

# Gurley Leep Automotive Family



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## TEAM MEMBER HANDBOOK

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Effective Date: February 15, 2015

## **Gurley Leep Automotive Family**

### **Indiana Locations**

**Gurley Leep Hyundai – Subaru**  
**Gurley Leep VW Audi & Mercedes Benz**  
**Gurley Leep Honda**  
**Gurley Leep Kia**  
**Gurley Leep Ford Lincoln**  
**Gurley Leep Buick Cadillac GMC**  
**Gurley Leep Nissan**  
**Toyota of Merrillville**  
**Team Honda**

### **Michigan Location**

**Capital Honda**

### **Iowa Locations**

**Smart Honda**  
**Smart Toyota**  
**Lexus of Quad Cities**  
**Lujack Chevy**  
**Lujack Honda**  
**Lujack Kia Mazda Mitsubishi**  
**Lujack Nissan**  
**Lujack Hyundai**  
**Lujack VW Audi Porsche Jaguar & Mercedes Benz**

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## **INTRODUCTION**

### **WELCOME**

Welcome to Gurley-Leep Automotive Management Corporation! We are pleased that you have joined us and we know that your contributions will assist us in remaining a leader in this community and in our industry.

As one of our team members, you will want to know what you can expect from us and what we expect from you. This Handbook will give you that information by outlining our company's current benefits, practices and policies.

You should keep this Handbook handy as a guide and ready reference throughout your employment here. If you have questions as you read through this Handbook, please do not hesitate to discuss them with your Manager. Your Manager is a very important source of information and will be happy to assist you.

### **MISSION STATEMENT**

We are a team with our customers, our members, our suppliers, and the community. Our mission is to prosper as a business by continually improving our services and exceeding our customers' expectations in an environment which inspires trust, honesty, respect, and pride.

## PURPOSE OF THE HANDBOOK

This Handbook is designed to acquaint you with our Company and to give you a ready reference to answer many of your questions regarding your employment with us. Of course, please remember that business conditions change, and this Handbook is only a summary of the team member benefits, personnel policies, and employment rules that are in effect at the time we published the Handbook.

**This Handbook does not create an “employment contract” or other contractual rights. Although the Company intends that the benefits, policies, and regulations outlined in this Handbook will generally remain in effect, the Company reserves the right at any time to amend, curtail or to otherwise revise the benefits, policies or regulations outlined in this Handbook.**

All of our team members are considered to be employed “at will”. Your status as an “at will” team member may not be changed except by a written agreement signed by you or your representative and a designated member of management that specifically acknowledging the change in your employment status.

This Handbook applies to all team members. However, where the Handbook conflicts with any contract, such as any insurance summary plan description, the contract will control.



**This Handbook supersedes all prior inconsistent handbooks or policies and may be changed from time-to-time as necessary.**

## **APPLICATION TO ALL TEAM MEMBERS**

Unless specified otherwise, this Handbook, and the standards and policies set forth in it, apply to all team members throughout the Company.

In some areas, state and local laws and ordinances govern the workplace as to issues that may or may not be mentioned in this Handbook. Gurley Leep will fully comply with all applicable federal, state, and local laws and ordinances. While we believe that this Handbook complies with all such laws, to the extent there is a conflict between the terms of this Handbook and requirements imposed by any applicable law or ordinance, Gurley Leep will fully comply with the law or ordinance.

## **EMPLOYMENT CLASSIFICATIONS**

Full-time team members are team members who are normally scheduled to work at least 35 hours per week. Full-time team members are eligible for all of the benefits set forth in the following pages according to the eligibility requirements of each. For group health insurance eligibility only, full-time team members are those who are normally scheduled to work at least 30 hours per week.

Except for group health insurance eligibility, part-time team members are team members who are normally scheduled to work fewer than 35 hours a week. Part-time team members are not eligible for Company benefits unless stated otherwise.

Temporary team members are team members who are hired directly by the Company for a short period of time or are provided through a temporary service. Temporary team members are not eligible for Company benefits unless specifically stated otherwise.

If you have any questions concerning your status or the benefits for which you qualify, please contact the Human Resources Manager.

## **INTRODUCTORY EMPLOYMENT PERIOD**

All new team members are first employed on a 90-day introductory basis. During the first 90 days of your employment, management will give careful consideration to your work performance, attitude, conduct, personal ability, and attendance in determining your future value to our organization. You also have the opportunity to decide whether or not this is the kind of organization with which you wish to be associated and whether the job you have is right for you.

Likewise, if we feel that your employment with us is not working to our mutual benefit, we have the right to end our employment relationship with you at any time without notice and for any reason. Your progress during this introductory period will be reviewed with you

on a regular basis to help you develop successful performance.

As a result of any excused absence during your introductory employment period or for other reasons identified by management, we may choose to extend your introductory period as necessary to give you further opportunity to demonstrate your ability to do the job. If your introductory period is extended, you will be notified.

This introductory period of employment is important to you and the Company because we hope that you will find our organization to be one with which you wish to be associated for a long time.

**SUCCESSFUL COMPLETION OF THIS INTRODUCTORY PERIOD OF EMPLOYMENT DOES NOT CHANGE OR ALTER YOUR "AT WILL" EMPLOYMENT STATUS AND SHOULD NOT BE CONSTRUED BY YOU TO CREATE ANY CONTRACT OF EMPLOYMENT FOR A DEFINITE TERM WITH THE GURLEY-LEEP AUTOMOTIVE MANAGEMENT CORPORATION.**

# **GENERAL BUSINESS PHILOSOPHIES**

## **OUR BUSINESS PHILOSOPHY**

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

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

If you engage in illegal, unethical, deceptive practices or inappropriate conduct, you can expect to be terminated. If you observe something which you feel might violate this policy, report it immediately to the General Manager so that we can look into it. If for any

reason you do not feel that you can discuss your concerns with your General Manager or you have done so and are not satisfied with his/her response, you should immediately contact Human Resources or a member of Senior Management. No team member of this Company will ever be disciplined for making a good faith report of a concern.

## **HOSPITALITY**

Part of our business is hospitality – and our role as Gurley Leep team members is to make our guests feel at home during their time in our Dealerships. Our jobs depend completely on them and their satisfaction. It is not the bricks and mortar of our beautiful Dealerships that create a cordial atmosphere; rather, it is how we treat every guest in every contact we have with them. The warmth of your welcome, the sincerity of your smile, and the graciousness of your greeting will make the difference and win the loyalty of our guests.

Our marketing can bring guests into our Dealerships for the first time, but you are the person every day that gives the guests an experience which has them return again and again. Our success depends on your hospitality. Your challenge is to deliver extraordinary service by anticipating guests' needs, by paying meticulous attention to detail, and by exceeding every guest's expectations of first-class quality service.

**Remember, you never get a second chance to make a first impression!**

## **OUR GUEST RELATIONS PHILOSOPHY**

Our most important goal is guest satisfaction. Guests are the most important people in the world. Without them we would not be here. Therefore, our team members are expected to treat every guest with the utmost courtesy and respect and to observe the following **RULES FOR SUCCESS**:

GUESTS are the most important people in our business, whether we are dealing with them in person or over the telephone.

GUESTS are not dependent on us. We are dependent on them.

GUESTS are not an interruption of our work. They are the purpose for it.

GUESTS favor us with their patronage. We are not doing them a favor by serving them.

GUESTS are an essential part of our business. They are not outsiders.

GUESTS are not cold statistics. They are human beings with feelings and emotions like our own.

GUESTS are not someone with whom you should attempt to argue or match wits.

GUESTS are people who bring us their wants. It is our job to fill those wants if possible.

GUESTS are deserving of the most courteous and attentive treatment we can give them.

GUESTS ARE THE LIFE BLOOD OF OUR BUSINESS.

### **GUEST SATISFACTION**

Each of our franchises is rated by our manufacturers in sales and service satisfaction. This is accomplished by surveying our guests to see if they have been completely satisfied with the vehicle they purchased, the quality of service they received, and the professionalism of all our team members.

We are then rated against other Dealerships in our area and a national average.

ANYTHING BUT COMPLETELY SATISFIED IS UNACCEPTABLE!

We want our guests to feel that their Gurley Leep Dealership is the best place that they have ever done business and that our team members have done everything possible to deliver satisfaction that is far above industry standards.

### **CONFIDENTIAL INFORMATION**

In performing your job, you may come into contact with or have access to a wide variety of guest information. Any personal information concerning a guest that we obtain, either directly from the guest or through a credit

report, is to be treated as **strictly confidential**. Federal law and good business practices require that we carefully safeguard this information from disclosure to any unauthorized person. To accomplish this, we have adopted detailed policies concerning the proper handling, safeguarding and destruction of guest information. Be familiar with these policies. If you are not sure what to do with this information, ask your Manager. You should:

- Never leave guest information on your desk unattended.
- Never leave guest information in an unlocked office.
- Never provide guest information to another team member unless that team member has a legitimate business “need to know”.
- Never remove guest information from the Dealership.
- Always treat our guest’s personal information as you would treat your own personal information.

Gurley Leep’s trade secrets, financial information, and other proprietary information related to our business operations are also to be treated as strictly confidential. All such information may not be disclosed to persons outside Gurley Leep without specific management authorization and must be returned when you leave our Company. Information covered by this policy includes, but is not limited to, all guest and prospect lists, pricing information, and other sensitive information about Gurley Leep’s business and financial performance that is not available to the public. If you have any questions



as to what is covered by this policy, ask the Controller for clarification.

## **COMPANY WORK HOURS**

Dealerships maintain business hours based on customer demand. See you department manager for the business hours applicable to your department, and your expected schedule.

Management may change the business hours at its sole discretion at any time. If we change your hours, we will attempt to provide you with as much notice as possible.

## **GENERAL EMPLOYMENT POLICIES**

### **ALTERNATIVE DISPUTE RESOLUTION PROGRAM**

We recognize that there may be a circumstance where a team member is simply not satisfied with Gurley Leep's final resolution of his or her problem. To promote the just, speedy, and inexpensive resolution of any unresolved legal disputes between Gurley Leep and a team member, any dispute of a legal nature (i.e., a dispute arising under federal, state, or local law) will be submitted to final and binding arbitration.\* The procedure uses the same substantive law that a state or federal court would apply. This means that the arbitrator will have the same authority as a court to award the team member or Gurley Leep money damages or other relief, and the parties will have the same legal rights that they would have had in court.

Since many times arbitration can be completed in six months or less and is typically less expensive than a court action which can take years, we consider this program to be a significant benefit to our team members and to Gurley Leep. Importantly, the same remedies, like money damages, are available in arbitration as in court-filed litigation. A party in arbitration is not required to have a lawyer, but can if the party wants one.

\*The Alternative Dispute Resolution Program does not apply to claims filed with the Equal Employment Opportunity Commission or equivalent state or local agency or administrative claims for unemployment compensation benefits, or claims arising under the

Nation Labor Relations Act or claims for medical and disability benefits under state workers compensation laws.

## **EQUAL EMPLOYMENT OPPORTUNITY**

Gurley Leep is an equal employment opportunity employer and complies with all applicable laws prohibiting discrimination based on race, color, religion, sex (including gender, pregnancy, childbirth, and other pregnancy-related conditions), sexual orientation, age, national origin, physical or mental disability, citizenship, genetic information, veteran status, and any other basis protected by federal, state, or local laws. All such discrimination is unlawful and violates our policy. This policy applies to all terms, conditions, and privileges of employment including, but not limited to, hiring, placement, promotion, training, benefits, compensation, discipline and discharge. All team members involved in Company operations are prohibited from engaging in such conduct.

Gurley Leep also is committed to complying with the laws protecting qualified individuals with disabilities. Gurley Leep will provide a reasonable accommodation for any known physical or mental disability of a qualified individual with a disability to the extent required by law, provided the requested accommodation does not create an undue hardship for the Company and/or does not pose a direct threat to the health or safety of others in the workplace and/or to the individual. If you require an accommodation to perform the essential functions of your job, you must notify Human Resources, your supervisor, or Senior

Management. Once the Company is aware of the need for an accommodation, the Company will engage in an interactive process to identify possible accommodations that will enable you to perform the essential functions of the job.

## **POLICY AGAINST HARASSMENT & DISCRIMINATION**

Gurley Leep is committed to providing a work environment that is free from all forms of unlawful discrimination and harassment. Unlawful harassment consists of unwelcome conduct, whether verbal, physical, or visual that is based upon or derisive of a person's race, color, religion, sex (including gender, pregnancy, childbirth, or other pregnancy-related conditions), sexual orientation, age, national origin, genetic information, disability, or other legally protected characteristics or conduct, where the unwelcome conduct affects tangible job benefits, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment. All team members have a personal responsibility to keep the work place free of any such harassment and discrimination. This policy applies to any relationship or dealings that a team member has in the work place or in connection with the performance of job duties. The prohibition against harassment and discrimination, therefore, applies to team members, customers, vendors, and others with whom we do business.

