the leave, subject to some exceptions, an employee generally has a right to return to the same or to an equivalent position.

ELIGIBILITY

To be eligible to take an FMLA leave, an employee must meet *all* of these criteria:

- The employee must have been employed by the Company for at least 12 months. Any portion of a week that the employee is on the payroll counts as a full week for FMLA eligibility. Employment does not have to have been continuous. Hourly employment with the Company counts toward fulfilling this requirement.
    i. Separate periods of employment in which the break in service exceeds seven (7) years will not be used to determine FMLA eligibility.
- For the 12 months immediately preceding the first day of the FMLA leave, the employee must have worked at least 1,250 hours. *These hours must be actual work hours, not compensated hours*. Hours using any type of paid time off benefits or holiday time do not count.
- Must not have exceeded 12 weeks of FMLA leave during the preceding 12-month period.

QUALIFYING REASONS FOR FMLA LEAVE

The following reasons qualify an employee for FMLA:

1. Birth of a child and to care for a newborn child of the employee, spouse as defined by Indiana law,
2. Placement with the employee of a child through adoption or foster care of a child
3. Care for any of the following who has a serious health condition: the employee's spouse, the employee's child under 18, or the employee's parent.
4. Care for the employee's child 18 or older who has a serious health condition and is incapable of self-care because of a mental or physical disability.
5. A serious health condition that renders the employee unable to perform the functions of his or her job
6. A qualifying exigency which occurs while the employee's spouse, child or parent is on covered active duty or has been notified of an impending call or order to covered active duty in the Armed Forces. The term ***covered active duty*** means duty during deployment to a foreign country. Qualifying exigencies to manage the service member's affairs are described on the DOL form Certification of Qualifying Exigency for Military Family Leave.

LEAVE PERIOD-FOR ALL LEAVE, EXCEPT MILITARY CAREGIVER LEAVE

1. An eligible employee may take up to 12 workweeks of leave during a 12-month period. The 12-month period is a "rolling" 12-month period. The 12-month period is measured backward from the date an employee uses any FMLA leave. Under the ''rolling'' 12-month period, each time an employee takes FMLA leave, the remaining leave entitlement would be the balance of the 12 weeks which has not been used during the immediately preceding 12 months.
2. If the purpose of the leave is to care for a sick family member or one's own serious health condition, the employee may take the leave intermittently or by means of a reduced work schedule.
3. Such leaves are subject to the qualifications and limitations set forth in the FMLA federal regulations.

- Under certain circumstances, the Company may place employees who are on an intermittent leave or a reduced work schedule in another position with equivalent pay and benefits. This placement is considered to be a temporary transfer and should be discussed with the Company Human Resources Department. Such employees must make a reasonable effort to schedule the intermittent leave, so it does not disrupt operations.

4. For the purposes of determining the amount of leave taken by an employee on FMLA, the following days will be counted: (1) the employees scheduled shift; (2) holidays that occur within a week, if that entire week has been taken by an employee for FMLA; and (3) holidays that the employee was scheduled or expected to work.
5. When an employee is on an FMLA leave to care for a family member and the leave is terminated by the death of the family member, the employee will be granted the normal time off for funerals/bereavement as described in the respective policy.

PROPER NOTICE OF FMLA BY EMPLOYEE

Employees must provide at least 30 days advance notice of an anticipated FMLA leave by notifying the Company Human Resources Department.

It is understood that under some circumstances it is not practical to provide 30 days of advanced notice. In these cases, employees must provide FMLA notice to the Human Resources Department as soon as practicable. At the very least, the employee must provide, on the date of the absence the Human Resources Department sufficient preliminary information for the reason behind the absence. Employees must provide the Company Human Resources Department with sufficient information and must cooperate fully with the Company Human Resources Department or risk having the FMLA delayed or denied.

If employees do not give proper notice of a clearly foreseeable leave or does not cooperate fully with the Company, the Company can delay the leave for up to thirty (30) days after receiving notice of the need for an FMLA leave.

CERTIFICATION FOR LEAVE FOR SERIOUS HEALTH CONDITIONS OR QUALIFYING EXIGENCIES

Serious Health Conditions

In cases where an FMLA leave is to care for the serious health condition of the employee, or a spouse, child as identified above, or parent of the employee, the employee must provide medical certification on the applicable Medical Certification form. The Company Human Resources Department should request the certification at the time employee gives notice of leave or within five (5) business days thereafter. Once requested, it is the employee's responsibility to provide the Company Human Resources Department with the medical certification within 15 calendar days.

- If the certification is incomplete or unclear, the employee is to be given 7 additional calendar days to provide more complete information.
- If the certification is still insufficient, the Company Human Resources Department may contact the employee's health care provider for clarification and/or authentication of the employee's medical certification.
- The Company Human Resources Department may require a second opinion from a health care provider designated by the Company. the Company will pay the cost of the second opinion, if required.
- If there is a difference between the medical certification and the second opinion, the Company Human Resources Department may require a third opinion from a mutually agreeable provider. Again, the Company will pay the cost of the third opinion.
- Employees may be asked to recertify the need for the FMLA after 30 days from receipt of past medical certification, in less than 30 days in certain circumstances such as a change in the employee's condition, or every six (6) months.
- All medical certifications and related information that describe the health or medical history or condition of the employee or family members must be handled as confidential medical information. Such information must be stored in a locked file separate from the personnel file.
- When certification is requested, it is the employee's responsibility to provide the employer with timely, complete, and sufficient certification and failure to do so may result in delay or denial of FMLA leave.

QUALIFYING EXIGENCIES

In cases where an FMLA leave is for a qualifying exigency, the employee must fill out a copy of the DOL form Certification of Qualifying Exigency for Military Family Leave. The Certification can be obtained from the Human Resources Department. The completed form along with the documentation that the employee provides will be used to determine if the leave request qualifies and the length of the leave. When certification is requested, it is the employee's responsibility to provide the employer with timely, complete, and sufficient certification and failure to do so may result in delay or denial of FMLA leave.

MILITARY CAREGIVER LEAVE

Military Caregiver Leave is FMLA leave to care for a covered service member who has suffered serious injury or illness in the line of covered active duty. The term covered active duty means duty during deployment to a foreign country. A **covered service member** means a current member of the Armed Forces, National Guard or Reserves who is undergoing medical treatment, recuperation, therapy, is in outpatient status, or is otherwise on the temporary disabled list for a serious injury or illness or is a veteran undergoing treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces, National Guard, or Reserves, at any time during a period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy. An employee who has a qualified family relationship with a covered service member may take up to 26 weeks of leave during a single 12-month period. This 12-month period is also a rolling 12 months, as described previously. The 12-month period is measured backward from the date an employee uses any Military Caregiver Leave. A qualified family relationship is a spouse, parent, child or next of kin. Contact the Company Human Resources Department to determine if a qualified family relationship exists.

- The leave entitlement described in this paragraph applies on a per-covered service member, per-injury basis, such that an eligible employee may be entitled to take more than one leave if the leave is to care for a different covered service member or to care for the same covered service member with a subsequent serious illness or injury.
- An employee may have an FMLA leave for up to 12 weeks for one of the qualifying reasons previously covered above in the same 12-month period in which an FMLA leave is taken to care for a covered service member.
- No more than 26 weeks total of FMLA leave may be taken within any single 12-month period.

An employee who has a qualified family relationship with a covered service member may take up to 26 weeks of leave during a single 12-month period. The single 12-month period for military caregiver leave begins on the first day the employee takes leave for this reason and ends 12 months later, regardless of the 12-month period established by the employer for other FMLA leave reasons.

An eligible employee is limited to a *combined* total of 26 workweeks of leave for **any** FMLA-qualifying reasons during the single 12-month period. Up to 12 of the 26 weeks may be for an FMLA-qualifying reason other than military caregiver leave. For example, if an employee uses 10 weeks of FMLA leave for his or her own serious health condition during the single 12-month period, the employee has up to 16 weeks of FMLA leave left for military caregiver leave.

The Company Human Resources Department should provide the employee with a copy of the DOL Form Certification for Serious Injury or Illness of Covered Service member for Military Family Leave to be completed by the employee and an authorized military health care provider of the covered service member. The employee may present certain military certifications such as "Invitational Travel Orders" or "Invitational Travel Authorizations" for purposes of certification that must be accepted by the Company Human Resources Department.

- Recertification and second or third opinions are not permitted.
- If the certification is incomplete or unclear, the employee is to be given 7 additional calendar days to provide more complete information.
- The Company Human Resources Department or a person designated by the Company may contact the covered service member's health care provider for clarification and/or authentication of the medical certification.
- In all instances when certification is requested, it is the employee's responsibility to provide the employer with complete and sufficient certification and failure to do so may result in delay or denial of FMLA leave.

All questions should be directed to the Company Human Resources Department.

FMLA AND PAID TIME OFF RUN CONCURRENTLY

Beginning on the first day of the leave, staff **must** use all paid time off allocations as part of the 12-week FMLA leave.

- The requirement that an employee must use paid time off to cover FMLA leave applies to any FMLA leave, including a leave that is taken either intermittently or through a reduced work schedule.
- All time missed in a workday due to an FMLA must be charged to paid time off.