Sexual Harassment: Gurley Leep strictly prohibits all forms of unlawful harassment including, but not limited

to, harassment based on sex. Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes harassment of a person of the same sex as the harasser. The following is a partial, nonexclusive list of examples of conduct that may constitute sexual harassment:

- Unwanted sexual advances;
- Offering an employment benefit (such as a raise or promotion or assistance with one's career) in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) for a team member's failure to engage in sexual activity;
- Visual conduct, such as leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes;
- Verbal sexual advances or propositions;
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations; or
- Physical conduct such as touching, assault, impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

Other Unlawful Harassment or Discrimination:

Harassment or discrimination on the basis of any other protected characteristic is equally prohibited by law and our policy. Under this policy, verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, color, religion, sexual orientation, age, national origin, disability, or any other characteristic protected by law violates this policy. Conduct that may be considered harassing or discriminatory in violation of this policy includes, but is not limited to:

- Making epithets or slurs;
- Negative stereotyping;
- Threatening, intimidating, or hostile acts;
- Denigrating jokes; and,
- Written or graphic material that denigrates or shows hostility or aversion and that is placed on walls or elsewhere on Gurley Leep's premises or circulated in the workplace.

If you have any questions about what constitutes harassing behavior, ask your manager or Human Resources.

**VIOLATION OF THIS POLICY WILL SUBJECT A TEAM MEMBER TO DISCIPLINARY ACTION, UP TO AND INCLUDING IMMEDIATE DISCHARGE.**

Complaint Procedure: If you feel that you are the victim of discrimination or harassment by another team member or manager or third party (e.g., customer or vendor), or witness harassing behavior, you should immediately notify your Manager. If, for any reason, you do not feel that the matter can be discussed with your Manager or if you do not feel you received a prompt or adequate response from your manager or your manager is the person you believe is engaging in conduct inconsistent with this policy, you should immediately contact Human Resources or a member of Senior Management to discuss your complaint.

You are assured that you will not be penalized in any way for making a good faith report about conduct you believe to be in violation of this policy.

All complaints of unlawful harassment which are reported to management will be investigated as quickly and quietly as possible under the circumstances. The investigation may include interviews with the person making the complaint, the person against whom the complaint is made, any potential witnesses identified by either person, or any person the Company believes has relevant information. To the extent possible, your confidentiality and that of any witnesses and the

alleged harasser will be protected against unnecessary disclosure. The results of the investigation will be discussed with the person involved, and corrective action will be taken where warranted.

Gurley Leep prohibits team members from hindering its own internal investigations and its internal complaint procedure and from refusing to fully cooperate in an investigation. All complaints of unlawful harassment and discrimination which are reported to management will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation.

Harassment of and discrimination against team members in connection with their work by non-team members may also be a violation of this policy. Any team member who experiences harassment or discrimination by a non-team member, or who observes harassment of or discrimination against a team member by a non-team member should report such harassment or discrimination to his or her Manager, Human Resources or a member of Senior Management. Appropriate action will be taken.

**Harassment of or discrimination against our guests, vendors, or suppliers or their employees is also strictly prohibited. Any such harassment or discrimination will subject a team member to disciplinary action, up to and including immediate discharge.**



## **POLICY AGAINST RETALIATION**

We are committed to prohibiting retaliation against those who make good faith complaints of harassment or discrimination. Our policy also prohibits retaliation against those who oppose prohibited conduct or participate in investigations of alleged wrongdoing in the workplace. By way of example only, activities protected by this policy include, but are not limited to:

- filing a complaint with a federal or state enforcement or administrative agency
- participating in or cooperating with a federal or state enforcement agency that is conducting an investigation of Company regarding alleged unlawful activity
- testifying as a party, witness, or accused regarding alleged unlawful activity
- associating with another team member who is engaged in any of these activities
- making or filing an internal complaint with Company regarding alleged unlawful activity
- providing informal notice to Company regarding alleged unlawful activity

If you believe you are the victim of retaliation, you should immediately contact Human Resources or a

member of Senior Management and report your concern.

Any team member determined to have violated this policy will be subject to appropriate disciplinary action, up to and including immediate termination. Moreover, any team member, supervisor, or manager who condones or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including immediate termination.

False Accusations Prohibited: Because false accusations may have a serious impact on the person accused, any team member who makes a complaint that he or she knows to be false or provides false or incomplete or misleading information during an investigation will be subject to disciplinary action, up to and including termination.

Discipline: If management finds that a team member has violated this policy, appropriate disciplinary action will be taken, up to and including termination.

## **OUR TEAM MEMBER RELATIONS PHILOSOPHY**

We are dedicated to continuing what we believe to be an excellent team member relations program. We will do our best to maintain good working conditions, competitive wages and benefits, open communications, and team member involvement.

Over the years, we have earned a fine reputation in our community. We know that our reputation is a direct result of the loyalty, commitment, and continued efforts of our team members.

## **PROMOTIONS AND TRANSFERS**

Our policy is to promote from within wherever possible. However, because we often have to fill key positions quickly, we cannot check with each qualified team member to see if he or she is interested in being considered for each opening. Therefore, if you are interested in a promotion or transfer to another position, please discuss that interest with your Department Manager and Human Resources. If you wish to be considered for a specific opening, please let your Manager and Human Resources know with a brief letter or e-mail expressing that interest. If you feel that you were not given fair consideration for a specific position, please discuss your concerns with the General Manager or Human Resources.

## **OPEN DOOR POLICY**

We recognize that, being human, mistakes may be made in spite of our best efforts. We want to correct such mistakes as soon as they happen. The only way we can do this is to know of your problems and complaints.

If there is something about your job that is bothering you, let's get it out in the open and discuss it. We

cannot answer your questions or solve your problems unless you tell us what it is we can do.

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

**FIRST – TELL YOUR IMMEDIATE SUPERVISOR OR MANAGER.** During this discussion, feel free to share your honest feelings and concerns. Your Manager will listen to you in a friendly and courteous manner because it is his/her desire to fully understand and assist you in solving problems that may arise at work. Generally, you and your Manager will be able to resolve your problems.

**SECOND –** if you cannot resolve the issue with your Manager or Supervisor, or you do not feel comfortable discussing the issue with them, Mike Leep, Jr. or Human Resources will confer with you and all others to carefully review all of the facts and circumstances related to the matter.

**THIRD –** If, after a thorough discussion of the matter, you still feel that the issue has not been resolved to your satisfaction, you may contact any member of Senior Management to discuss your concerns.

When you inform us of your concern or problem, we will try to answer your concern or solve your problem as soon as possible under the circumstances.

NO MEMBER OF MANAGEMENT IS TOO BUSY TO HEAR THE PROBLEMS OR COMPLAINTS OF ANY TEAM MEMBER.

Our doors are always open. It is Gurley Leep's policy that all team member suggestions and complaints be given full consideration. There will be no discrimination or recrimination against any team member who in good faith presents a complaint or problem.

## **DRUG AND ALCOHOL POLICY**

Gurley Leep maintains a strong commitment to provide a safe, efficient, healthy, and productive work environment. You have a right to expect that your fellow team members will perform their duties safely and efficiently in a manner that protects all of our interests. In keeping with this commitment, we maintain zero tolerance for drug and alcohol abuse by team members. Use of illicit drugs and indiscriminate alcohol consumption puts everyone at risk and cannot be tolerated. Consistent with our efforts to promote health and safety and protect the interests of our team members, guests, and the Company, we do not allow anyone to use or consume, possess, distribute, sell, manufacture, or purchase alcohol or illegal drugs, intoxicants, or controlled substances on Company property, or to work with any of these substances in their system at any time.

While this policy does not prohibit the possession and proper use of lawfully prescribed drugs taken in accordance with the prescription, this policy specifically prohibits the misuse and unlawful use of prescribed medication and controlled substances. Team members also are prohibited from having in their systems while at work any such illegal or unauthorized controlled substances and from having amounts of otherwise lawful controlled substances that exceed the prescribed dosage.

Team members' prescription drug use may affect safe job performance, such as by causing dizziness or drowsiness, and create a safety risk to themselves or

others. For these reasons, team members using prescription drugs are responsible for determining from their physicians whether a prescribed drug or other over-the-counter medication may affect the team member's ability to safely perform his/her job, if it does, the team member must immediately report the use of such medication to his or her manager. A team member who fails to disclose the use of medication that his or her doctor has determined may create a safety risk may be disciplined.

### PROHIBITED ACTS

The following rules and standards of conduct apply to all team members. Gurley Leep strictly prohibits:

- Possession, use, or having alcohol or an illegal drug, intoxicant, or illegally or improperly obtained or used controlled substance in your system while on the job or on Gurley-Leep-owned or occupied premises;
- Driving a vehicle on Company business while having alcohol or an illegal or illegally used drug, intoxicant, or controlled substance in your system;
- Distributing, selling, manufacturing, or purchasing--or attempting to distribute, sell, manufacture, or purchase an illegal drug, intoxicant, prescription medication or controlled substance during working hours or while on Company-owned or occupied premises;

- Testing positive on a required or requested drug or alcohol test or screen;
- Refusing either to take a drug or alcohol test or to release information regarding a required or requested drug or alcohol test or screen or tampering with the testing procedure;
- Abuse of lawful or prescribed substances; and
- Violating any Company rule or policy regarding alcohol and drug use.

## TESTING PROGRAM

Each of us has a responsibility to keep the workplace safe from illegal drug use or substance abuse. If you observe or have knowledge of another team member in a condition which impairs the team member from performing job duties, presents a hazard to the safety and welfare of others, or is otherwise in violation of this policy, promptly report that fact to your immediate Supervisor or Manager.

The possible occasions for drug and/or alcohol testing include, but are not limited to:

- After an initial offer of employment, but before the applicant commences employment;
- Before a former team member is re-employed and after leave of absence of 60 days or longer;



- When a reasonable suspicion exists that any team member has alcohol or any illegal drug, intoxicant, or controlled substance in his or her system while on the job, or is otherwise in violation of this policy. Reasonable suspicion means suspicion based on information from any source regarding, among other things, the appearance, behavior, speech, attitude, mood, and/or breath odor of any team member;
- When any team member is found in possession of alcohol or any illegal drug, intoxicant, or controlled substance in violation of Company policy, or when any of those items are found in an area controlled or used by the team member, such as a desk or locker;
- When a team member suffers an on-the-job reportable injury or is involved in an accident or other safety-related incident which results in property damage;
- As part of any random program of testing which the Company may implement;
- After any team member has participated in a rehabilitation program subject to a Last Chance Agreement; and
- When required by a state or federal law or regulation (e.g., (i) persons driving commercial motor vehicles with a gross vehicle weight rating of 26,001 pounds or more or carrying hazardous materials in interstate commerce (“DOT

testing”); or (ii) for other reasons required by law).

Gurley Leep’s testing protocol involves an initial screening test. If that test result is positive, the positive result will be confirmed using a different testing methodology. The test results will be kept as confidential as possible. After a confirmed positive drug test, a team member has the right to request and obtain a confirmatory test of the untested part of the original sample. This right and the corresponding process shall be described in a notice sent to the team member.

Team members suspected of possessing alcohol, illegal drugs, intoxicants, or controlled substances are subject to inspection and search, with or without notice. Team members’ personal belongings, including any bags, purses, briefcases, and clothing, and all Gurley Leep property, are also subject to inspection and search, with or without notice. Team members who violate the Gurley Leep’s drug and alcohol abuse policy will be removed from the workplace immediately. Gurley Leep may also bring the matter to the attention of appropriate law enforcement authorities.

To enforce this policy and these procedures, Gurley Leep Senior Management may investigate potential violations and require personnel to undergo drug/alcohol screening, including urinalysis, blood tests, or other appropriate tests to the extent allowed by law and, where appropriate, searches of all areas of the Company’s physical premises, including, but not limited to work areas, personal articles, team members’

clothes, desks, work stations, lockers, and personal and Company vehicles, etc. Team members will be subject to discipline up to and including discharge for refusing to cooperate with searches or investigations, refusing to submit to screening, or for failing to execute consent forms when required by supervision.

Any arrest or conviction for criminal conduct involving illegal drugs, intoxicants, prescriptions, or controlled substances, whether on or off duty, or any violation of the Company's drug and alcohol abuse policy, including having a positive drug-test result, may lead to disciplinary action, up to and including termination.

Notwithstanding the above, alcohol testing may be conducted by an evidential breath testing device. In the event of a blood alcohol test result of .04 or higher, a confirmatory second sample will be gathered and analyzed. A confirmed blood alcohol test result of .04 or higher shall be considered a positive alcohol test and a violation of this policy. In the event of a positive alcohol, a team member who has not violated this policy in the past and meets the other requirements of applicable law will be eligible to enroll in a rehabilitation, treatment, or counseling program. Successful completion of the program by the team member shall be a condition of continued employment subject to the terms of a Last Chance Agreement.