When the paid time off allocations are exhausted, the remainder of the FMLA leave is without pay. This time and the time charged to allocated time off benefits--are to be recorded on the attendance record as FMLA leave.

REINSTATEMENT

If the Company requires a fitness for duty to be completed prior to an employee's reinstatement, the Company must provide FMLA Form Intent to Return and Fitness for Duty/Medical Release and a list of the essential functions when the leave is requested.

At the conclusion of the leave, the employee will be returned to the same position held at the time the leave began or to an equivalent position with equivalent pay, benefits, and working conditions, e.g., the same shift or the same or an equivalent work schedule.

- Employees on an FMLA leave are still subject to a reduction in force or reassignment that would have occurred otherwise had the employee been working.

Infrequently, the reinstatement of a Key Employee would result in "substantial and grievous economic injury" to the Company. In such cases, Human Resources must approve an exception to the reinstatement rule. Company WILL inform the Key Employee--before the leave begins--that reinstatement might not be available when he or she returns to work.

- Key Employees are professional who are among the highest ten percent-compensated employees at the Company.

RESOLUTION OF PROBLEMS

Employees have the right to a prompt investigation and response to a question or problem concerning the application of this policy and the Family and Medical Leave Act of 1993.

POSTING OF FMLA

Information about the FMLA will be provided to all employees by posting notices in conspicuous places within the Company facilities and the facilities of the client to where employee reports to work.
Information is available from the Company Human Resources Department
Also, information concerning the Family and Medical Leave Act of 1993 will be included in any new editions of handbooks or other publications that describe employee benefits or contain policies and practices that are of general interest to employees.

THE COMPANY DESIGNATION AND APPROVAL OF FMLA

It is the Company's responsibility to designate any absence that meets the eligibility requirements of the FMLA as family/medical leave. The designation of FMLA will occur either as a result of an employee request for FMLA leave or when the Company becomes aware that the employee's absence qualifies as FMLA leave, even though the employee may not have requested FMLA leave.
Within five business days of receipt or initiation of an FMLA Leave Notice of Designation, Request, and Approval or other notification, the Company Human Resources Department is to notify the employee whether the leave qualifies and will be counted as FMLA leave. The Company will typically complete the applicable section of the bottom of this form. Copies will be retained in the Company FMLA files. An employee's rights to FMLA may be denied or delayed only for the following reasons:

- timely advance notice of foreseeable leave is not given.
- timely submission of required and sufficient medical certification is not made by the employee.
- the employee fails to provide required fitness to return to work certification.
- the employee expresses an intention not to return to work.
- the employee fraudulently requests or obtains FMLA.
- the employee is employed elsewhere while on FMLA leave without the written approval of the Company.

An FMLA leave will start immediately if an FMLA-eligible employee who is under Worker's Compensation for a work-related injury declines a modified position assignment offered under Worker's Compensation.

RETROACTIVE DESIGNATION

If the Company fails to designate an employee's eligible absence as FMLA, it may retroactively designate the absence as FMLA leave if: 1) the employee has been given notice and 2) either the retroactive designation does not harm the employee, or the Company and employee have mutually agreed to retroactively designate the absence as FMLA.

FMLA LEAVE RUN CONCURRENTLY WITH DISABILITY LEAVE

Any FMLA leave to which an employee may be entitled runs concurrently with time off granted under any disability policy or leave.

SANCTIONS

An employee who fraudulently obtains an FMLA leave is subject to disciplinary action, up to and including termination.

ADDITIONAL INFORMATION

For further information or clarification about FMLA leave, please contact the Human Resources Department.

Return to Work Policy

If for any reason, you are unable to perform your regular job but are capable of performing transitional duty, you must return to transitional duty, if it is available and offered. Employees who choose not to perform transitional work when it is offered, may become ineligible for state workers' compensation benefits and refusal is a basis for termination. This policy, and all policies in this Handbook, should be read and applied consistent with all Federal, State and local laws. In the event that this policy is contrary to any law, the law will govern the situation.

Americans With Disabilities Act (ADA)

The Company is committed to complying with all applicable provisions of the Americans with Disabilities Act ("ADA"). It is the Company's policy not to discriminate against any qualified team member or applicant with regard to any terms or conditions of employment because of such individual's disability or perceived disability so long as the team member can perform the essential functions of the job. Consistent with this policy of nondiscrimination, the Company will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made the Company aware of his or her disability, provided that such accommodation does not constitute an undue hardship on the Company.

Team members with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact their supervisor or Human Resources. The Company encourages individuals with disabilities to come forward and request reasonable accommodation.

PROCEDURE FOR REQUESTING AN ACCOMMODATION
On receipt of an accommodation request, Human Resources and/or your supervisor will meet with you to discuss and identify the precise limitations resulting from the disability and the potential accommodation that the Company might make to help overcome those limitations.

The Company will determine the feasibility of the requested accommodation considering various factors, including, but not limited to the nature and cost of the accommodation, the availability of tax credits and deductions, outside funding, the Company's overall financial resources and organization, and the accommodation's impact on the operation of the Company, including its impact on the ability of other team members to perform their duties and on the Company's ability to conduct business.

The Company will inform the team member of its decision on the accommodation request or on how to make the accommodation. If the accommodation request is denied, team members will be advised of their right to appeal the decision by submitting a written statement explaining the reasons for the request. If the request on appeal is denied, that decision is final.

The ADA does not require the Company to make the best possible accommodation, to reallocate essential job functions, or to provide personal use items (i.e., eyeglasses, hearing aids, wheelchairs etc.).

A team member or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify a supervisor, any member of management or Human Resources. All such inquiries or complaints will be treated as confidential to the extent permissible by law.

Team Member 401K Plan (Retirement Fund)

The Company has a 401K Plan for all team members who may desire to take advantage of the potential retirement benefits provided by such a plan. Any team member who has been with the Company for 60 days is eligible to participate.

The Company does normally contribute matching funds annually to each participating employee's 401k account; however, this match is discretionary and never guaranteed.

Please note: The participation in 401k is elective, not mandatory. However, when an employee becomes eligible, he/she is automatically enrolled at the minimum contribution to receive full match. Team members are notified via mailer from Merrill Lynch at that time. If a team member does not wish to contribute to the 401k account, he/she must follow the instructions in the mailer, log into their account at Merrill Lynch's website and opt out. By opting out, the team member will forfeit all match monies to which he/she is entitled.

Those who desire to obtain more information and details should contact Human Resources.

Team Member Purchases of Company Labeled Products, General Products, and Services

Team members are encouraged to purchase any item or service provided by the Company.

Discounted pricing policies for the different departments are listed below in various sections of the Handbook. Discounts are also incorporated into the pricing for the purchase of additional clothing, beyond those provided by the Company. Additional clothing can be purchased via the ordering website, which is accessible on the Company intranet. The purchase of additional clothing requires employees to use their own credit card.

Company does not extend credit to or maintain accounts receivable for team members. Company no longer regularly utilizes payroll deductions for products or services. * The Company offers financing through a third-party company. Employees who intend to utilize the third-party financing must inform the department of their intent to finance the purchase and be approved by the third-party company **prior** to the purchase. See any Company service department for complete details.

*Certain limited and designated uniform, shirt, hat, or other small purchases may still be bought utilizing payroll deduct, when a credit card option is not available through the vendor.

Team Member Payments for Damage

Employee payments to the Company for damage to company, customer or vendor property may be subject to authorized payroll deductions.

Dealership Parts and Service Department Purchases

Team members may have their personal vehicles repaired in our service facilities in accordance with the following guidelines:

1. For a team member's own vehicle, or the vehicles of immediate family members living in the household, the hourly labor rate will be discounted 50% for repair work.
2. All maintenance items, including, but not limited to tires, brakes, oil changes, alignments, are excluded from any discount.
3. All parts sold to the team member for his or her own vehicle will be purchased at cost plus 10%.
4. ***Immediate*** family members who are not living in the household of our team members will receive a 25% discount on parts and labor.
5. The Handbook provision regarding the extension of credit for team members under section "Team Member Purchases of Company Labeled Products, General Products, and Services" shall apply for all Parts and Service Department Purchases.

Body Shop Purchases

Team members may have their personal vehicles repaired in our service facilities in accordance with the following guidelines:

1. For a team member's own/personal vehicle and the vehicle of family members residing in the household that are **not** utilizing an Insurance Company (Customer Pay), the standard retail hourly labor rate will be discounted 15% for repair work. Parts will be sold at 10% over body shop cost, not to exceed listed retail pricing.
2. When the employee or family member residing in the household utilizes an insurance company for the repair, the body shop will follow standard insurance repair costs and guidelines as outlined by law. For the repairs submitted

and approved by the insurance company, the body shop will provide up to $250 of deductible forgiveness. The deductible forgiveness amount is not to exceed the insured policy deductible price. Any remaining deductible must be paid in full at the time the vehicle is picked up.

3. ***Immediate*** family members not living in the household of our team members will receive a 5% discount on labor. This is only applicable to non-Insurance claims.

Technician Personal Vehicle Repairs or Maintenance

1. Technicians may perform repairs or maintenance work on their own vehicles, or the vehicles of immediate family members living in the household, in the Company's service facilities when approved on an as needed basis.
2. Repairs or maintenance may only be performed outside of the technician's scheduled work hours.
3. All work on personal vehicles must be pre-approved by the technician's supervisor.
4. Every repair **MUST** have an accompanying properly prepared Repair Order signed by the technician's supervisor.
5. A supervisor must be on-site during any work performed under this policy.
6. Any work performed by a technician under this policy must only be work that the technician is qualified to perform on his own during his regular job duties.
7. By working on a vehicle belonging to the technician, or his or her immediate family members, the technician assumes all liability for any damage the technician may do to the vehicle, the facilities or any other property.
8. Individual shops may have more detailed internal employee procedures policies regarding employees repairing their own vehicles. Team members should consult their manager for these internal policies or procedures.
9. **Failure to follow this policy or any department policy on the topic will also result in the employee assuming ALL liability that may arise from any work performed or related actions.**

Outside Vendor Incentive/Purchases

NO team member can accept outside vendor incentives (i.e., trips, prizes, rewards, awards, etc.) without the approval of the Vice President of Sales or Owner.

Team Member Vehicle Purchases

NEW VEHICLES
All new vehicles are governed by the Manufacturer's Employee Discount Plan.

USED VEHICLES
Employees and sales staff are encouraged to negotiate a fair price for a vehicle an employee seeks to purchase, in accordance with the policies and practices utilized during all normal sales transactions. However, as a benefit to working for the Company, all employees are eligible to receive a minimum of $500.00 off of the currently advertised price of any vehicle in inventory up until the vehicle is identified for wholesale. The $500.00 discount is not applicable on units that are retail priced at the current wholesale value or below. Currently advertised price must be determined prior to sale. In certain circumstances, discretion may be used with approval by general manager.

Policy on Sales Managers or Finance Managers Purchasing Vehicles

No Company employee, including sales and finance managers, shall prepare the Buyers Order or any other deal-related documents for the purchase of a vehicle they or someone in their immediate family or household intends to purchase*.

No Company employee, including sales and finance managers, shall secure the financing or prepare the financing paperwork for the purchase of a vehicle they intend to purchase or someone in their immediate family our household intends to purchase.

No Company employee, including sales and finance managers, can appraise their own trade-in vehicle or the trade-in vehicle of someone in his immediate household. All trades under this policy must be appraised by the Vice-President of Used Car Acquisition.

Managers will follow the rules for employee purchases* of vehicles as set forth in the Kelley Team Member Handbook.

If a sales or finance manager wishes to negotiate a price for a vehicle on his own behalf, or for someone in his immediate family or household, that is greater than $500 off the asking price, he or she must contact their general manager. The Used Car Acquisition Department should not be directly contacted regarding the pricing of a car an employee seeks to purchase or someone in his immediate family or household intends to purchase.

Any used car must be offered for sale for a period of a minimum of 30 days before it can be purchased by an employee for greater than a $500 discount. Any vehicle can be purchased immediately once in stock and priced for the $500 discount. Any deviation from this policy must be approved in advance by the general manager, Vice-President of Sales, Chief Operations Officer, or Chief Executive Officer.

Immediate family members or members of the sales or finance manager's household can negotiate with the dealership sales team on their own behalf without the restrictions of the Company employee policies, if the manager is not involved in the sourcing, negotiations, purchasing or financing of the vehicle.

**The term purchase in this policy also encompasses leasing a vehicle.*

Team Member Purchases from Outside Vendors Through the Company

Personal team member purchases from outside vendors made through the Company are not considered to be an acceptable normal practice and will require the approval of the General Manager. Accordingly, the following guidelines are provided to ensure that proper Company purchasing procedures are being carried out. No purchases will be made for supplies, etc., for the retail facility unless the following steps are followed:

1. Signed requisitions of items to be purchased by department team leader.
2. Purchase orders are to be written prior to purchases.
3. Dollar amount of intended purchases must be obtained.
4. Approval by each department team leader when items are to be charged to a department other than the department ordering the supplies.
5. All items are to be checked in at time of delivery by the department team leader or a designated team member.

No third-party credit or payroll deduct will be extended for personal purchases made through the Company from outside vendors.

Team Member Sales Referral Bonus (aka "Bird Dog" Policy)

THE PURPOSE OF THE BIRD-DOG POLICY IS To expand Company's vehicle sales business throughout Fort Wayne and the surrounding communities. The Policy is intended to encourage Company employees through a financial reward (hereinafter, called a "bird-dog") to refer their family, friends, and acquaintances to a Company Dealership, for the purchase of their next vehicle. THESE POLICY TERMS ARE IN PLACE TO FURTHER THE PURPOSE OF THIS POLICY.

1. The bird-dog is a $100 fee that will be paid to the employee via their normal payroll check. It is included in W2 taxable wages.
2. The following employees are excluded from receiving a bird-dog:
    a. All supervisors and managers. As Company representatives, all supervisors and managers have an ongoing interest in supporting the success of the Company in Fort Wayne and the surrounding communities without additional compensation.
    b. All sales associates, internet sales associates, and business development sales associates are vehicle sales representatives. Due to the sales requirements of their job, these employees cannot receive a bird-dog for referring someone to Company to purchase a vehicle.
3. Certain actions and/or involvements in the vehicle purchase will also exclude an employee from receiving a bird-dog. Those actions are as follows:
    a. An employee cannot pay for or co-sign for the purchase of the vehicle that is the subject of the bird-dog.

   b. An employee cannot negotiate any part of the purchase of the vehicle that is the subject of the bird-dog.
   c. An employee cannot provide any information to the referred customer that impacts the negotiation of the purchase or the purchase of the vehicle.
4. In order for the employee to receive the bird-dog, the referred customer must mention to his or her salesperson ***prior to executing the Buyers Order*** the name of the employee who referred him or her to the dealership*.* Sales associates will ask the question of a referral while preparing the Discovery sheet, and the referral will be documented on the Discovery Sheet. No bird-dog will be given if the referred customer does not mention the referral to the salesperson. The employee alone mentioning the referral is insufficient to receive a bird-dog. No bird-dog will be paid if the referral is mentioned after the execution of the Buyers Order.
5. The Sales Associate for the deal will prepare and forward a Customer Referral Appreciation Voucher directly to Human Resources (Mary Lynn Hamrick) once the referring employee is properly identified by the customer on the Discovery Sheet.
6. An employee may only receive a bird-dog for the same customer on one occasion, regardless of the passage of time between purchases.
7. Any attempt by any employee to circumvent this bird-dog policy, including, but not limited to, having referrals fraudulently made in a spouse's or other individual's name in which the employee will receive remuneration, will result in disciplinary action, up to and including termination.
8. The non-employee bird-dog will be addressed in a separate policy.

Non-Employee Sales Referral Bonus (aka "Bird-dog" Policy)

THE PURPOSE OF THE BIRD-DOG POLICY IS To expand Company's vehicle sales business throughout Fort Wayne and the surrounding communities. The Policy is intended to encourage non-employees through a financial reward (hereinafter, called a "bird-dog") to refer their family, friends, and acquaintances to a Company Dealership, for the purchase of their next vehicle. THESE POLICY TERMS ARE IN PLACE TO FURTHER THE PURPOSE OF THIS POLICY.

1. The bird-dog is a $100 fee that will be paid via check within 30 days of the execution of the Buyers Order.
2. In order for the non-employee to receive the bird-dog, the referred customer must mention to his or her salesperson ***prior to executing the Buyers Order*** the name of the non-employee who referred him or her to the dealership*.* Sales associates will ask the question of a referral while preparing the Discovery sheet, and the referral will be documented on the Discovery Sheet. No bird-dog will be given if the referred customer does not mention the referral to the salesperson. The non-employee alone mentioning the referral is insufficient to receive a bird-dog. No bird-dog will be paid if the referral is mentioned after the execution of the Buyers Order.
3. The Sales Associate for the purchase will prepare and forward a Customer Referral Appreciation Voucher directly to Human Resources (Mary Lynn Hamrick) once the referring non-employee is properly identified by the customer on the Discovery Sheet.
4. If the non-employee is not a customer of Company, the non-employee must contact Adam Brueggeman at (260) 434-4662 to inform him of their mailing address once the referred customer executes the Buyer's Order. Checks due existing customers will be sent to the address on file.

New Hire Referral Bonus

The purpose of this policy is to improve and expand the quality of Company's culture and workforce. The policy is intended to encourage Company employees through a financial reward to refer their family, friends, and acquaintances to a Kelley location for the purpose of employment with the Company. THESE POLICY TERMS ARE IN PLACE TO FURTHER THE PURPOSE OF THIS POLICY.

1. A referral bonus is only paid once the referred employee has been employed with the Company for six (6) months, without receiving any progressive discipline.
2. The financial reward for referral of an employee to the Company is as follows:
   a. Fifty dollars for the referral of any employee
   b. Referral fees larger than fifty dollars may be given at times for certain positions, as the labor market dictates our employment needs. Larger referral fees will be temporary and may also be paid out in increments over time, instead of one lump sum. Parameters for referral fees larger than $50 will be announced when they occur via the Company Intranet Page site.
3. The referral bonus will be paid to the employee via their normal payroll check. It is included in W-2 wages.