## MEMBER ASSISTANCE

The Company maintains a resource file on local team member assistance service providers, certified alcohol and other drug abuse programs, and other persons,

entities or organizations that are available to assist members with substance use and abuse. Please contact Human Resources for additional information.

## **DOT TESTING**

Several dealership positions are subject to Federal Department of Transportation testing requirements. If your position requires a DOT physical, you will be required to pass this testing prior to beginning employment. You will also be tested annually, in accordance with DOT regulations. Further, if you are involved in any accident while performing your work functions, or you give reasonable suspicion that you cannot safely perform your job functions, Gurley Leep has the right to require you to pass DOT testing during the year.

## **IMMIGRATION LAW COMPLIANCE**

Gurley Leep is committed to employing only United States citizens and aliens who are authorized to work in the United States. Gurley Leep does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986, each new team member, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former team members who are rehired must also complete the form if they have not completed an I-9 with Gurley Leep within the past three (3) years or if their previous I-9 is no longer retained or valid. Team

members may raise questions about immigration law compliance without fear of reprisal.

## **NO SOLICITATION /NO DISTRIBUTION**

No solicitation of any kind, including solicitations for membership or subscriptions, will be permitted by team members during working time of either the team member soliciting or being solicited.

No solicitations of any kind will be permitted at any time in non-work areas by team members who are supposed to be working or in such a way as to interfere with the work of other team members who are supposed to be working.

No distribution of or posting of literature of any kind, including circulars or other printed materials, is permitted in any work area at any time.

Any team member who violates this policy will be subject to discipline up to and including termination.

## **BULLETIN BOARDS**

Gurley-Leep maintains bulletin boards and an internet website as an important source of information. These bulletin boards and internet site are to be used solely to post information approved by the Company regarding Company policies, governmental regulations, and other matters of concern to team members and related to the team member's employment by the Company. Please

develop a habit of checking the bulletin board and website daily so that you will be familiar with the information posted there. No information may be placed on this bulletin board without the approval of Human Resources.

## **ACCESS TO PERSONNEL FILES**

Gurley Leep maintains a personnel file for each team member. These personnel files contain such information as the team member's job application, resume, records of training, documentation of performance evaluations and salary increases, and other employment records.

You may examine the contents of your personnel file by appointment during regular business hours. Team members who wish to review their personnel file should contact Human Resources. Because the contents of the personnel file are Gurley Leep property, these materials cannot be kept by the team member. The Human Resources Manager, or another member of Gurley Leep Senior Management, will be present while the team member views his or her personnel file.

## **CHANGES IN PERSONNEL RECORDS**

To keep your personnel file up to date, to ensure that we have the ability to contact you, and to ensure that the appropriate benefits are available to you, we ask that you notify the Human Resources promptly of

any change of name, address, phone number, marital status, number of dependents, or other applicable information.

## TRAVEL REIMBURSEMENT

The Company reimburses team members for reasonable and necessary expenses incurred in connection with approved travel for work purposes. All team members seeking reimbursement should incur the lowest reasonable travel expenses. Team members should verify that planned travel is eligible for reimbursement before making travel arrangements. Upon completion of the trip, and **within 30 days**, the traveler must submit an Expense Report form and supporting documentation to obtain reimbursement of expenses. *Itemized receipts* must be submitted for lodging, meals and incidentals. If traveling for purposes of training, team members must complete a Training Reimbursement Agreement prior to travel for expenses to qualify for reimbursement.

## LODGING

The Company will reimburse for pre-approved lodging expenses at reasonable, single occupancy or standard business room rates. Team members are encouraged to book hotel accommodations through the conference/training group if applicable. The cost of hotel accommodations will be reimbursed on the basis of original itemized hotel bills only. Credit card receipts alone are not accepted for reimbursement. Personal expenses such as in-room movies and mini-bar

charges are not eligible for reimbursement. Lodging may be prepaid with use of a corporate credit card by contacting the Controller or his/her designee (hereinafter "Controller").

## MEALS AND INCIDENTALS

When traveling overnight on approved Company business, team members will be reimbursed for daily meals based on original receipts. Total daily meal expenses are allowable up to a maximum amount of \$44. Meal and incidental reimbursement for single day travel is allowed if a team member is traveling more than 45 miles from the Company. The following **maximum** meal rates apply:

Breakfast: \$ 7  
Lunch: \$12  
Dinner: \$25

This is not a per diem and all meals expensed must have an *itemized* receipt. Receipts should describe who attended and the business purpose. Any meal cost which is identifiable and included with any registration or pre-registration fees is not reimbursable. The Company will not reimburse team members for alcohol purchases.

## AIR TRAVEL

Team members are expected to obtain the lowest available airfare that reasonably meets business travel



needs. Booking flights at least 30 days in advance is encouraged to avoid premium airfare pricing. Airfare may be prepaid with use of a corporate credit card by contacting the Controller. If the airfare was not prepaid by the Company, an original itemized airline receipt, an e-ticket receipt/statement, or an Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.

## GROUND TRANSPORTATION

### Automobile / Mileage Expense

1. The Company will reimburse you for approved use of your personal vehicle on a per mile basis. This represents reimbursement for all vehicle related expenses including, but not limited to, gasoline, wear and tear, and personal auto insurance. Please check with your Human Resources representative for the applicable rate which may change from time to time. Team members may opt to request reimbursement for gasoline in lieu of the mileage rate. In these instances original, itemized receipts are required.

### Rental Car

Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Team members must reserve an entry-level or the most economic vehicle available to qualify for reimbursement. All efforts should be made to book rental through the Company's commercial rental

vehicle partner. Original receipts are required for reimbursement.

### Cab Fare

Reimbursement for cab fare is authorized when other practical means of travel (i.e. rental car, personal vehicle, hotel shuttle) are not available or a cab is the most economical means of transportation. Cab receipts must state the fare amount, date, to/from information and the purpose of the ride.

## REGISTRATION / TRAINING FEES

If registration/training fees are not prepaid with use of a corporate credit card, reimbursement is allowed upon presentation of an original receipt or other documentation showing that the amount was paid. Registration/training fees paid directly by a team member will not be reimbursed until the conference/training is completed.

## TRAVEL ADVANCES

Lodging, meals, and other trip expenses are normally paid by the team member either with personal funds or credit cards and reimbursed by submitting an expense report. A cash advance for meals, mileage, and incidentals may be allowed with management's approval. Team members must provide management at least three business days' notice to obtain a cash advance. Cash advances will not exceed 50% of the expected cost of the trip. Travel advances for airfare and lodging are not allowed; rather, airfare and lodging must be prepaid with use of a corporate credit card or

reimbursed upon return. All travel advances are to be settled within 30 days of return date of travel. No new advance will be issued until all outstanding advances are settled.

# **TEAM MEMBER COMPENSATION AND BENEFITS**

## **YOUR PAY**

While recognizing the importance of general business and economic conditions in the area and industry, it is our objective to pay wages, salaries, commissions, incentives, and bonuses that reflect individual effort and achievement. Although not exclusive, these are among the primary factors used in determining the amount of your total compensation and those that influence decisions concerning adjustments in your pay.

## **PAYDAYS, PAYCHECKS, AND DIRECT DEPOSIT**

Paychecks will be paid and distributed in accordance with the individual Dealership's payroll cycle. See the payroll department for the current pay schedule.

Paychecks will be deposited via direct deposit and pay vouchers will be distributed by your immediate Manager.

Calculating commissions and other forms of compensation is complicated and, unfortunately, errors are made from time to time. Therefore, the Company expects you to carefully review your compensation to make sure that you understand exactly how your compensation was calculated and to confirm that you were paid appropriately. Questions concerning your compensation, including pay amounts and deductions,

should be brought to the attention of your supervisor immediately. If after speaking to your supervisor you have further questions or concerns about your pay, you should address them with your General Manager or Human Resources. If the matter still is not resolved to your satisfaction, you must then present your concerns to Senior Management.

Please note that if you fail to report a problem or discrepancy related to your pay in accordance with this procedure, you are acknowledging that your compensation for that period is proper. Your acknowledgement of receipt of this Handbook constitutes your express authorization for the Company to recover from your wages and other monies, including advances, any overpayments made to you through mistake, misrepresentation, or for any other reason, in accordance with state and federal laws.

Upon termination, we will directly deposit a team member's final paycheck and mail a copy of the final check to the team member's last known address.

## **PAY PLANS**

The terms and conditions of compensation for team members paid on a commission or other incentive basis normally are outlined in a pay plan applicable to the position. Changes in the plan(s) may be made at any time at the sole discretion of management.

## **DEDUCTIONS**

We make required and pre-authorized deductions from team members' wages for a number of things including income taxes, social security, health and voluntary insurance, 401(k) retirement plans, team member purchases, uniforms, garnishments, and child support payments. These deductions are made in both overtime and non-overtime weeks. In addition, you acknowledge and agree that the Company has the right to make deductions from your pay for the following items:

- Any account or other debt owed to the Company.
- The value of Company property not returned upon demand or that which is returned in less than acceptable condition.
- Any loss to the Company caused by your gross negligence, willful misconduct, or dishonesty.

If you have any questions about any deduction, please contact the payroll department.

## **GUARANTEES**

Some team members' pay plans may include a "guarantee" minimum amount of compensation to be paid for a specified period if certain conditions are met. This "guarantee" is not a guarantee of employment for the entire guarantee period but rather a guarantee of the minimum amount you will be paid if you continue to be employed during this period and if you perform your

assigned and required job duties and conduct yourself in a manner the Company deems satisfactory, including working all scheduled hours during the period covered by the guarantee. Payments under a guarantee may be prorated based on your attendance and actual time worked. The Company will not pay any unpaid portion of the guarantee amount to any team member whose employment terminates for any reason during the “guarantee period.” A guarantee does not change any team member’s status as an “at will” team member.

### **OTHER PAYROLL RELATED ISSUES**

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

We also strictly prohibit our Managers and Supervisors from borrowing money from a team member or engaging in any kind of personal financial transaction with a team member.

If you have any outstanding debts to Gurley Leep at the time you leave us, you will be expected to settle them prior to receiving your final paycheck.

## **401k INVESTMENT PLAN**

Gurley Leep makes a 401k Investment Plan available for all Gurley Leep team members. This portfolio of investments may include stocks, bonds, mutual funds, and other investment opportunities and is managed by an outside fund manager. Please refer to your Benefits Guide for a specific plan description, eligibility, and enrollment requirements.

## **IRS Section 125 -- CAFETERIA PLAN**

Gurley Leep also offers a “Section 125” Cafeteria Plan. A plan summary is included in your Benefits Guide.

## **GROUP HEALTH INSURANCE**

Full-time team members may be eligible for medical insurance coverage under Gurley Leep’s policy on the first day of the month following 60 days of continuous employment. Your Benefits Guide contains the Summary Plan Description, along with eligibility, coverage, and deduction information.

## **EAP POLICY**

Gurley Leep recognizes that a wide range of illnesses and problems can affect a team member’s health, well-being, and job performance. Moreover, these problems can affect team members on any level and in any occupation. If left unaddressed, these problems can escalate to a point where the team member’s personal



well-being or job performance can be adversely affected.

Gurley Leep believes that it is in the best interest of the team member, the team member's family, and the company to provide a team member Assistance Program (EAP) to help with such problems by providing confidential and professional assessment, short-term counseling, and/or referral services. The objective of this program is to assist team members in a manner consistent with good therapeutic and business practice.

Without amending any of the rights or responsibilities of the team member or the company, it is the policy of the Company to handle such problems within the following framework:

1. The Company recognizes that human problems can be successfully treated if identified in the early stages and referral is made to appropriate resources. This applies whether the problem is a physical illness, mental or emotional illness, financial problem, marital or family distress, alcoholism, drug abuse, stress, legal problem, or other concern.
2. Team members who have a problem are encouraged to voluntarily seek assistance on a confidential basis by directly calling the EAP. Family, fellow workers, or other concerned individuals can also suggest that a team member contact the EAP.

3. When a team member's job performance or attendance is unsatisfactory or the team member is unable or unwilling to correct the situation either alone or with normal supervisory assistance, this is an indication that there may be some cause outside the realm of his or her job responsibilities which is the basis of the problem. In such instances, the team member's supervisor is expected to use the EAP as a referral resource to help the team member address personal issues that may be impacting job performance.
4. It is the responsibility of the team member to either seek assistance voluntarily or to follow the recommendation of their supervisor to use the program, but it is not a requirement of their job or a condition of employment. Likewise it is also the team member's choice to follow the recommendations of the designated EAP representative.
5. There is no charge to the team member for the assessment or short-term counseling services provided by the EAP staff. If a referral for further assistance is made and accepted, the cost of such assistance is the team member's responsibility, except as may be covered in a manner by the team member's health care insurance program. These financial considerations will be discussed with the team member in advance of the referral by the EAP staff. Any necessary time off from work will be handled according to existing Company policies.