4. In order for the employee to receive the referral bonus, the referred employee must mention on the online application the name of the employee who referred him or her to the Company*.* **No referral bonus will be paid if the referral is not mentioned on the application.**
5. The referring employee must be employed with Company at the time the bonus accrues, as set forth in Section 1.
6. An employee may only receive a referral bonus for the initial hire of the employee, not for any subsequent job changes.

Wage Deduction for Salaried Team Members

CIRCUMSTANCES IN WHICH THE COMPANY MAY MAKE DEDUCTIONS FROM PAY

Deductions from pay are permissible when an exempt team member is absent from work for one or more full days for personal reasons other than sickness or disability; for absences of one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness; to offset amounts team members receive as jury or witness fees, or for military pay; or for unpaid disciplinary suspensions of one or more full days imposed in good faith for written workplace conduct rule infractions. Also, the Company is not required to pay the full salary in the initial or terminal week of employment; for penalties imposed in good faith for infractions of safety rules of major significance, or for weeks in which an exempt team member takes unpaid leave under the Family and Medical Leave Act. In these circumstances, either partial day or full day deductions may be made.

COMPANY POLICY

It is our policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA).
Therefore, we prohibit all Company managers from making any improper deductions from salaries of exempt team members. We want team members to be aware of this policy and that the Company does not allow deductions that violate the FLSA.

WHAT TO DO IF AN IMPROPER DEDUCTION OCCURS

If you believe an improper deduction has been made to your salary, you should immediately report this information to the Payroll Department. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, you will be promptly reimbursed for any improper deduction made.

Training and Development Programs

The Company is always interested in increasing the skills and educational level of its team members. Team members are urged to express to their immediate team leader any desire to increase their job-related skills and/or abilities. The Company will always attempt to promote, offer, and extend to team members any available training, education, or work-related schooling opportunities that could feasibly be beneficial to them. Training, of course, will always be subject to specific departmental scheduling, goals, and approval.

Reimbursement for training and development is determined departmentally. The average day's wages and other specific information should be obtained from your team leader.

Seniority Policy

It is the Company's desire to provide steady work for everyone. However, if circumstances beyond our control make it necessary to reduce the work force or to institute temporary layoffs, both seniority and ability will be considered in all final employment decisions made by the Company. Seniority will not be considered by a supervisor when determining whether or not to grant or deny a PTO request.

Solicitation and Distribution Policy

Distribution of any items or solicitations for sales of any items in the workplace is restricted to break areas, or areas other than customer areas, during break times only.

Terminations

Care has gone into selecting you as a team member and the Company hopes you will find your position rewarding and challenging. However, since your employment is for no fixed period of time, it may be terminated by you or the Company with or without cause at any time. If you should decide to terminate employment, please advise your team leader as early as possible. The Company requests at least two (2) weeks' prior notice. A team member who provides such prior notice may be considered for reemployment in the future should it be desired. However, the Company, in its discretion, may choose to dismiss an employee prior to the two (2) weeks.

Facility/Equipment Care

Proper care and maintenance of the Company facilities, grounds and equipment bring added benefits to the Company. Negligent abuse, willful destruction, and deliberate misuse of Company vehicles or equipment and machinery may result in a written reprimand and/or team member reimbursement. Cases of continued disregard in this area may result in termination. Proper care promotes the benefits of a more productive work force, a more aesthetically appealing working environment, and more capital for additional purchases of equipment and facility improvements. Let's work together in this effort!

Team Member Parking Policy

It is mandatory that all team members use the appropriate parking lot/space designated by your team leader.

Team Member Driving Guidelines

Company has made a commitment of safety, service, and quality to both our employees and customers. Company insists that both our employees and non-employees operate all vehicles on Kelley property or adjacent streets in a safe and economical manner. The following summarizes policy guidelines:

- Employees must be 21 years of age or older to drive any customer or Company-owned vehicle off Company-owned property.
- Employees 18 or over, but not yet 21 years of age, may be allowed to operate customer or Company-owned vehicles *solely* on Company-owned property under limited circumstances with General Manager or Owner approval.
- No employee under the age of 18 can operate any customer or Company-owned vehicle on or off Company property.
- Employees must have a valid Indiana (or Ohio, if resident there) Driver's license to drive any customer or Company-owned vehicle and must provide a copy of this license to HR at hire. Employees must also provide any subsequent updated license copy to HR after moving or renewing the license.
- Employee must be insurable by the Company's liability insurance carrier to drive any customer or Company-owned vehicle.
- No employee should drive a customer or Company-owned vehicle unless it is part of his or her job duties.
- Employees must inform HR immediately if the status of his or her driver's license changes.
- An individual who does not have a valid Indiana or Ohio driver's license and/or is not insurable by the Company liability insurance carrier, and whose position requires the employee to drive, may not be hired, may have his or her job altered or may be terminated, based upon the specific circumstances of the situation.
- Employees whose job requires driving, must be physically and mentally able to drive safely.
- Employees must conform to all traffic laws and allowances, including but not limited to those made for adverse weather and traffic conditions.
- Employees may not use drugs or alcohol, or be under the influence of drugs or alcohol, while operating a vehicle.
- Employee personal vehicles should always be operated safely and in conformance with all traffic laws while on Kelley property and adjacent streets to the property.

ACCIDENTS
All accidents are to be reported to management and Human Resources immediately 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 in accordance with current Company policies.

For any incident causing the Company to pay an insurance deductible or to pay for repairs to a vehicle or Company property, the Team Member will be responsible for paying the cost of the repair, up to $500, for each and every offense. Due to the nature of the job and frequency of vehicle use, team members with the job title of porter/detailer/van driver will be held responsible for paying the cost of the repair, up to $250, for each and every offense. The Team Member may be required to pay the full cost of the damages if circumstances warrant, at the discretion of management.

A preventable accident is defined as an accident in which the driver failed to do everything reasonably possible to avoid it.

MVR Standards

Motor Vehicle Records (MVRs) will be checked periodically on all employees where driving is a part of their job. The MVR will be reviewed to ascertain the employee holds a valid license and their driving record is within the parameters set by the insurance carrier and Company management. MVR checks which reveal the following will disqualify the employee from driving Company operated vehicles, or those vehicles in the care and custody of Company.

1. Three (3) or more moving violations or at fault accidents in the last three (3) years for drivers aged 22 and older, one (1) or more moving violations or at fault accidents in the last three (3) years for drivers aged 18 through 21; or
2. Driver's license currently invalid, revoked, or suspended and/or any of these violations in the last 3 years.
    a) Driving while intoxicated or under the influence of alcohol.
    b) Driving under influence of drugs.
    c) Negligent homicide from use of a motor vehicle.
    d) Using motor vehicle in commission of a felony (or attempted commission of a felony).
    e) Assault (or attempted assault) with motor vehicle.
    f) Racing or speed contest.
    g) Reckless driving.
    h) Hit and run (BI or PD)
    i) Permitting unlicensed person to drive.

Use of Motorcycles for Business Related Travel

Employees are prohibited from using motorcycles, motorized scooters, bicycles or similar modes of transportation at any time for business-related travel due to the inherent danger associated with traffic-related collisions. Motorcycle crashes, even when not involving another vehicle, often result in catastrophic injuries or death to the operator.

Employees are not prohibited from traveling to and from (their home) and work (commuting) using such forms of transportation as noted above; provided they do not engage in <u>any</u> activity that would be construed as business-related (e.g. picking up mail, making bank deposits, purchasing office supplies, etc.) during this travel.

All business-related travel in motorized vehicles will be in a properly registered unit meeting applicable Federal and State Highway Safety standards and equipped with passenger seats for all occupants on board. It will be equipped with modern active and passive passenger restraint systems that will be used at all times by the occupants whenever the vehicle is in motion as required by state law.

Safe Driving and Mobile Devices

MOBILE DEVICE USE WHILE DRIVING
Company will not tolerate texting or talking on a hand-held phone while operating a Company vehicle or while using a Company issued cell phone while operating a personal vehicle. This includes, but is not limited to:

- Answering or making phone calls, engaging in phone conversations, reading, or responding to e-mails and text messages.

Employees are required to:

- Turn cell phones off or put on silent or vibrate before starting the car. • Pull over to a safe place if a call must be made or received while on the road.
- Consider modifying voice mail greeting to indicate that you are unavailable to answer calls or return messages while driving.
- Inform clients, associates, and business partners of this policy as an explanation of why calls may not be returned immediately.

Violations of this policy will lead to discipline, up to and including termination. Employees are also expected to follow all state laws regarding mobile device usage.

VEHICLE SAFETY

Your primary responsibility when driving a motor vehicle for the Company is driving the vehicle safely. Company has developed the following expectations for you as a driver to help ensure Company-owned and operated vehicles and/or those used by 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 when en route and when Company vehicles are parked.
- All accidents must be reported to management consistent with Company's Accident Reporting Policy.
- 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.
- Passengers, other than Company employees or authorized persons, are not permitted in Company or customer owned vehicles.

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 including termination.
- Employees may be required to pay for damage due to their negligent driving or sent for drug screening as described below.

All current employees of Company must have a signed copy of Company's Driving Policy retained in a management file.

Your signature certifies your agreement to comply with this policy, and you are willing to accept the consequences of failing to do so.

Damage to Company, Customer or Third-Party Property or Vehicles

Every Team Member has a duty and responsibility to operate any vehicle safely while at work, on and off Company property. Every Team Member also has a duty to carefully handle any customer or Company property that is placed into their care.

If a Team Member is involved in any incident that results in damage to Company, customer or third-party property or vehicles, his or her supervisor will conduct an immediate investigation into the facts surrounding the incident. The supervisor will immediately inform the VP of Human Resources of the incident and prepare the proper damage accident report. The form, along with any witness statement(s), where applicable, will be immediately forwarded to HR and the VP of Human Resources.

The Team Member may be sent for a drug/alcohol screening test if an impairment of judgement, coordination, or physical or mental ability could have caused the incident. The Company need not specifically suspect drug or alcohol use or impairment before testing.

A Team Member who damages Company or customer property or vehicle will receive a disciplinary write-up unless it is determined after the investigation that the Team Member was not in any way at fault for the damage.

For any incident causing the Company to pay an insurance deductible or to pay for repairs to a vehicle or Company property, the Team Member will be responsible for paying **the cost of the repair, up to $500, for each and every offense.* Due to the nature of the job and frequency of vehicle use, team members with the job title of porter/detailer/van driver will be held responsible for paying the cost of the repair, up to $250, for each and every offense.**

***The Team Member may be required to pay the full cost of the damages if circumstances warrant, at the discretion of management.**

Depending on the circumstances surrounding any accident, the Team Member may be subject to additional disciplinary action, up to and including termination for any offense.

The preceding payment must be paid to the Company immediately upon knowledge of the damage. The payment may be made by written request for a payroll deduction or paid directly to the Accounting Department. Failure to make arrangements for said payment and/or failure to make said payment, will subject the team member to discipline, up to and including termination.

Team members will not remove from The Company's place of business any Company Vehicle, Customer Vehicle, Company Property, or Customer Property without authorization from management. Any unauthorized attempt to remove Company Vehicle or Property by current or former employees can result in disciplinary action and/or legal action, including prosecution for conversion or theft.

Job Safety and Worker's Compensation

The Company complies with the applicable Worker's Compensation Laws. It is the Company's desire to provide a safe and healthful working environment for all team members. A team member must report all personal or vehicular accidents or injuries, ***no matter how minor***, to the team leader immediately. A Supervisor's Report of Accident form must be filed for all customer and team member accidents.
Should you injure yourself at work, please see your team leader immediately to complete the accident report. Even if the injury is minor and you do not wish to seek outside medical treatment, a report must be completed on the same day of occurrence. It is the responsibility of the Supervisor and the Team Member to ensure the accident report is filled out after an accident or injury. A determination will then be made if your injury requires medical assistance or simple first aid at the facility.

Injured employees in need of medical treatment should not seek treatment from their own doctor. Company will arrange for medical treatment at no cost to the employee for all legitimate workmen's compensation claims. If medical treatment is necessary, you will be instructed about where to be treated. Post-accident drug and alcohol screening may be required along with treatment under our Worker's Compensation policy. A Team Member may refuse treatment for an injury but must comply with the Company requirement to undergo drug/alcohol screening under our Drugs, Alcohol and Narcotics Policy where applicable. The Team Member must report back to work with the paperwork from the Company assigned medical provider for proper filing of your claim and for proper accommodations to any restrictions noted by the physician. Team Members must follow through with any prescribed treatment by the physician and with follow-up visits. A Team Member who is receiving Workers Compensation payments may not be gainfully employed in any capacity outside of the Company.

A Team Member who refuses treatment offered by the Company-arranged physician likely puts future insurance coverage for his or her medical needs in relation to the work-related injury in jeopardy. Cooperation with the Company-provided physician is expected and is in the employee's best interest. Failure to follow the above procedures or to comply with prescribed treatment by the physician may result in disciplinary action up to and including termination.

Any team member, who sees a safety hazard in their work area, or in any other area of the facility, is required to report it immediately to management.

Lifting Policy

Back injuries are frequent and severe in the auto industry. Often, they are avoidable. Our team cannot function if one of our members is injured. Therefore, the following guidelines are a part of the Company's Lifting Policy:

1. **WEIGHT** No employee is authorized to lift any object heavier than 75 pounds. (See your job description for weight requirements for your particular job.)
2. **ASK** Get a co-worker to lift heavy or awkward objects.
3. **BEFORE** Warm up by stretching back, arms and legs.
4. **DURING** Stand close to load with feet firmly on floor about shoulder width apart and toes pointed out.
5. **LIFT** Raise the object by straightening your hips and knees (not your back). Keep your back straight. Don't twist while you lift.
6. **HOLD** Keep the load as close to your body as possible, at the level of your belly button.
7. **LOWER** Bring the load down carefully, squatting with the knees and hips only.
8. **PLAY SAFE** Never ignore back pain. Stop lifting, rest and report to your manager.
9. **TEAMWORK** You cannot stay safe alone. If you see someone lifting incorrectly, step in and help.

Hazard Communication Program

POLICY STATEMENT

It is the policy of Kelley Automotive Group, LLC (KAG) to reduce employee exposure to hazardous chemicals and the overall incidence of chemical-related injuries and illnesses. All employees who are potentially exposed to hazardous or the hazards of chemicals in their assigned jobs must be fully informed of both the hazardous properties of the chemicals and the protective measures that are available to minimize exposure to these chemicals. This type of information will be made available to employees by means of labels on chemical containers, SDS(s), and training. Employees will be informed of any known hazards associated with chemicals to which they may be exposed before their initial assignment, whenever the hazards change, or when new hazardous chemicals are introduced into their respective work areas.

PURPOSE

To provide a procedure for conducting chemical hazard assessments and to ensure that employees are informed of the physical and/or health hazards of chemicals they work with or around.

SCOPE

This program is applicable to all KAG locations.

Note: *This program shall not apply to departments that use consumer chemical products in a manner that results in a duration and frequency of chemical exposure that does not exceed exposures experienced by consumers who use the product for its intended purpose (ex. a department that keeps a bottle of glass cleaner to occasionally clean their computer screens, an office that uses white-out, etc.).*

Definitions

Active Pharmaceutical Ingredient: Potent chemical or biochemical substances used in the diagnosis, treatment, or prevention of a disease or as a component of a medication.

Biological Material: Materials and substances that include whole animals and all living organisms and materials derived from them, as well as biological agents, cadaveric tissues, and genetically modified microorganisms and organisms.

Carcinogen - an agent that causes cancer and is listed on the Carcinogen List.

CAS Number - Chemical Abstracts Service Number. A CAS Number is a discreet reference number assigned to a chemical by the American Chemical Society.

Chemical or Mixtures – Any element or chemical compound (e.g., chemical raw material; isolated process intermediate; active pharmaceutical ingredient; reagent; cleaning and maintenance chemical; and product). This shall also include items that may not create hazards in their current form, but can create hazards while being processed or used (i.e., bar stock, castings, abrasive wheels, welding rods, etc.)

Chemical Inventory – An inventory of chemicals approved for use.

Kelley Automotive Group, LLC Contractor Representative – A KAG employee who arranges services with contract personnel or who has functional responsibility for the area/equipment that will be impacted by the contracted activity.

Exposure - contact with a chemical or mixture such that a dose may be delivered. Exposure occurs when a chemical comes in contact with the skin, is inhaled, swallowed or injected into the skin by a sharp object.

GHS – Globally Harmonized System of Classification and Labeling of Chemicals (GHS)

Hazardous Chemical - Any chemical, which poses a physical, health, or environmental hazard; specifically, a chemical with a hazard classification (e.g., Annex 1); established Threshold Limit Value (TLV)

Hazard Classification - Provides specific criteria for classification of health and physical hazards, as well as classification of mixtures.

Labels – Chemical manufacturers and importers will be required to provide a label that includes a harmonized signal word, pictogram, and hazard statement for each hazard class and category. Precautionary statements must also be provided (see Attachment B). Secondary Labels will use the HMIS (see Attachment A).

Safety Data Sheet (SDS) - a document which provides information regarding the properties, hazards, safe handling, and emergency procedures for a particular chemical or mixture. Contains a specified 16-section format.

Physical and Health Hazards – These terms apply only to the physical and health hazards of chemicals. A physical hazard is associated with a chemical that is a combustible liquid, a compressed gas, explosive, flammable, and organic peroxide, an oxidizer, pyrophoric, unstable, or water-reactive. All these can harm as a result of physical reaction. Health hazard means that exposure to the chemical

Secondary Container – A container other than the one in which the chemical was received from the vendor.

Spills (Emergency) – Releases of hazardous materials where there is a potential safety or health hazard such as fire, explosion, chemical exposure, or threat to the environment or property. If an emergency spill cannot be immediately and safely cleaned-up, neutralized, absorbed or controlled by employees in the area who normally work with the hazardous material.

Spills (Incidental) - Releases of hazardous materials that do not create potential safety or health hazard such as fire, explosion, chemical exposure, or threat to the environment or property. Examples: machine cutting fluids, hydraulic fluids, dilute clean line detergent tanks, or water from a laser etch machine. An incidental spill can be immediately and safely cleaned-up, neutralized, absorbed or controlled by associates in the area who normally work with the hazardous material.