6. Team members are assured that their continued employment and team member status will not be jeopardized because they utilized the EAP or followed its recommendations.
7. This program is available to family members.
8. All EAP records and discussions will remain confidential between the team member and the EAP staff unless the team member authorizes disclosure or as otherwise required by law. EAP participants' files belong to the EAP provider, and will not be included as part of the team member's personnel or medical records.
9. Both the EAP and the disciplinary system have their appropriate purposes. Though the two systems are separate, there may be times when they operate simultaneously with a particular team member. A team member's refusal to use the EAP is not, in itself, a cause for disciplinary action. At the same time, the EAP is not a substitute for appropriate discipline or a basis to compromise applicable rules, regulations, working agreements or a safe, healthy or efficient operation. Participation in the EAP will not excuse substandard job performance and discipline will not be used as retribution for refusal to use the program.
10. Because crisis situations may occur during non-working hours, a 24-hour, seven-day-a-week crisis telephone number is available for team

members and their families. Contact the payroll department for further information.

## **LIFE INSURANCE**

Gurley Leep provides a basic life insurance policy for all team members; however, full-time team members who elect group health coverage may also choose to purchase additional life insurance coverage. Your Benefits Guide contains specific details on life insurance coverage, including eligibility, coverage, and Summary Plan Description.

## **SHORT TERM DISABILITY**

Gurley Leep makes available group short-term disability benefits for eligible full-time team members. For specific details concerning eligibility and coverage, please consult the Benefits Guide.

## **LONG TERM DISABILITY INSURANCE**

We strongly encourage team members to enroll in the voluntary long term disability insurance program. This is an excellent program that provides income to eligible team members in the event that illness or injury prevents them from working. For specific details concerning eligibility and coverage, please consult the Benefits Guide.

## **CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”) provides eligible individuals with the option to continue medical insurance coverage under the Company’s policy, at their own expense and for a certain period of time, upon the termination of employment as well as in other circumstances. In general, if you are covered by Gurley Leep’s medical insurance plan, you have the right to choose continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part). Your eligible dependents may also have the right to elect and pay for continuation coverage for a temporary period in certain circumstances where their coverage would otherwise end. If you have any questions concerning your rights to continued health insurance coverage, please ask your Manager or Human Resources Manager.

## **SOCIAL SECURITY INSURANCE**

All team member payroll deductions for Social Security (FICA) are matched dollar-for-dollar by Gurley Leep. The total amount is paid to the federal government to fund the Social Security benefit programs. If you are not familiar with the retirement and disability benefits provided under Social Security, check with the Human

Resources or your local Social Security office for a more complete explanation.

## **WORKER'S COMPENSATION INSURANCE**

Gurley Leep pays the entire amount of the Workers' Compensation insurance premium which provides benefits to team members who experience injury or illness connected with employment. To be eligible for Workers' Compensation benefits, the injury or illness must be a direct result of the job. Benefit entitlements are governed by law, but it is essential that you report all work-related accidents, injuries, and illnesses immediately.

**The Company actively polices all claims suspected to be fraudulent. Abuse of the Workers' Compensation system can cause a severe negative economic effect to this Company and, in turn, other team members. We will pursue all available legal action against any team member found to have engaged in fraudulent conduct. Filing a false or fraudulent claim is also a violation of Company policy, and will result in disciplinary action, up to and including immediate termination.**

## **TEAM MEMBER DISCOUNTS**

We encourage all team members to use Gurley Leep products and services by providing special team-

member discounts. Depending on availability, the following discounts are available to any team member who has been with Gurley Leep for at least 90 days. These discounts are available for personal use only and cannot be used by or for friends or relatives. Discounts are not available when an insurance company or third party is paying for the service or part and these discounts may not be used for personal profit or to compete with any Gurley Leep Company. The Company reserves the right to change the amounts or percentages of discounts from time to time as it deems appropriate in its sole discretion.

- Parts and Service – We provide a discount for parts and service work on team members' vehicles. All parts and repair work must be properly recorded on a parts ticket or repair order. Parts and service work must be paid for in cash or by credit card, unless other arrangements are made in advance. All team members may have their cars serviced at our Dealerships at a price of cost plus 10% on parts, and at 50% of the current average warranty rate for the technician's labor.
- New Vehicles – Team members may purchase 3 new vehicles per year for their personal use, at \$100 above invoice of the particular vehicle. Any current retail incentives for specific vehicles will be applicable as well. Due to limited availability of certain models, this discount may not be available on all vehicles. Mercedes Benz and limited production cars are excluded from this purchase program. If a vehicle is in short supply,

you may be required to order that vehicle rather than taking it out of dealer stock.

- Used Vehicles – For used vehicles in stock less than 30 days, team members will receive a price that is halfway between wholesale and retail value as determined by the Used Car Manager at the team member's dealership. Any used vehicle that is between 31 and 50 days old may be purchased at \$400 over our purchase cost plus any parts and reconditioning costs; and any used vehicle older than 50 days can be purchased at \$200 over our purchase cost plus any parts and reconditioning costs. Pack and any reconditioning costs will be added in the purchase price of all vehicles.
- Trade-in Value – The Dealership will credit a team member's trade-in vehicle at its appraised cash value as determined by the Dealership or its actual cash value, or alternatively, the Dealership will take the trade-in vehicle to auction and credit for trade-in value the amount the vehicle brings at the auction, minus auction related fees incurred by the Dealership.
- Purchased vehicles under this program will be considered "house" deals and no commission will be earned or paid on these sales. Team members purchasing vehicles under this program should deal directly with a Sales Manager.



## **TRAINING PROGRAMS**

To ensure that we keep up with the latest products and technology, we arrange for our team members to attend special training programs throughout the year. Due to limited space in these classes, we normally send team members who have demonstrated a commitment to Gurley Leep and an interest in learning more about our products.

If you are on a flat-rate pay plan, you will receive 8 hours of flat-rate pay while attending a one-day training program.

## **CAREER DEVELOPMENT PLANS**

In any work environment, feedback is important so that team members can be aware of their work performance and make any necessary changes for improvement and growth.

Annually, you and your supervisor will conduct a review based on performance standards that both of you have defined and established. Your development plan should be reviewed by you and your Manager.

You and your Manager can make any adjustments or develop any strategies deemed necessary to assist you in achieving success in your job.

## **PAID AND UNPAID TIME OFF**

### **VACATION**

Full-time team members are eligible for paid vacation after each full year of continuous employment. Regular part-time team members (those who regularly work less than 35 hours of work per week) are not eligible for vacation pay.

The number of your available vacation days depends on your years of service with us. Team members become eligible for paid vacation on their service anniversary date, according to the following schedule:

|                                       |         |
|---------------------------------------|---------|
| After 1 year of continuous service:   | 1 week  |
| After 2 years of continuous service:  | 2 weeks |
| After 10 years of continuous service: | 3 weeks |

If you have been continuously employed by one of our Lujack Dealerships since the date the Company acquired those Dealerships and had become eligible for 4 weeks of paid vacation days at the time we acquired the Dealerships, you will still be eligible for 4 weeks of paid vacation. Aside from the vacation award schedule, all other current Company policies, including benefits, calculation of vacation, and pay will apply. If you terminate and are rehired, you will be subject to the vacation policy in effect on your rehire date.

Your eligibility for and amount of vacation pay varies depending upon your job position and particular pay plan. Vacation pay for hourly-paid team members will be based on their regular hourly rate at the time

they take vacation. Salespersons, F&I Managers, and flat-rate technicians will be compensated on the basis of their average weekly earnings for the prior calendar year. Incentive-paid personnel\* will continue to receive their normal compensation while on approved vacation leave. Administrative Managers do not receive vacation pay but will continue to receive regular pay while on vacation. Consult with Human Resources for more detailed information on how the dollar amount of your vacation pay is calculated and the amount for which you may be eligible to receive.

To be eligible to receive vacation pay, eligible team members must work or have been available for work their last scheduled day before vacation and the first scheduled day after the vacation.

Vacation time must be taken within the 12-month period after the date you become eligible for it. Any vacation time not taken within the 12-month period after you become eligible for it may not be carried over to future periods and is forfeited.

To assist management in overall planning, you must request approval for vacation time from your supervisor or Department Manager as far in advance as possible. While vacations are ordinarily scheduled on a first- come, first served basis, the Company may

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\* Incentive paid personnel include, but are not necessarily limited to those team members paid a percentage of their departments' gross profit or receive commissions based on a team pool. Incentive paid personnel are not the same as individual commissioned paid personnel (such as a salesperson). An example of an incentive paid team member is a parts counterperson who receives incentive based payments based on some portion of the department's revenues. Please ask your manager or Human Resources if you are unclear whether or not you are categorized as an incentive paid team member.

use length of service or consider other business-related factors to resolve vacation scheduling issues. In the event the Company determines that a team member's requested vacation time may adversely affect business operations, the Company reserves the right to deny the vacation request. Likewise, the Company reserves the right to limit the number of persons taking vacation at any one time.

Each member is given 3 unpaid days off each calendar year to take care of personal business. After those 3 days are exhausted, if you have vacation time available when the need for time away from work arises, you must first exhaust your available vacation time. **Taking “unpaid” days off while vacation time is available is prohibited.**

You do not become eligible for paid vacation until you reach your first anniversary date of employment. Therefore, if you leave employment for any reason prior to your first anniversary date, no vacation pay will be due. If you voluntarily terminate your employment after your first anniversary date and provide two-weeks' notice of your intent to resign and satisfactorily work out the notice period if requested to do so, you will be paid for all unused paid vacation time for which you are eligible. If the Company terminates your employment or you resign without two weeks' notice or fail to work out the notice period if requested to do so, you forfeit and will not be paid for any unused vacation. Managers do not receive vacation pay and are assumed to have taken all time off which is due them and therefore are not paid for any “unused” vacation upon termination.

Because we view time away from work as a time for relaxation and rejuvenation, vacation pay in lieu of time off is normally prohibited. In non-termination events, flag-rate technicians may be eligible for a payout during their anniversary month of any vacation pay for which they are eligible.

Vacation time does not count as "hours worked" for purposes of calculating a team member's entitlement to overtime during the week in which the vacation is taken.

## **HOLIDAYS**

Gurley Leep's senior management determines observed holidays on a yearly basis. The observed holidays for that calendar year will be communicated to all team members, along with any temporary alterations in hours of operation around each observed holiday.

To be eligible for holiday pay, you must be a regular full-time team member and have been continuously employed for at least 90 days at the time of the holiday. In addition, to be eligible for holiday pay, you must work your last scheduled day before the holiday and your first scheduled day after the holiday, unless excused by your Manager.

There is no holiday pay for holidays that fall on Sundays, or your normally scheduled day off.

If the holiday falls during the regular work week, hourly-paid team members will be compensated at their

normal hourly rate times eight hours. Hourly team members paid on flat rate will be paid at their flat rate times eight hours. Sales team members will be paid at their normal draw. Managers and incentive paid employees will receive their regular weekly compensation, regardless of whether they work on a holiday.

The amount of holiday pay varies depending upon your particular pay plan. Holiday pay is not considered “hours worked” when calculating hours worked for overtime. Please contact Human Resources for details.

We may elect to keep one or more departments open on some holidays. If you are required to work on a designated holiday, you will be paid for all hours actually worked.

## **PERSONAL LEAVE OF ABSENCE**

Gurley Leep may grant a personal leave of absence in certain circumstances. You should notify your Manager or Supervisor, and your Human Resources representative, in writing as soon as you become aware that you may need a leave of absence. Gurley Leep will consider your request in accordance with applicable law and Gurley Leep’s leave policies. You will be notified whether your leave request is granted or denied. Personal leaves of absence will be granted in the sole discretion of management, consistent with legal requirements and obligations. If your Human Resources representative is not informed of your leave,

no leave will be granted, and all absences will be considered no call/no show.

If you are granted leave, you must comply with the terms and conditions of the leave, including keeping in touch with us during your leave, and giving us prompt notice if there is any change in your return date.

You must not accept other employment or apply for unemployment insurance while you are on a leave of absence. Acceptance of other employment while on leave will be treated as a voluntary resignation from employment at the Company. Some benefits, such as paid time off, vacation, and holidays, may not accrue while you are on a leave of absence. You will not receive credit for the time during the unpaid portion of any leave, except that you will retain your original date of hire.

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

## **FAMILY AND MEDICAL LEAVE ACT POLICY**

The Family and Medical Leave Act (“FMLA”) provides eligible team members the opportunity to take unpaid, job-protected leave for certain specified reasons. Not all team members are eligible to take FMLA-protected leave. The maximum amount of leave a team member

may use is either 12 or 26 weeks within a 12-month period depending on the reasons for the leave.

### **Team Member Eligibility**

To be eligible for FMLA leave, you must:

1. have worked at least 12 months for the Company in the preceding seven years (limited exceptions apply to the seven-year requirement);
2. have worked at least 1,250 hours for the Company over the preceding 12 months; and
3. currently work at a location where there are at least 50 employees within 75 miles.