RESPONSIBILITIES

All Employees:

- Attend required training (when applicable).
- Understand chemical labeling systems.
- Understand the hazards of the chemical by reviewing the health and physical hazards listed on the SDS.
- Ensure that chemical containers are properly labeled.
- Immediately report an emergency chemical spill in accordance with emergency notification procedures.
- Report any signs or symptoms of chemical exposure to their Supervisor/Manager or Safety Manager.

Managers:

- Ensure employees receive initial and any additional communication training if necessary.
- Ensure that employees are familiar with the location of the department chemical inventory and Safety Data Sheets (KAG Intranet/SDS Tracker).
- Facilitate an annual physical verification of the department chemical inventory.

- Ensure chemicals are periodically inspected to ensure appropriate labeling and storage.
- Develop procedures for non-routine tasks that have chemical hazards (if applicable).
- Ensure contractor chemical use is consistent with the KAG Contractor Safety/Environmental Policy & Guidelines.

Safety Manager:

- Perform hazard assessments on new chemicals.
- Inform Management of Hazard Communication Regulatory Requirements.
- Assess chemical hazards and coordinate employee exposure monitoring if necessary.
- Facilitate the assessment of carcinogens proposed for use at the facility.
- Perform an environmental hazard assessment of new chemicals.
- Coordinate with the qualified person to ensure that initial training includes proper disposal of chemicals in the work areas.

CHEMICAL INVENTORIES

The Safety Manager maintains a master list of all hazardous chemicals. At a minimum, the chemical inventory shall include the trade name of the chemical and the manufacturer name.

SAFETY DATA SHEETS

Safety Data Sheets (SDS) are maintained in the following location: an electronic copy of each SDS is maintained on the company shares drive/safety file. For quick access, there is an icon located on the desktop of all company computers.

PROCURING CHEMICALS

The Purchasing Managers shall be responsible for ensuring vendors provide an SDS for all chemicals. For frequently ordered chemicals, a previous SDS is acceptable; however, the vendor must agree in writing that any updates or changes to the SDS will be forwarded.

Note: SDS may be obtained by calling, emailing, or faxing the chemical manufacturer. Many SDS are also available on-line at the manufacturer's web site.

HAZARD ASSESSMENT PROCESS

The Chemical Hazard Assessment Process shall be accomplished as follows:

Prior to use in the facility, all new chemicals/mixtures or approved chemicals proposed for a different process/application shall be approved through each site's environmental policy. This includes an assessment of physical, health, and environmental hazards by the Safety Manager. The purpose of this assessment will be to ensure the hazards determined by the chemical manufacturer are considered in how the chemical will be used in the department.

Chemicals shall not be brought on to KAG premises or accepted for delivery until an SDS has been received and a hazard assessment completed.

Chemical Labeling:

Chemical Labeling shall be accomplished as follows:

- All chemical containers shall be labeled in English.
- The chemical manufacturer's labeling is acceptable for materials in the manufacturer's original container. Materials transferred from the manufacturer's container to a secondary container shall be labeled with a completed HMIS label (See Attachment A). Note: Chemicals transferred to a secondary container must be compatible with the material that forms the secondary container.

- Shatterproof containers are plastic, metal or plastic-coated glass. Shatterproof containers are required for flammable, corrosive, or toxic chemicals purchased in containers 2.5 L or greater in size.
- Supplier labels may not be removed or defaced. Information on supplier labels may not be altered.
- An HMIS label (Reference attachment A) is required on all secondary containers that chemicals are transferred into. The HMIS label is obtained from the tool crib, plant labeling station, or Safety Coordinator.
- Chemicals shall be periodically inspected via the EHS inspection program or a similar system to ensure appropriate labeling and storage.
- All valves and piping shall be labeled to identify their contents. The label should also indicate the direction of flow. (Note: Piping on machines does not require labeling if the reservoirs holding the chemicals are properly labeled.)

Storage:

Incompatible chemicals shall not be stored together.

Training:

Hazard Communication Training shall be accomplished as follows:

All affected employees shall receive initial hazard communication and any additional required training. Training shall include:

1. Requirements of OSHA Standard
2. Operations where Hazardous Chemicals are present
3. Location of inventories, SDS, and Hazard Communication Written Program
4. Health and Physical Hazards
5. Detecting Hazardous Chemicals
6. Protective Measures
7. Labeling System
8. Contents of SDS
9. Components of KAG's Program

General awareness/initial training shall be provided at the time of hire via the new hire orientation training. The department manager shall ensure that any additional training to address department specific chemical hazards is complete prior to the employee working with a chemical.

If new chemicals are introduced that present hazards different from existing chemicals, employees shall be trained on the hazards of the new chemicals.

Employees shall also receive training if they are transferred into areas where different chemical hazards exist.

HR and/or the Safety Manager shall conduct training, or a contractor/individual approved by HR and/or the Safety Manager (such as ComplyNet)

All training shall be documented/recorded.

Non-routine Tasks:

The Department Manager shall be responsibility for developing procedures to protect employees from chemical hazards associated with non-routine tasks (i.e., infrequent maintenance, annual cleaning, etc.) when applicable.

Chemical Spills:

Chemical spills shall be addressed as follows:

- Incidental spills may be cleaned up by employees who work with the chemical in the area who are properly trained to safely respond.
- Emergency spills shall be immediately reported in accordance with KAG's emergency reporting procedures.
- For any chemical spill, a spill report form must be completed and submitted to the Safety Manager.

- All supplies used to clean up chemical spills must be treated as hazardous waste until determined otherwise by the Safety Manager.

Exposure Monitoring:

The Safety Manager shall be responsible for assessing chemical hazards and coordinating employee monitoring when required.

Carcinogens:

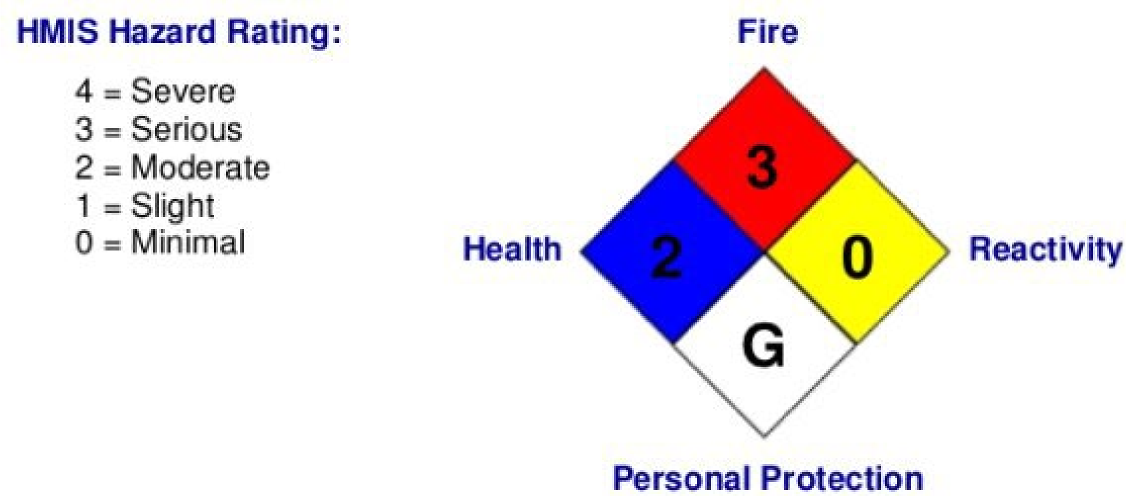
Carcinogens proposed for use in the facility are evaluated during the chemical approval process. Substitution with non-carcinogenic materials must be explored before approval is granted. If the Safety Coordinator approves a carcinogen for use, at a minimum the following actions will take place:

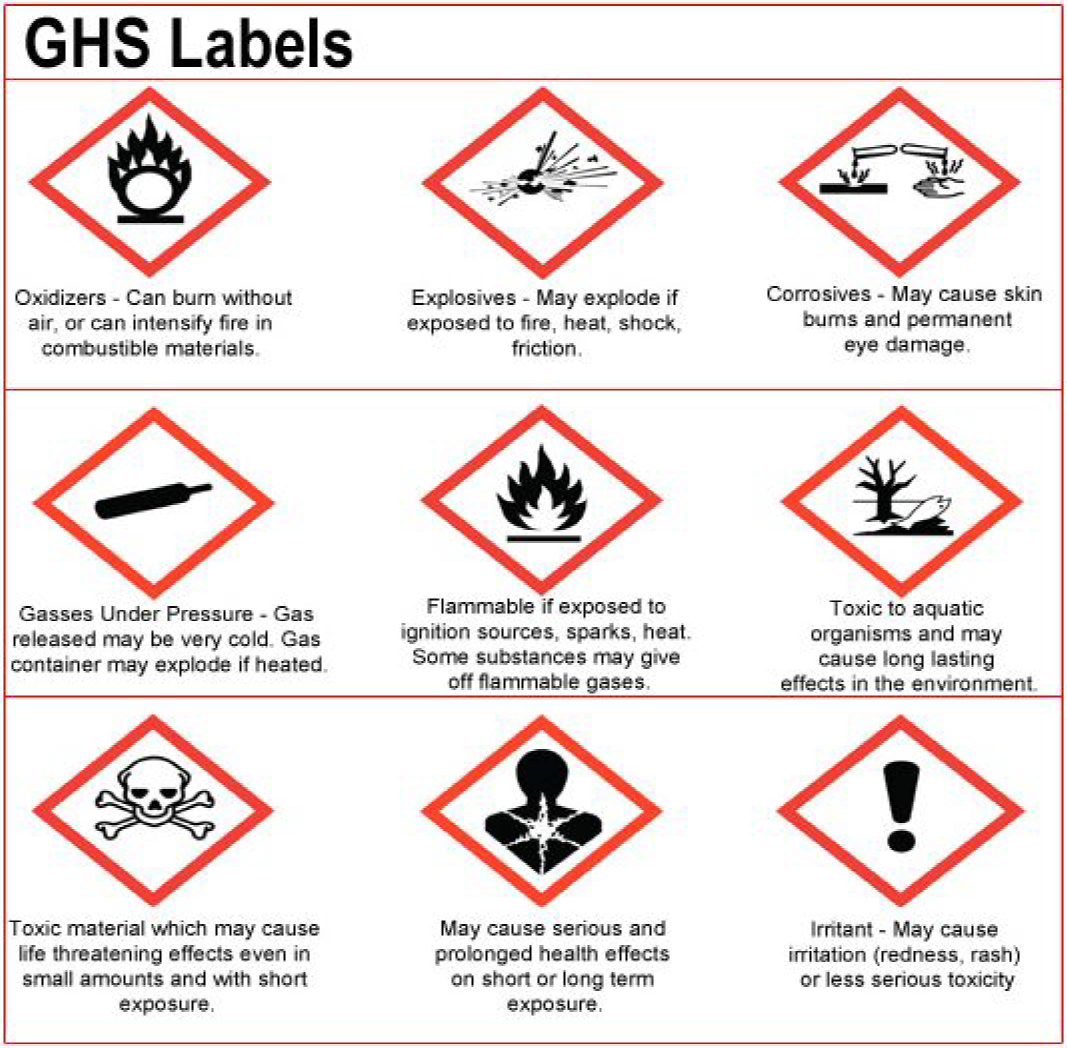
- Completion of a risk assessment by a qualified industrial hygienist or safety specialist.
- Use of the most effective methods, devices, and systems for controlling emission and exposures.
- Implementation of systems to ensure control devices or systems function 100% of the process operation time. Malfunction of the system or device must shut down the process.

Contractors:

The use of chemicals by contractors on KAG property shall be consistent with the KAG Contractor Communication Program.

SAMPLE NOTICES AND WARNINGS





EMERGENCY ACTION PLAN

PURPOSE:
The purpose of this Emergency Action Plan (hereafter referred to as EAP) is to define the methods of emergency preparation and response for all Kelley Automotive Group locations and to ensure compliance with OSHA's 29 CFR 1910.38 and 29 CFR 1926.35. In addition, this plan is intended to minimize hazards and associated risks to our employees, customers, and the communities in which we operate. Potential hazards include, but are not limited to, fires, explosions, severe weather, floods, hazardous chemical spills, and hostile situations, such as an active shooter. This plan also describes how responsibilities are assigned/delegated.

RESPONSIBILITIES:

Director of Risk Management:
The Director of Risk Management and his or her designate will be responsible for working with the Safety Committee to determine emergency situations, creating an EAP for each situation, coordinating, and periodically reviewing the various aspects of the EAP, including the completion of all annually required equipment inspections/testing as required under NFPA guidelines.

The Director of Risk Management and his or her designate will be responsible for communicating and/or planning communication of the EAP to Kelley Automotive Group.

The Director of Risk Management or his or her designate shall be responsible for maintaining written documents and procedures related to identified emergency situations.

The Director of Risk Management or his or her designate shall be responsible for ensuring training and/or informational materials are in place for all Kelley employees in relation to the EAP.

Safety Committee:
The Committee is charged with identifying emergency situations and preparing procedures, as part of the Emergency Action Plan.

Onsite Managers:
Onsite managers will be responsible for familiarizing themselves and their team with the EAP. Onsite managers will be responsible for directing team members and customers in accordance with KAG policies when the EAP is invoked.

All Kelley Automotive Group Employees:
All employees are required to review and familiarize themselves with the EAP and be prepared to act in accordance therewith. Onsite Managers and employees meeting with customers shall be responsible for directing customers to safety during emergency situations.

Emergency Control Committee:
Members shall be responsible to assist in assessing the nature and extent of the emergency, assuming control of all emergency actions, delegating assignments to other personnel as appropriate, ordering evacuations or directing employees/customers to shelter areas, and taking any other action to protect life.

PROCEDURE:

Emergency Control Committee:
An Emergency Control Committee shall be designated as an executive level committee to direct actions as needed during an emergency and give final approval to the EAP. The Committee shall consist of the following individual(s):

- CEO
- CFO
- COO
- VP of HR
- Director or Risk Management
- HR Manager
- General Managers
- Service Directors

Emergency Control Committee Members for after hours are as follows:
Department Supervisors – ***Department Supervisors are responsible for informing Emergency Control Committee (see appendix I) on any disaster***.

Safety Committee and Safety Committee Meetings:
A Safety Committee of employees shall be created to identify emergency situations, discuss location specific concerns, and provide input on EAP procedures. The Safety Committee will report its findings and suggestions to Control Committee.

Identification of Potential Emergency Situations and Creation/Modification of the EAP:
Potential emergency situations shall be identified and communicated as a result of Safety Committee meetings, Emergency Control Committee Meetings, Management Reviews, employee recommendations, corrective/preventative actions resulting from incident investigation or post audit findings. Following the identification of said potential emergency situations, procedures will be created to deal with the situation.

Contacts for Emergency Response Assistance:
The list of local Emergency Coordinators, alternates and other emergency contact phone numbers are listed in Appendix I. The Director of Risk Management or his or her designate shall keep the information current.

Updates to the list shall be provided to Managers and to Safety Committee members for posting. Emergency information shall be posted throughout the buildings at strategic locations. Employees and customers are encouraged to review emergency information to prepare for emergency situations.

The following organizations are participants in emergency response as specific needs require. Copies of Assistance Agreements shall be maintained and updated by the Director of Risk Management or his or her designate:

- Allen/Adams County Local Emergency Planning Committee (LEPC);
- City of Fort Wayne/Decatur Fire Department.

Identified Emergency Situation Protocols:

1. **Fire Evacuation:**

For most of our locations, the roadside brand sign will serve as the primary employee/customer fire evacuation rally points in the event of a fire. For those locations without roadside brand signs, there will be alternative signs placed that will state "evacuation gathering point". The points are also referred to herein as "rally points."

The fire alarm signal is a disruptive tone with strobe lights. Kelley Automotive Group has partnered with Shambaugh & Sons to ensure all Fire Extinguishers, Suppression/Sprinkler Systems and Alarm systems are functioning properly and annually certified to meet and/or exceed NFPA 25 guidelines.

Managers shall prompt all employees and customers to proceed to rally points (ref. appendix II for designated rally point locations) and determine if employees/customers are left in the building. When a Manager is not on site, the lead person in the department shall fill that role. Location Management should utilize their best efforts to ensure all employees are accounted for and present at the rally points. A member of the Emergency Control Committee will be the contact to correspond with emergency response personnel (fire department, ambulance, police etc.).

Training in the use of fire extinguishers is provided to a number of employees annually. An employee is not expected to use a fire extinguisher, but if a trained employee feels confident that a fire is incidental and a single canister will suffice, the employee may proceed to use the extinguisher. Once the fire is extinguished, the employee is to notify their manager directly. For fires larger than this, the employee is to pull the nearest fire alarm, vacate the building, notify the Fire Department, and wait at the designated rally point. The Director of Risk Management or his or her designate is responsible for coordinating the training and for maintaining records of training.

2. **Severe Weather:**

The Tornado and Severe Weather shelter locations shall be clearly marked. Management and employees should familiarize themselves with the marked locations. These locations may include, but are not limited to, centralized areas without windows such as restrooms, breakrooms, supply rooms or office areas.
When prompted by local severe weather notifications (Tornado Warnings) from Wireless Emergency Alerts (WEA) via cell phones or through the Emergency Alert System (EAS), which is broadcasted via radio/TV, onsite managers shall direct all personnel and customers to designated shelter areas.
If time permits, employees shall power down sensitive equipment. (Ref. Appendix II for designated shelter locations).

Winter Weather Travel Advisories:

All employees should consult with https://www.in.gov/dhs/traveladvisory/ for any local travel warnings and advisories.

3. **Flood Warnings:**
Should any KAG employee experience flood conditions, they are encouraged to follow the below recommended safety steps provided by Ready.Gov:

- Find shelter right away
- Don't walk, swim, or drive through flood waters. **Turn Around, Don't Drown!**
- Remember, just six inches of moving water can knock you down, and one foot of moving water can sweep you away
- Stay off bridges over fast-moving water

Depending on the type of flooding:

- Evacuate if told to do so
- Move to higher ground or a higher floor
- Stay where you are

Any KAG Dealership in the vicinity of a forecasted flood zone that has received early warning from the National Weather Service or local advisory, and if safe to do so, shall transfer all automotive inventory to locations outside of the forecasted flood zone.