### **Conditions Triggering Leave**

FMLA leave may be taken for the following reasons:

1. birth of a child, or to care for a newly-born child (up to 12 weeks);
2. placement of a child with the team member for adoption or foster care (up to 12 weeks);
3. to care for an immediate family member (team member's spouse, child, or parent) with a serious health condition (up to 12 weeks);



4. because of the team member's serious health condition that makes the team member unable to perform the team member's job (up to 12 weeks);
5. to care for a Covered Servicemember with a serious injury or illness related to certain types of military service (up to 26 weeks) (see Military-Related FMLA Leave for more details); or,
6. to handle certain qualifying exigencies arising out of the fact that the team member's spouse, son, daughter, or parent is on duty under a call or order to active duty in the Uniformed Services (up to 12 weeks) (see Military-Related FMLA Leave for more details).

The maximum amount of leave that may be taken in a 12-month period for all reasons combined is 12 weeks, with one exception. For leave to care for a Covered Servicemember, the maximum combined leave entitlement is 26 weeks, with leaves for all other reasons constituting no more than 12 of those 26 weeks.

### **Definitions**

A "Serious Health Condition" is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the team member from performing the functions of the team member's job, or prevents the qualified family member

from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement includes an incapacity of more than three full calendar days and two visits to a health care provider or one visit to a health care provider and a continuing regimen of care; an incapacity caused by pregnancy or prenatal visits, a chronic condition, or permanent or long-term conditions; or absences due to multiple treatments. Other situations may meet the definition of continuing treatment.

A “Covered Servicemember” is a member or veteran of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness. The term “serious injury or illness” means an injury or illness incurred by the member in the line of duty while on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating, or one that existed before the beginning of active duty and was aggravated by service in the line of duty while on active duty. With regard to veterans, the injury or illness may manifest itself before or after the individual assumed veteran status.

“Qualifying exigencies” include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the deployment, rest and recuperation, counseling, and post-deployment debriefings.

## **Identifying the 12-Month Period**

The Company measures the 12-month period in which leave is taken by the “rolling” 12-month method, measured backward from the date of any FMLA leave with one exception. For leave to care for a covered servicemember, the Company calculates the 12-month period beginning on the first day the eligible team member takes FMLA leave to care for a covered servicemember and ends 12 months after that date. FMLA leave for the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement.

## **Using Leave**

Eligible team members may take FMLA leave in a single block of time, intermittently (in separate blocks of time), or by reducing the normal work schedule when medically necessary for the serious health condition of the team member or immediate family member, or in the case of a covered servicemember, his or her injury or illness. Eligible team members may also take intermittent or reduced-scheduled leave for military qualifying exigencies. Intermittent leave is not permitted for birth of a child, to care for a newly-born child, or for placement of a child for adoption or foster care. Team members who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt the Company's operations.

## **Use of Accrued Paid Leave**

Depending on the purpose of your leave request, you will be required to use accrued paid leave (such as sick leave and vacation), concurrently with some or all of your FMLA leave. In order to substitute paid leave for FMLA leave, an eligible team member must comply with the Company's normal procedures for the applicable paid-leave policy (e.g., call-in procedures, advance notice, etc.).

## **Maintenance of Health Benefits**

If you and/or your family participate in our group health plan, the Company will maintain coverage during your FMLA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for you and your family. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of your leave.

## **Notice and Medical Certification**

When seeking FMLA leave, you are required to provide your supervisor, Human Resources representative, and payroll:

1. sufficient information for us to determine if the requested leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that you are unable to perform job functions, a family

member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. You must also inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified.

If the need for leave is foreseeable, this information must be provided 30 days in advance of the anticipated beginning date of the leave. If the need for leave is not foreseeable, this information must be provided as soon as is practicable and in compliance with the Company's normal call-in procedures, absent unusual circumstances.

2. medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member within 15 calendar days of the Company's request to provide the certification (additional time may be permitted in some circumstances). If you fail to do so, we may delay the commencement of your leave, withdraw any designation of FMLA leave or deny the leave, in which case your leave of absence would be treated in accordance with our standard leave of absence and attendance policies, subjecting you to discipline up to and including termination. Second or third medical opinions and periodic re-certifications may also be required;

3. periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and
4. medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition. The Company will require this certification to address whether you can perform the essential functions of your position.

Failure to comply with the foregoing requirements may result in delay or denial of leave, or disciplinary action, up to and including termination.

### **Employer Responsibilities**

To the extent required by law, the Company will inform team members whether they are eligible under the FMLA. Should a team member be eligible for FMLA leave, the Company will provide him or her with a notice that specifies any additional information required as well as the team member's rights and responsibilities. If team members are not eligible, the Company will provide a reason for the ineligibility. The Company will also inform team members if leave will be designated as FMLA-protected and, to the extent possible, note the amount of leave counted against the team member's leave entitlement. If the Company determines that the leave is not FMLA-protected, the Company will notify the team member.

## **Job Restoration**

Upon returning from FMLA leave, eligible team members will typically be restored to their original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

## **Failure to Return After FMLA Leave**

Any team member who fails to return to work as scheduled after FMLA leave or exceeds the 12-week FMLA entitlement (or in the case of military caregiver leave, the 26-week FMLA entitlement), will be subject to the Company's standard leave of absence and attendance policies. This may result in termination if you have no other Company-provided leave available to you that applies to your continued absence. Likewise, following the conclusion of your FMLA leave, the Company's obligation to maintain your group health plan benefits ends (subject to any applicable COBRA rights).

## **Other Employment**

Any outside employment during any leave that is inconsistent with a team member's need for leave may result in disciplinary action up to and including immediate termination of employment.

## **Fraud**

Providing false or misleading information or omitting material information in connection with an FMLA leave

will result in disciplinary action, up to and including immediate termination.

### **Employers' Compliance with FMLA and Team Member's Enforcement Rights**

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

While the Company encourages team members to bring any concerns or complaints about compliance with FMLA to the attention of the Human Resources Department, FMLA regulations require employers to advise team members that they may file a complaint with the U.S. Department of Labor or bring a private lawsuit against an employer.

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

### **Limited Nature of This Policy**

This Policy should not be construed to confer any express or implied contractual relationship or rights to any team member not expressly provided for by FMLA. The Company reserves the right to modify this or any other policy as necessary, in its sole discretion to the



extent permitted by law. State or local leave laws may also apply.

## **MILITARY-RELATED FMLA LEAVE**

FMLA leave may also be available to eligible team members in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, and the second is Qualifying Exigency Leave. Each of these leaves is detailed below.

### **Military Caregiver Leave**

Unpaid Military Caregiver Leave is designed to allow eligible team members to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. The family member must be a “covered servicemember,” which means: (1) a current member or veteran of the Armed Forces, National Guard or Reserves, (2) who is undergoing medical treatment, recuperation, or therapy, or in the case of a veteran, who was a current member of the Armed Forces, National Guard or Reserves within five years prior to the treatment for which an eligible employee requests leave; is otherwise in outpatient status; or is otherwise on the temporary disability retired list, (3) for a serious injury or illness that may render a current member medically unfit to perform the duties of the member’s office, grade, rank, or rating. Military Caregiver Leave is not available to care for servicemembers on the *permanent* disability retired list.

To be “eligible” for Military Caregiver Leave, the team member must be a spouse, son, daughter, parent, or next of kin of the covered servicemember. “Next of kin” means the nearest blood relative of the servicemember, other than the servicemember’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of Military Caregiver Leave. The team member must also meet all other eligibility standards as set forth within the FMLA Leave policy.

An eligible team member may take up to 26 workweeks of Military Caregiver Leave to care for a covered servicemember in a “single 12-month period.” The “single 12-month period” begins on the first day leave is taken to care for a covered servicemember and ends 12 months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If a team member does not exhaust his or her 26 workweeks of Military Caregiver Leave during this “single 12-month period,” the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each servicemember. Consequently, an eligible team member may take separate periods of caregiver leave for each and every covered servicemember, and/or for each and every serious injury or illness of the same covered servicemember. A total of no more than

26 workweeks of Military Caregiver Leave, however, may be taken within any “single 12-month period.”

Within the “single 12-month period” described above, an eligible team member may take a combined total of 26 weeks of FMLA leave including up to 12 weeks of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the team member or close family member, or a qualifying exigency). For example, during the “single 12-month period,” an eligible team member may take up to 16 weeks of FMLA leave to care for a covered servicemember when combined with up to 10 weeks of FMLA leave to care for a newborn child.

A team member seeking Military Caregiver Leave may be required to provide appropriate certification from the team member and/or covered servicemember and completed by an authorized health care provider within 15 days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding team member eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

### **Qualifying Exigency Leave**

Eligible team members may take unpaid “Qualifying Exigency Leave” to tend to certain “exigencies” arising

out of the duty under a call or order to active duty of a “covered military member” (i.e. the team member’s spouse, son, daughter, or parent). Up to 12 weeks of Qualifying Exigency Leave is available in any 12-month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of 26 weeks of leave in a “single 12-month period”). Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed 12 weeks in any 12-month period (with the exception of Military Caregiver Leave as set forth above). The team member must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include active and retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

A call to active duty refers to a *federal* call to active duty, and *state* calls to active duty are not covered unless under order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

(1) **Short-notice deployment.** To address any issue that arises out of short notice (within seven days or less) of an impending call or order to active duty.

(2) **Military events and related activities.** To attend any official military ceremony, program, or event related to active duty or a call to active duty status or to attend certain family support or assistance programs and informational briefings.

(3) **Childcare and school activities.** To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.

(4) **Financial and legal arrangements.** To make or update various financial or legal arrangements; or to act as the covered military member's representative before a federal, state, or local agency in connection with service benefits.

(5) **Counseling.** To attend counseling (by someone other than a health care provider) for the team member, the covered military member, or for a child or dependent when necessary as a result of duty under a call or order to active duty.

(6) **Temporary rest and recuperation.** To spend time with a covered military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible team members may take

up to five of days of leave for each instance of rest and recuperation.

(7) **Post-deployment activities.** To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to 90 days following termination of the covered military member's active duty status. This also encompasses leave to address issues that arise from the death of a covered military member while on active duty status.

(8) **Mutually agreed leave.** Other events that arise from the close family member's duty under a call or order to active duty, provided that the Company and the team member agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

A team member seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the covered military member's active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the team member's relationship to the military member, within 15 days. Qualifying Exigency Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

## **LACTATION BREAK**

The Company will provide a reasonable amount of break time to accommodate a female team member's need to express breast milk for the team member's nursing child. The Company will provide a place in close proximity to the work area, other than a bathroom, that is shielded from view and free from intrusion, which may be used by the team member to express breast milk.

The break time taken under this policy should, if possible, be taken concurrently with other break periods already provided. Non-exempt team members should clock out for any time taken that does not run concurrently with normally scheduled rest periods, and such time will generally be unpaid. Team members should notify their immediate supervisor or Human Resources to request time to express breast milk under this policy and to request a private area to conduct this activity.

## **CIVIC DUTIES**

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

Jury Duty – Gurley Leep believes in community service. Should you be called for jury duty, a leave of absence will be granted at your average rate of pay, less any jury pay. Upon completion of the jury duty, the team member will be returned to their same or an equivalent position and pay. Team members who are released from jury service before the end of their regularly scheduled shift or who are not asked to serve on a jury panel are expected to call their manager, as soon as possible and report to work if requested.

Witness Duty - If you receive a subpoena to appear in court, please notify us immediately. You are expected to return to work as soon as your service as a witness is completed.

Voting - Although polls are open for extended hours, we realize that in some instances our team members are required to work overtime and may find that these hours are not sufficient to enable them to make it to the polls. If you have a problem in this respect, please let us know so that we can make arrangements for you to have the necessary time off to vote.

## **BEREAVEMENT LEAVE**

Full-time team members who have completed 90 days of continuous employment are eligible to receive up to 3 days of paid bereavement leave in the event they miss regularly scheduled work days due to the death or funeral of a member of the team member's immediate family. For purposes of this policy, "immediate family" is



defined as a team member's spouse, children/stepchildren, parents, grandparents, grandchildren, brother or sister, spouse's parents, and any other relative residing in the team member's household on a full time basis.

A team member who is notified of a death of an immediate family member while at work will be released for the remainder of the scheduled hours that day. Paid bereavement leave will not commence until the next regularly scheduled workday that is lost. All time off in connection with the death of one of the above-listed individuals should be scheduled with your Manager. Team members may be asked for verification of death to account for time off work.

## **HEALTH AND SAFETY**

### **FIRE OR STORM/TORNADO EVACUATION**

To help protect our team members during fire or storm/tornado evacuation of our facilities, Evacuation Route Maps have been posted throughout all of our facilities to assist each team member to evacuate any facility in a quick, safe way.