These transfer locations can include:

- Any KAG property located along Grand National Drive – Fort Wayne, IN
- 929 Ave. of Autos – Fort Wayne, IN
- 500 E State Blvd. – Fort Wayne, IN
- 5220 Value Dr. – Fort Wayne, IN
- 1425 Progress Rd. – Fort Wayne, IN
- Any KAG property located at the Decatur Auto Mall - Decatur, IN

All driving eligible employees and resources will be called upon and asked to relocate vehicles. The Director of Risk Management, general managers, owners, or other executive personnel will be charged with coordinating and managing the relocation effort. Kelley Automotive Group will utilize other Kelley owned properties, if possible, for temporary relocation.

4. **Small Chemical Spills:**
In the event of a small spill (less than 1 U.S. Gallon) of hazardous chemicals, any employee that is not trained or is uncomfortable with the handling, clean up, and disposal of chemicals are directed to contact the Spill Response Team listed in Appendix III. Please note, for any large spills, Kelley Automotive Group has a partnership with Chrystal Clean Environmental Services, which includes a 24/hour response service for all spills. Their contact information is included in Appendix I.

Below is just general guidance on how to properly address a small spill:

A. **Identify the source of the spill or leak**.
What is the material? What are the hazards this material presents, and what PPE is appropriate? How large is the spill now, and what is the total potential volume?

B. **Contain the Spill.**
If the spill is inside the building, block the exits using absorbent socks and pads, block off exits. If the spill happens outside the building, block the natural flow routes to drainage ditches. Also, begin to surround the spill with absorbents to keep the material in as small an area as possible.

C. **Stop any more material from spilling or leaking.**
Shut a valve, tip the drum over so the leaking area is the highest point (if possible), put the leaking container into an over pack drum, or whatever other methods will prevent more material from spilling.

D. **Completely contain the spilled material.**
Use absorbents, wet/dry vac etc. to stop the spread of material and to clean up the spill.

E. **Properly disposal of contaminated material**
The Director of Risk Management or his or her designate will ensure proper disposal of spilled material and materials used to clean up the spill.

F. **Notify management.**
A written report shall be completed and include the cause of the spill, the response, and future prevention measures. The Director of Risk Management or his or her designate shall complete this report within 24 hours of the incident.

Safety Data Sheets:

All Kelley Automotive Group Safety Data Sheets (SDS) are located on the company's safety drive and can be accessed from any desktop by clinking on the SDS Library icon, picture below. The Purchasing Departments shall be responsible for ensuring an SDS is provided by all suppliers/vendors. Employees are expected to wear proper PPE while performing tasks which pose health or injury hazards. Failure to do so may be cause for discipline and/or termination, per company policy. Changes or modifications to work processes or equipment requirements shall be communicated to affected employees through the most effective means. First aid kits are located throughout all locations. These are supplied and filled by an outside service. Eyewash /showers stations are located near work areas with potential chemical exposures.

5. **Active Shooter:**

In the event of an active shooter, quickly determine the most reasonable way to protect your own life. Remember that customers and clients are likely to follow the lead of employees and managers during an active shooter situation. **The guidance below was provided by the Department of Homeland Security. Kelley Automotive Group provides the below guidance as a best practice and suggestion. These actions are in no way required of any individual.**

1. **Evacuate.**

If there is an accessible escape path, attempt to evacuate the premises. Be sure to: • Have an escape route and plan in mind • Evacuate regardless of whether others agree to follow • Leave your belongings behind • Help others escape, if possible • Prevent individuals from entering an area where the active shooter may be • Keep your hands visible • Follow the instructions of any police officers • Do not attempt to move wounded people • Call 911 when you are safe.

2. **Hide out if evacuation is not possible.**

Find a place to hide where the active shooter is less likely to find you. Your hiding place should:

- Be out of the active shooter's view.
- Provide protection if shots are fired in your direction (i.e., an office with a closed and locked door).
- Not trap you or restrict your options for movement to prevent an active shooter from entering your hiding place.

Once in your hiding place, if possible, lock the door and blockade the door with heavy furniture.

3. **Take action against the active shooter:**

As a last resort, and only when your life is in imminent danger, attempt to disrupt and/or incapacitate the active shooter by:

- Acting as aggressively as possible against him/her.
- Throwing items and improvising weapons.
- Yelling.
- Committing to your actions.

6. **Medical Emergencies:**

For minor medical conditions such as cuts, scrapes, burns or contusions, each KAG location has a designated first aid location, which includes a medical cabinet with first aid supplies and a medical waste container for properly discarding used bandages/gauze. Please note, these medical waste containers are not intended for packaging material, but only for contaminated medical waste. Uncontaminated packaging material can be discarded in the general trash receptacles.

For injuries beyond first aid, immediately notify your supervisor/manager for assistance to be treated at our occupational health clinic, or the ER for severe injuries.

Below is a list of KAG employees that are certified EMT's/First Responders that can provide additional medical assistance and/or support with determining the severity of an injury.

Certified EMT's/First Responders:

Elizabeth Ebnit – Buick GMC of Fort Wayne	Cell Phone (260) – 413-7182
Bob Herber – Buick GMC of Fort Wayne	Cell Phone (419) – 506-1469
Marcus Geers – CDJR of Decatur	Cell Phone (260) - 710-5098
Brice Lawrence – Fort Wayne Body Shops	Cell Phone (260) – 804-0440
Cory Wilson – Kelley Chevrolet	Cell Phone (260) – 450-0606

Please refer to the KAG Infectious Disease Policy and Procedures for guidance on the necessary steps to protect against the spread of infectious diseases and viruses.

EAP Appendix I

Emergency Response Assistance:

Jim Kelley, CEO	Cell - (260) 450-0403
Matt Bennett, CFO	Cell - (260) 414-8684
Stephanie Hartman, COO	Cell - (260) 414-8650
Monica Senk, VP of HR	Cell – (260) 449-6696
Brian Lytle, VP of Sales	Cell – (260) 403-0617
Dave Echenoz, VP of Outside Dealer Options	Cell – (260) 385-1176
Trent Waybright, VP of Pre-Owned Operations	Cell – (260) 229-2284
Taylor Straub, HR Manager	Cell – (260) 494-7407
Steve Vachon, Fixed Operations Director	Cell – (260) 444-1527
Paul Sparkman, Director of Risk Management	Cell – (574) 527-3810
Chad Sims, GM of Body Shops	Cell – (260) 610-7484
Michael Spitler, GM or Sales	Cell – (260) 441-6410

Serious Injury

- Call (911).
- Contact an Emergency Control Committee Member (listed above).

Fire/Explosion

- Evacuate to the designated Rally Point and notify the Fire Dept.
- Contact the Fire Department (911).

Tornado and Severe Weather

- Any employee can take responsibility to notify employees and customers to take shelter.
- Proceed to a designated shelter.
- Contact an Emergency Control Committee Member (listed above).

Power Outages

- Indiana Michigan Power Company (800) 311-4634

Gas Leak

- NIPSCO (800) 634-3524

Active Shooter

- Call (911) when safe to do so.

Chemical Spills

- Crystal Clean (260) 494-0717

EAP Appendix II

Designated Severe Weather Shelter Locations

Avenue of Autos:
Kelley Central – BDC Office Restrooms
Kelley Central – Recon Office Restrooms
MWAP – Stairwell
Old Car Wash – Old lubrication pit

Grand National Drive:
JLR – Employee Breakroom
Volvo – Technician Washroom
BMW/Mini – Employee Breakroom
Cadillac – Quick Lube Pit
Buick GMC – Employee Training Room
Car Wash – Compressor Room
14/69 Super Center/Collision Center – Employee Breakroom and Restrooms

Value Drive:
Kelley Chevrolet – Service Advisory Office & Parts Lobby/Restrooms.

Progress Rd:
Fleet/Body Shop – Men and Woman's Locker Rooms

State Blvd:
State Blvd. Body Shop – Men's Restroom

Decatur Campus:
CDJR – Between the Showroom Restrooms
Ford – Service Bay Women's Restroom
Chevy Buick GMC – Women's Restroom
Service Center – Women's Restroom

Designated Fire Evacuation Rally Points:

In the event of a Fire, all employees and customers are to proceed to their locations roadside marquee or designated evacuation gathering point to be accounted for and to await further instructions.

EAP Appendix III

Automated External Defibrillator (AED) Locations

Grand National:
JLR – Breakroom
Volvo – Outside the employee breakroom
BMW – Outside the employee breakroom
Cadillac – Employee breakroom
Buick GMC - Elizabeth Ebnit' s office
Super Center/Body Shop – Outside the employee restrooms

Avenue of Autos:
Kelley Central - Recon entrance from the Service Bay
Midwest Auto Parts – Between the Gym restrooms

Value Drive:
Kelley Chevrolet – Employee breakroom

Progress Rd:
Body Shop - Employee breakroom

State Blvd:
Body Shop – Administration office area

Decatur:
Ford – Accounting office
CDJR – Showroom between the restrooms
Chevy – Employee breakroom
Service Center - Employee breakroom
Body Shop – Managers office

If after reading the Company's Policies and Procedures Handbook, if you are unclear about any area contained within, please take your questions, comments or concerns to your immediate team leader or Human Resources.