### **HAZARDOUS AND TOXIC MATERIALS**

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

### **TEAM MEMBER'S "RIGHT TO KNOW" STATEMENT**

The Occupational Safety and Health Administration's Hazard Communication Law requires Gurley Leep to provide information and training on any chemicals or substances its team members may encounter in their work area, at the time of their initial employment and whenever a new substance is introduced in the workplace.

The law maintains that team members have an inherent right to know all of the health hazards associated with their exposure to toxic substances used in the workplace.

The law also provides that written hazard communications, including the required list of hazardous chemicals and material safety data sheets, be displayed in an open and accessible part of Gurley Leep.

Each team member will be given Right to Know training at their initial employment orientation program, and on an ongoing, regular basis during their employment.

## **HOUSEKEEPING**

It is everyone's responsibility to help keep our facilities looking their best. Please keep your work areas as clean as your work permits. The Company encourages a clean desk policy. Eating is prohibited in the showroom, the guest lounge and at your desk. Please use the break room and be sure to clean up after yourself.

From time to time, team members may be called upon to assist other team members in policing our sales lots and moving cars. Approaching these responsibilities with enthusiasm will create great team spirit as well as completing these tasks much more quickly.

**REMEMBER: HOW OUR GUESTS PERCEIVE THE NEATNESS AND APPEARANCE OF OUR SALES LOTS TELLS THEM A GREAT DEAL ABOUT THE QUALITY AND PRIDE OF OUR COMPANY.**

## **SAFETY**

It is our policy to promote safety on the job. The health and well-being of our team members is foremost among our concerns. For this reason, you are expected to learn the safety rules for your department and to follow common sense safety practices. Team members are also responsible for reporting any unsafe condition, defective tool, or equipment to your Manager, and to assist us in maintaining a safe work place. Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: SAFETY FIRST.

## **SECURITY**

Every team member is responsible for helping us to protect the property of other team members, our guests and the Company. Be sure that all vehicles, equipment, desks and gates are locked when not in use and especially at the end of the day. All tools and keys must be properly secured and accounted for at all times. If you see something or someone who looks suspicious, notify your Manager immediately.

## **NO SMOKING**

Because smoking is considered to be a health hazard in the workplace, we prohibit all team members from smoking in all of our buildings, facilities, and on our grounds. Smoking is also never permitted in Company or guest vehicles.

The Company does not provide “smoke breaks” and team members must not let smoking interfere with their work.

## **VIOLENCE AND WEAPONS**

To protect all of our team members, we prohibit fighting and threatening words or conduct. Team members may not threaten, intimidate, or abuse other team members, guests, or vendors through conduct, actions, or words even when joking. Such activity can result in termination as well as criminal prosecution.

We also prohibit the possession of weapons of any kind on Gurley Leep premises, including in personal vehicles on Gurley Leep property, unless specifically allowed by the state laws where the workplace is located. If allowed by law, any weapon must be stored in the vehicle according to the state law’s requirements. For example, in Indiana, the weapon must be stored in a locked trunk, or the glove box of locked vehicle, or be otherwise out of plain sight in a locked vehicle. Failure

to follow these requirements will subject the team member to discipline up to and including termination.

We cannot tolerate any form of threatening conduct or violence on the part of any team member, guest or vendor, whether it occurs here or away from the Company. If you are threatened or have any concerns about a team member, guest or vendor, please notify your Manager immediately. If you feel that you cannot notify your Manger, or are uncomfortable doing so, please notify the Human Resources or Senior Management immediately.

## **TEAM MEMBER RESPONSIBILITIES**

This section of your Handbook outlines many of our policies and sets forth your responsibilities to Gurley Leep, your fellow team members, and our guests. Please familiarize yourself with these policies. Compliance with them will ensure a more efficient, productive, and pleasant atmosphere for all of us.

Every city, nation, and society has rules for the orderly conduct of business. People cannot live and work together successfully and enjoyably without order. Gurley Leep is the same way. Over the years, we have developed certain policies and rules for the efficient conduct of our business. While we try to keep these rules to a minimum, there are a few basic rules that should not be violated under any circumstances. Violation of any of these rules may result in various degrees of discipline from verbal and written warnings to suspension to termination, as Gurley Leep deems appropriate under the circumstances.

Obviously, this list is not all-inclusive and there may be other circumstances for which team members may be disciplined, up to and including immediate discharge. If you have any questions about these basics or what we expect of you as one of our team members, please discuss them with your Department Manager.

## **ABSENTEEISM AND TARDINESS**

Each of our team members plays an important role in getting the day's work done. Absenteeism or tardiness,

even for good reasons, is disruptive to our operations and interferes with our ability to satisfy our guests' needs. Therefore, every team member is expected to be at work on time each day. Excessive absenteeism or tardiness can result in discipline, up to and including discharge.

If you are going to be late or absent from work for any reason, you must personally notify your Manager as far in advance as possible so that proper arrangements can be made to handle your work during your absence. Of course, some situations may arise in which prior notice cannot be given. In those cases, we expect you to notify your Manager as soon as possible. PLEASE NOTE: Leaving a message with the switchboard, with a team member or on voice mail, or sending a text message or some other form of electronic communication does not qualify under this policy as notifying your Manager. You must personally contact your Manager each day you are going to be late or absent unless on an approved leave of absences.

When absence is due to illness, we reserve the right to require appropriate medical documentation.

Failing to notify your Manager that you will be absent is classified as a no call/no show absence. If you have no call/no show absences on three consecutive work days, Gurley Leep considers that a resignation without notice.



## **“AVOID VERBAL ORDERS” FORM**

The purpose of the “Avoid Verbal Orders” form is simply that; to Avoid Verbal Orders! To provide the best guest service we can, our team members use the AVO form to effectively communicate with the sales department, service department, the collision department, corporate offices or other departments about specific requests, information or orders to be carried out. AVO’s should always be signed by your supervisor and you should always keep a copy for reference.

## **CARE OF GUESTS' VEHICLES**

While a guest’s vehicle remains on our property we all must accept responsibility for its care and treatment. If a guest’s car is damaged in any way, stolen or improperly used while in our possession, Gurley Leep and you could be held responsible. We expect our team members to treat every guest’s car as if it were their own.

There are a few common sense rules that keep us from upsetting our guests:

- Do not play the radio except to repair it
- Do not change the radio or CD player selections
- Return seat to guest’s settings

- Do not change the air conditioning or heat settings
- Do not smoke, eat or drink in a guest's vehicle
- Do not rummage around in or look through any part of any customer's vehicle unless necessary for the job.

Normally, team members should avoid removing a guest's property from the vehicle. However, if you observe valuable property (CD players, radar detectors, etc.) or dangerous property (guns, knives, etc.), you are to turn the property over to the Service Manager for safe keeping and make a notation on the repair order so that we can return it to the owner when he or she picks up the vehicle.

If you are required to test drive a vehicle to ensure proper repairs, you are expected to complete the test drive as quickly as possible. Team members are never permitted to conduct personal business (e.g., go to lunch or the bank) while on a test drive or to transport passengers in a customer vehicle. Occasionally, it may be necessary for a technician to take a vehicle home overnight in order to properly troubleshoot a problem. This may be done only with the express permission of the guest and the Service Manager. Team members on test drives must comply with all traffic regulations.

Guest satisfaction is essential to the continued success of our Company. Therefore, we require strict adherence to these rules.

## **Cash Handling Procedures**

No team member other than our cashiers and F&I associates may accept cash from a customer unless a manager is present. If you are receiving cash from a customer, you are required to give the customer a proper receipt indicating the exact amount paid and its purpose. If your job involves handling the Company's or customer's money, you must take great care to ensure that it is never left unattended and is always properly accounted for and remitted as soon as possible. Any team member who fails to follow these procedures is subject to discipline up to and including termination of employment and also may be held responsible for any monetary loss and subject to a criminal investigation, penalties and sanctions.

## **Cash Reporting Procedures**

Internal Revenue Service (IRS) regulations require that any transaction involving more than \$10,000 in cash or cash equivalents must be reported to the IRS on Form 8300. "Cash" under the IRS reporting rules includes any kind of currency (U.S. or foreign), cashier's checks from banks, bank drafts, travelers checks, and money orders which have a face value of less than \$10,000 but combined equal \$10,000 or more. Combinations of these kinds of instruments are considered "cash" for reporting purposes when they total \$10,000 or more. Goods and services should be denied to people with cash who are known (actual knowledge) to be engaged in criminal activity. Selling goods and services to one who is known to be a drug

dealer or engaged in some other illegal activity is contrary to Company policy and illegal.

Where such a cash transaction is involved, the following information must be obtained from the purchaser: name, address, social security number, and if an alien, passport number, country of origin and alien registration number. This information, along with a description of the sale, must be immediately filed with the IRS on Form 8300 within fifteen days of the cash transaction.

The federal Money Laundering Control Act is a criminal law with penalties directed at people who deliberately conspire with those engaged in enterprises to "launder" money generated from criminal activity. This means you may be held criminally liable for failing to report cash purchases or other violations of this policy. "Structuring" a transaction to evade the cash reporting requirements carries penalties ranging from \$25,000 to \$100,000, and failure to comply with this government regulation is a felony with a potential sentence up to five (5) years in jail.

Failure to comply with federal regulations will subject a team member to disciplinary action, up to and including termination of employment, and also could result in a felony conviction.

This policy applies to each associate who handles cash in the course of their daily duties or who is responsible for a sum of money to facilitate business. Access to or use of funds in a cash drawer, spiff advance or petty cash is to be used for legitimate

business purposes only; the funds are not for personal use. Each person is responsible for accurately recording funds received, funds distributed, and funds deposited.

## **CONFLICT OF INTEREST**

We prohibit all team members from engaging in any conduct which represents an actual or potential conflict of interest. Engaging in any activity at or away from work that competes with our Company is a violation of this policy. This includes purchasing, selling or repairing vehicles for our customers or potential customers for personal profit except as a part of your job with us. Team members are also prohibited from purchasing or accepting as a gift any vehicle from a customer, without the prior permission on the General Manager. Team members are strictly prohibited from becoming involved in any way with any transaction involving a vehicle which is not officially in our inventory.

We also prohibit team members from engaging in any kind of financial transaction with the Dealership – directly or indirectly – without full disclosure. If you think that there is a possibility that you may have a conflict in this regard, it is your responsibility to discuss this with your Department Manager.

No team members or manager may request or accept any gift or gratuity of any kind from a customer, supplier, wholesaler, broker, auction operator or vendor without the knowledge and express authorization of the

General Manager. If you are offered any form of “rebate,” gift or gratuity by a company or individual with whom the Company or your Dealership does business, you must promptly report the matter in writing to the General Manager.

This policy also prohibits team members from engaging in any form of personal business for financial gain while at work or on Dealership time. This includes requesting or accepting any form of referral fee from any company or individual. Full-time team members are normally prohibited from performing services in a “consultant” capacity, unless full disclosure has been made and the work approved by the General Manager.

Finally, managers and supervisors are strictly prohibited from engaging in any kind of financial transaction with a subordinate, whether at or away from work. This includes both borrowing and lending money, buying or selling vehicles or other personal property, renting apartments or homes, employing a subordinate to perform work not related to the Dealership’s business either during or after work hours, etc. Any exception to this rule must be approved in writing in advance by the General Manager.

## **COOPERATION**

We expect that all of our team members will cooperate with the Company and its Managers. You may from time to time be asked to do things that are outside your normal duties. We expect you to perform these new duties unless they pose a safety hazard.

We expect every team member to follow the lawful instructions of the managers and other Company officials. If you believe that you are being directed to do something that is illegal or unethical, you are expected to report your concern immediately to the General Manager or Senior Management. We also expect every team member to cooperate fully with any internal investigation we conduct. If you are given a written notification or warning of any kind, and asked to acknowledge your receipt of that document, we expect your full cooperation which includes your written acknowledgement of receipt. If you disagree with the content of the document you are always free to attach an explanation or a rebuttal. However, you may not refuse to acknowledge you have received it. A team member's failure or refusal to cooperate will be deemed to be insubordination.

## **COURTESY**

Courtesy is the responsibility of every team member. We expect everyone to be courteous, polite and friendly both to our guests and to their fellow team members. No one should be disrespectful to a guest, coworker, or manager use profanity or foul language or engage in any activity that injures the image or reputation of our Company.

## DEALERSHIP KEYS

If you are given a Company key, you are responsible for proper use of that key and will be required to sign for it. You must immediately report a lost or misplaced key to your manager. Never duplicate or loan a Company or customer key to anyone for any reason. See your manager if you need a replacement key. Team members who take a leave of absence must return any keys or tools before beginning their leave. You must immediately return to your manager all customer and Company keys in your possession or control upon your separation from the Company.

## DEMONSTRATION DRIVES AND VEHICLES

Salespersons must accompany customers on all demonstration drives. Under no circumstances may a customer drive a new or used vehicle without being accompanied by a salesperson **without management's prior authorization**. The customer's driver's license and proof of insurance always should be photocopied and retained at the Dealership during the test drive. A demonstration plate must be placed on the vehicle before the vehicle is driven off the lot. Salespersons may not make inappropriate comments to or requests of, or ask inappropriate questions of, a customer.

Demonstration vehicles may be distributed to certain team members at the discretion of the Company. Eligible demo drivers are responsible for any taxes due for personal use of the vehicle. Demo vehicles will be



inspected periodically for cleanliness (and good condition) by the Company. Team Members are responsible for maintaining the demo vehicle in saleable condition at all times, with sufficient fuel for immediate test drives. Only the team member given demo privileges may drive the demo vehicle.

## **ELECTRONIC COMMUNICATIONS**

This policy contains guidelines for the use, access, monitoring and disclosure of Electronic Communications created, sent, received, transmitted, or stored by team members working for us or using any of our communication systems or equipment and team member provided systems or equipment used either in the workplace or during working time. “Electronic Communications” include, among other things, messages, images or any other information contained in e-mail, voice mail, text message, fax machines, computers, personal digital assistants (including Blackberries, iPhones, or similar “smart phones”), pagers, telephones, cellular and mobile phones including those with cameras), Intranet, Internet, information on a memory or flash key or card, jump or zip drive or any other type of internal or external removable storage drives. In the remainder of this policy, all of these communication devices are collectively referred to as “Systems”.

ACCEPTABLE USES OF OUR SYSTEMS: Team members may use our Systems to communicate internally with team members or externally with guests, suppliers, vendors, advisors, and other business acquaintances for legitimate business related purposes so long as they have done so in a professional and appropriate manner. The Company provides team members with access to our Systems to facilitate these business communications and to enhance productivity.

MANAGEMENT'S RIGHT TO ACCESS ELECTRONIC COMMUNICATIONS: All Electronic Communications contained in Gurley Leep's Systems are Gurley Leep records. Team members have no expectations of privacy in their use of this equipment, including personal protected accounts accessed through Company equipment. Although each team member may have an individual password to access these Systems, the Systems belong to Gurley Leep and the contents of the Systems and Electronic Communications conducted on the Systems are accessible by Senior Management at all times for any business purpose without notice. These Systems will be subject to periodic unannounced inspections and should be treated like other shared filing systems. The contents of our Systems will also be monitored by and disclosed to Senior Management without further notice to team members. Thus, **team members should not assume that Electronic Communications are confidential or private.** Back-up copies of Electronic Communications in our Systems also will be maintained and referenced.

Gurley Leep's right to use, access, monitor, record, and disclose Electronic Communications without further notice applies equally to team-member-provided systems or equipment used either in the workplace or during working time.

PERSONAL USE OF OUR SYSTEMS: Gurley Leep provides Systems to assist team members in the performance of their jobs. Gurley Leep reserves the right and team members agree to permit Gurley Leep to use, access, monitor and disclose all Electronic Communications on our Systems without regard to content. Since team members' personal communications and information can be accessed without advance notice or approval, team members should not use our Systems for communication or information that team members would not want discussed with or known to third parties. For example, team members should not use the Systems for gossip; personal information about themselves or others; for forwarding messages under circumstances likely to embarrass themselves or others; or for emotional responses to business correspondence or work situations. Team members also should not use these Systems for such purposes as soliciting for commercial ventures, religious or personal causes, outside organizations, or other similar, non-job-related situations.

Although incidental and occasional personal use of our Systems that does not interfere or conflict with Gurley Leep's business is permitted, personal communications in our Systems are treated the same as all other Electronic Communications, and will be used,

accessed, monitored, and disclosed by Gurley Leep at any time without further notice.

Team members may not install any software on any Company-provided System or copy software from any Company-provided System without the prior written permission of our Controller. Involving the Controller ensures that Gurley Leep can manage the software on its Systems, prevent the introduction of computer viruses, and meet its obligations under any applicable software licenses and copyright laws. Computer software is protected from unauthorized copying and use by federal and state law. The unauthorized copying or use of computer software exposes the Company and individual team members to substantial fines and/or imprisonment.

**FORBIDDEN USES OF OUR SYSTEMS:** Team members may not use our Systems in a manner that violates our Policy Against Harassment and Discrimination Workplace Violence Policy, Equal Employment Opportunity Policy, or any other Company policy. Team members may not use our Systems in any way that may be seen as insulting, disruptive, obscene, offensive, or harmful to morale. Examples of forbidden transmissions include, among other things, sexually-explicit messages, images, cartoons, or jokes; propositions or love letters; ethnic or racial slurs; or any other message or image that may be in violation of our No Harassment policy.

In addition, team members may not use our Systems:

- To carry any defamatory, discriminatory or obscene material;
- In a manner that violates the terms of any telecommunications license or any laws governing transborder data flow including but not limited to laws dealing with data collection, protection, privacy, confidentiality and security;
- In connection with any attempt to penetrate computer or network security of any Company or other system, or to gain unauthorized access or attempted access to any other person's Electronic Communications systems or equipment;
- In connection with any infringement of another person's intellectual property rights, including but not limited to copyrights; and,
- In connection with the violation or attempted violation of any law.

ELECTRONIC MAIL: Gurley Leep provides e-mail addresses and access to those team members who use e-mail to communicate with other team members, vendors, guests, or affiliates. Use of personal e-mail accounts to conduct Gurley Leep business or in connection with your Gurley Leep job requirements is strictly prohibited. Doing so could be interpreted by Gurley Leep as an attempt to misappropriate trade secrets.

ELECTRONIC FORGERY: Electronic forgery is defined as misrepresenting, disguising, or concealing your identity or another's identity in any way while using Electronic Communications; making changes to Electronic Communications without clearly indicating that you have made such changes; or using another person's account without prior written approval of the account owner and without identifying that you are the author. Electronic forgery is not allowed for any purposes.

INTELLECTUAL PROPERTY RIGHTS: Team members must always respect copyrights and trademarks of third parties and their ownership claims in images, text, video and audio material, software, information, and inventions. Team members should not copy, use, or transfer proprietary materials of the Company or others without appropriate authorization. Downloaded software and other copyrighted material may be subject to licensing obligations or restrictions. Even when software is labeled "freeware" or "shareware" there may be retained licensing restrictions that prohibit or limit the usage or commercialization of such items. If questions arise in this regard, contact the Systems Administrator. The Company will cooperate with the copyright holder and legal officials in all copyright matters.

SYSTEM INTEGRITY, SECURITY, AND ENCRYPTION: All Systems passwords and encryption keys must be available to Gurley Leep, and team members may not use passwords that are unknown to Gurley Leep. Team members may not install password or encryption programs without the written permission

of our Systems Administrator and without turning over encryption keys to their supervisor. Further, team members are prohibited from the unauthorized use of passwords and encryption keys belonging to other team members to gain access to the other team member's messages, information, or communications.

CONSEQUENCES OF VIOLATIONS OF THE COMPANY'S ELECTRONIC COMMUNICATIONS POLICY: Violations of this Policy may result in disciplinary action up to and including IMMEDIATE TERMINATION OF EMPLOYMENT AS WELL AS POSSIBLE CIVIL LIABILITIES OR CRIMINAL PROSECUTION. Where the Company deems it appropriate, we may advise legal officials or other appropriate third parties of any illegal violations. The Company will cooperate in investigations conducted by legal officials or appropriate third parties. We will not, of course, retaliate against anyone who reports violations or assists with our investigation of possible violations of this policy.

### **Social Networking (Blogging, Internet Postings, Social Networking Sites, Etc.)**

The Company recognizes that some employees may maintain personal weblogs (or "blogs") and/or websites, contribute posts to blogs, chat rooms and websites or webpages of other persons, and participate in social networking sites such as Facebook, MySpace, Twitter and LinkedIn. To protect the Company's interests, we expect that team members who contribute to such

blogs, sites, pages, etc. on the Internet abide by the following guidelines.

Unless specifically instructed or otherwise authorized by Senior Management, in writing, you may not:

- Speak on behalf of the Company
- Advertise any product or service of the Company or its affiliates.
- Link any blog, webpage, website, etc. to the website of the Company or Company affiliates.
- Use Company time and equipment, including information and electronic systems (*i.e.*, computers, Internet, pagers, BlackBerrys, cell phones), for blogging or social networking, including updating your personal site.
- Disclose proprietary, confidential or other information learned during the course of your employment about the Company or its team members or affiliates.
- Use any document or other materials belonging to the Company, including its promotional and marketing materials.
- Use the Company or an affiliate's name, logo or letterhead, including a picture of yourself wearing any Company-issued or affiliate-related clothing (*i.e.*, a hat or shirt with logo).



- State or imply that the views you express are that of the Company, its team members or affiliates.
- Post photographs of yourself at any Company or affiliate location(s) (or at Company or affiliate-sponsored events), post photographs of other Company team members, client representative(s), vendor(s), supplier(s) or other Company affiliate(s).
- Post disparaging, discriminatory, defamatory, proprietary, confidential, threatening, libelous, obscene or slanderous or otherwise inappropriate comments or information related to the Company, management, co-workers, affiliates or competitors. You may not post anything that could embarrass or upset other team members or could detrimentally affect our Company's business. You are personally liable for your own commentary.
- Participate in or assist with the conduct listed above.

Even when blogging or networking about your work offsite, on personal time and using your own equipment, you must abide with all legal requirements (including copyright or trademark infringement, defamation, etc.), as well as Company policies, including those regarding non-harassment, disparagement and confidentiality.

If you are requested by the Company as a part of your job duties to blog, chat or otherwise advertise or provide an endorsement of the Company's products or services online, you must abide by the FTC's "Guides Concerning the Use of Endorsements and Testimonials in Advertising," which will be discussed with you in more detail if you are asked to engage in these activities on behalf of the Dealership. At all times, if you are expressing an opinion about a Company product or service (even on your own time and on your own equipment), you must disclose your relationship with the Company (*i.e.*, that you are employed by the Company) **and** you may not at any time make statements about the Company's products and services that cannot be substantiated.

All team members are responsible for reporting policy violations. Reports of policy violations and questions about these guidelines should be directed to Clyde Wheeler, Mike Leep, Jr. or Marc Waite. The Company reserves the right to take legal action where necessary against anyone who engages in prohibited and/or unlawful conduct, as provided by law.

## **FRAUD AND FALSE STATEMENTS**

Falsification of any Company-related document, including but not limited to applications, medical history records, invoices, work orders, emissions inspections, warranty claims, purchase orders, sales and finance documents, time records or any other document is strictly prohibited. No team member may ever sign the name of a guest to any document. Sales and finance

personnel are required to make full disclosure of all costs and charges associated with any sale or lease. If you observe a violation of any of these rules or become aware of any other conduct of a questionable nature, it is your responsibility as a team member of Gurley Leep to report it directly to your General Manager, or a member of Senior Management immediately.

### **GIFTS AND GRATUITIES**

Team members may not request or accept any gift or gratuity of any kind from a guest or supplier, without the express authorization of Senior Management. Payments of any kind from a company or individual with whom the Company does business must also be reported to Senior Management.

### **INSPECTION OF PROPERTY**

To protect you, team members, our guests and Gurley Leep, we reserve the right to inspect all lockers, desks, tool boxes, purses, briefcases, computers, vehicles and any other personal property which is brought onto Gurley Leep property.

## LEGAL REQUIREMENTS

Gurley Leep is subject to many different federal, state and local laws. We expect all team members to comply strictly with each of these laws. The following is a brief list of laws and regulations that we feel merit special attention.

- Time Records. Federal law requires that all team members, unless exempt, must keep an accurate and complete record of all their hours worked each day and each week and your hours must be properly recorded on your time card. Your signature on your time card indicates your agreement with the hours stated on the time card. Team members are required to punch out for meals and any other time they leave the Company on personal business. Team members are not permitted to work “off the clock” under any circumstances.
- Window stickers and FTC stickers. These stickers must be intact on all new, demos, or used cars at time of presentation and delivery. These stickers should not be removed except at the guest’s request after sale.
- Odometer Disclosure. The odometer disclosure form must be signed for all guest trade-ins and for any vehicle sold.
- Contract Disclosure/Consumer Protection. All contracts must be signed in the Company. Anyone signing a contract must show proof of

identity. Also, the truth-in-lending and the truth-in-leasing laws require that certain disclosures be made. Failure to make these disclosures can result in voiding of the deal and damages. If you observe what you think might be a violation of these laws or regulations, report it to the General Manager or Senior Management immediately

- Damage Disclosure. All damage whether occurring in transit, on the lot, or in a collision must be reported to your Manager immediately. The damage must also be disclosed to the guest in writing to the extent required by law.
- Tax Withholding. We are required to make certain deductions from your wages for taxes. Every team member is required to provide us with all documentation necessary to comply with state and federal tax withholding laws and to cooperate fully with this process.
- Credit Bureau Reports. No team member may pull a credit report on any guest without a signed authorization from that guest. This policy also applies to cosigners. Team members who violate this law are subject to being sued personally for compensatory and punitive damages.
- Environmental Compliance. Team members working with chemicals, paints, waste oil, CFC and emissions testing equipment are required to

be familiar with and comply with the applicable laws and regulations. If you observe something which you feel may be in violation of a law or regulation, report it to the General Manager or Senior Management immediately.

- Red Flag Rules. Pursuant to the Fair and Accurate Credit Transactions (FACT) Act of 2003 and its Red Flag Rule, the FTC and federal banking regulators published regulations in July of 2006 requiring auto dealers to adopt a formal Identity Theft Prevention Program. Gurley-Leep Automotive Management Corporation has complied with this regulation by developing, implementing and maintaining its own Identity Theft Prevention. All team members who are involved in vehicles sales transactions are required to read this program in its entirety and sign an acknowledgement of completion.
- USA Patriot Act. All Persons/Companies doing business in the U.S. must comply with OFAC Regulations. All Sales Managers and Finance Managers are required to be familiar with OFAC Compliance and the use of the OFAC software in which customer data is scanned against the latest OFAC (Office of Foreign Asset Control) and other Relevant Government lists. We require strict compliance with these regulations.

## **OPERATION OF GUEST AND COMPANY VEHICLES**

Only authorized team members may operate guest or Company vehicles. Any team member operating a vehicle must have a valid driver's license appropriate for the vehicle that he or she is operating. The information contained in this section applies to all team members who operate guest or Company vehicles at any time, including any team member driving a Demonstrator Vehicle.

Any team member who is involved in an accident while operating a guest or Dealership vehicle must notify the Dealership immediately. If the accident results in personal injury or significant property damage while operating a guest's or Dealership vehicle, the team member must notify the Dealership **and** police immediately.

Team members whose job requires driving as part of the job who receive a citation for a moving violation or DUI/DWI, whether on or off the job, or if your license is suspended or revoked for any reason, must report that fact to their supervisor immediately. We will then make a determination as to whether or not we can continue to employ the individual in his or her current position. If we cannot, we will consider moving the team member to another position that does not require driving. However, if you fail to disclose a citation and we later learn about it, you will be subject to immediate termination and we will not consider you for another position. Any team member who receives a traffic citation or parking fine while operating a guest or

Company vehicle, will be responsible for paying any penalty or fine.

Team members are required to wear seat belts and comply with all traffic regulations any time they are operating a guest or Company vehicle.

Studies have shown that drivers who use cell phones while they are driving are as dangerous as drunken drivers. Therefore, team members are not permitted to make or receive cell phone calls, send or receive e-mails, text messages or other forms of electronic communications while they are operating a vehicle, unless they utilize a legally compliant “hands free” device. Team members also are prohibited from using a GPS or any other navigation device while operating a vehicle. If you need to use a cell phone, GPS device, or other handheld device, pull over and stop.

If a vehicle incurs any damage while under the charge of a particular team member, that team member will be responsible for reporting the damage immediately and may be responsible for paying the insurance deductible amount toward repair. If a team member fails to report such damage, the team member is subject to termination.

## **OUTSIDE EMPLOYMENT**

There have been times when many of us have had the opportunity or the need to have two jobs at one time. If you do choose to work two jobs, it is important that other employment and outside interests do not interfere



in any way with your job at Gurley Leep. If you do hold a second job, we expect that you will be careful that extra hours of work do not affect your performance here. We also expect that no outside business will be conducted while you are here at work.

We do not permit our team members to work for a competitor or engage in any business that competes with our business in any manner. Therefore, if your second job could create a potential conflict of interest, for example, working for a competitor, or buying, selling or repairing vehicles, we expect you do discuss the matter with your General Manager before accepting the position or engaging in the competitive activity.

## **PARKING**

So that we will have sufficient convenient parking for our guests, we require all team members to park their vehicles in the area designated for team member parking. If you have any questions as to where you should park, please ask your Manager.

We cannot be responsible for theft from personal vehicles. Therefore, please be sure to lock your vehicles when they are parked on our lot.

## **PERSONAL APPEARANCE AND GROOMING**

Our goal is for all team members to look professional and well groomed. A professional image is an important factor in our success with our guests.

Therefore, a neat, clean and businesslike appearance is expected of all team members. Attire should not call attention because of fit, color or style. The acceptability of current styles, as they occur, is at the sole discretion of management. It is expected that you will not permit your appearance standards to deteriorate during the course of your employment with the Company.

At its discretion, Gurley Leep may allow team members to dress in a more casual fashion than is normally required. On these occasions, team members are still expected to present a neat appearance and are not permitted to wear ripped or disheveled clothing, athletic wear, or similarly inappropriate clothing.

Any team member who does not meet the standards of this policy will be required to take corrective action, which may include leaving the premises. Time away from work for such purposes of correcting their appearance may be without pay. Violations of this policy may also result in disciplinary action.

Also, please remember that if you are wearing apparel with Gurley Leep's or any car manufacturer's logo on it in public, you are representing Gurley Leep. Your conduct reflects on Gurley Leep, and you will be expected to act accordingly. All policies in this Handbook apply to you even during off hours when you are wearing Gurley Leep logoed apparel.

It will be at the discretion of each Dealership's management to determine the appropriate dress and grooming standards established for each department within the guidelines set forth below.

Sales and Office Positions: Office, sales, service advisors, cashiers, receptionists, (anyone that is in contact with the public) and management positions (i.e., non-uniformed positions) must comply with the following personal appearance standards:

- Team members are expected to dress in a manner that is appropriate for their business unit and job title. Sales and office male personnel should wear dress shirts (long sleeved preferable). Shirts and dress slacks must be pressed. Dresses, skirts, skorts of appropriate length (i.e., knee length), capris or dress slacks should be worn by sales and office female personnel. Apparel with Gurley Leep's or appropriate vehicle manufacturer's emblems are also acceptable. Team members should not wear suggestive attire; jeans; denim; athletic clothing; shorts; sandals; T-shirts; leggings; stirrup pants; tank, halter, backless or spaghetti-strapped tops; novelty buttons; and similar items of casual attire that do not present a businesslike appearance.
- Sales and office male personnel should wear dark shoes that complement the other attire and are polished and properly repaired.
- Sales and office female personnel should wear professional shoes that complement the attire. Professional, open toed shoes with a

heel are permitted. Sandals, flip flops, and tennis shoes are not permitted.

- Hair should be clean, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length.
- Tattoos and body piercings should not be visible. Pierced earrings for women are acceptable.

Service, Parts and Prep Positions: Where provided, uniforms are to be properly cared for and worn in their entirety. For safety and appearance reasons, uniform shirts will be tucked in at all times. For safety and consistent appearance purposes, badges, patches or other symbols are not to be placed on uniforms unless authorized by management. Uniforms should only be worn while on duty and while traveling to and from work.

Behavior and appearance while in uniform should reflect positively on the Company. The cost of cleaning and maintenance is paid by the Company. Team members will be personally responsible for the cost of lost uniforms, uniform damage beyond normal wear and tear and uniforms not returned at the time of termination of employment.

- Slacks appropriate for the position are required to be worn if uniform slacks are not provided. Shorts are not allowed.

- Safety shoes are required to be worn whenever handling, moving, lifting, or pulling heavy equipment, tools, parts, or materials. All safety shoes must have a steel or plastic protective toe. The balance of the footwear should be constructed from leather or other protective material designed to withstand the rigors of our work environment. Canvas and open toed shoes are not to be worn. This applies to all service and body shop porters, all mechanical, body and paint technicians and all parts drivers, counter, shipping and receiving personnel. This also applies to all Shop Floor Managers regularly exposed to the above listed hazards as part of the daily assigned duties.
- Detail technicians are also required to wear safety shoes as outlined above. In addition, the shoes must be of waterproof construction that will ensure a dry and comfortable working condition for the entire workday.
- Hair should be clean, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length.
- Tattoos and body piercings should not be visible. Pierced earrings for women are acceptable.

Extreme Heat Exception: It is expected that all team members will adhere to the dress code at all times. However, if complying with the dress code in times of

extreme heat creates a medical problem for any team member, the team member is expected to notify his/her Manager immediately and Human Resources. The Manager is then responsible for developing a modified dress code for the team member that appropriately addresses all medical concerns. All dress code deviations must be approved by a Manager prior to implementation.

## **PERSONAL CONDUCT**

We expect every team member to conduct him or herself in a manner which will reflect favorably on the team member and Gurley Leep. This rule applies whether the team member is on or off the job. Rude, unprofessional or offensive conduct toward guests or team members damages Gurley Leep's reputation and therefore can be grounds for termination. Team members are prohibited from using any information obtained in the course of business to further a personal or social relationship. Contact with guests away from Gurley Leep for personal reasons is strictly prohibited.

## **PERSONAL MAIL**

All mail delivered to Gurley Leep is presumed to be related to our business. Mail sent to an individual at Gurley Leep will be opened by a Gurley Leep team member and either routed to the appropriate department or forwarded to your home address. If you do not wish to have your correspondence handled in

this manner, please have it delivered directly to your home.

Team members may not use Gurley Leep stationery or postage for personal reasons.

## **PERSONAL RELATIONSHIPS**

Personal relationships between non-supervisory team members are permitted provided they do not adversely affect the work performance of the parties involved or other team members. Because of concerns about favoritism and harassment, Supervisors and Managers are strictly prohibited from dating or engaging in any kind of personal relationship with any team member within their business unit. Personal relationships between team members, regardless of business unit, are not permitted if such relationship may create a breach of good business practices or interfere with internal controls.

Employment of family members and relatives will be considered on a case-by-case basis. In no case may a family member supervise the work of another family member nor may one family member be employed in a position where he or she could affect the compensation or advancement of the other.

## **PERSONAL COMMUNICATION**

We have a limited number of telephone lines at Gurley Leep, and it is essential that we keep those lines open

for guest calls. Therefore, we ask our team members to refrain from making or receiving personal calls, except, of course, in emergencies.

Team members may not make personal long distance calls charged to any Gurley Leep Company without the permission of his or her Manager. Permission will normally be given only in emergency situations. The team member making the call will be expected to reimburse the Company for the call.

Team members may use personal cell phones at work provided their use does not interfere with the performance of the team member's job or with service to our guests. Likewise, texting, internet surfing and other uses of personal handheld devices that the Company deems to be interfering with work are prohibited.

Visits by friends or relatives can be disruptive to our operations. Therefore, we strongly discourage such visits during work hours.

## **POOR PERFORMANCE**

Every team member is expected to make every effort to learn his or her job and to perform that job at a level satisfactory to Dealership management. Any team member who fails to maintain a satisfactory level of performance is subject to disciplinary action up to and including termination.



## **PUBLICITY**

In the course of advertising, public relations or other similar conduct for business purposes, the Company may utilize media resources. The Company may use your photograph, picture, and/or voice transcription for promotion or advertising at any time without compensation.

## **RECORDING DEVICES**

To maintain the security of our premises and systems, Gurley Leep prohibits all team members from using any device to audio or video record any conversation with any customer, vendor, or team member (including management) without the prior written approval of everyone who will be recorded. Team members may not use a cell phone, PDA or any other handheld device in a manner that violates our Policy Against Harassment and Discrimination, Equal Employment Opportunity Policy, Workplace Policy, or other Gurley Leep policies. Team members may not use a cell phone, PDA or any other handheld device in any way that may be seen as insulting, disruptive, obscene, offensive, or harmful to morale. The Company also strictly prohibits anyone from taking unauthorized photographs or video recording any team member, customer, vendor or any confidential or proprietary document without prior written approval from the Company. Violation of this policy may result in discipline up to and including immediate termination of employment.

## **SLEEPING AND INATTENTION**

We expect every team member to be fully alert while on the job to ensure the safety of all team members and to properly serve our guests. Therefore, we cannot tolerate sleeping or inattention on the job.

## **SOCIAL SECURITY NUMBER PRIVACY POLICY**

While we have other policies which touch upon this topic, we want to remind everyone that it is Gurley Leep's policy to protect the confidentiality of social security numbers by prohibiting team members from knowingly acquiring, disclosing, transferring, or using the social security of any team member or other individual (including guests) unless done so in accordance with this policy and other policies and procedures of the Company. Moreover, team members must never acquire, disclose, or use social security numbers for any unlawful purposes.

Some Gurley Leep team members do not have any need to utilize or have access to social security numbers as part of their job duties. However, for some team members, such access and utilization are part of their normal duties. When that is the case, you must remember and abide by the following:

Access to Social Security Numbers. Only authorized persons are permitted access to social security numbers.

Acquisition/Use of Social Security Numbers. Social security numbers should only be collected or used where permitted or required by federal, state, or local law. If a unique identifier is needed for a person and a social security number is not required in that instance, you should use a substitute for the social security number. Do not send or receive social security numbers through email unless the connection is secure or the number is encrypted.

Public Display. Social security numbers should never be placed on any materials or documents designed for public display. Documents, materials, or computer screens that display social security numbers or other sensitive information must be kept out of public view at all times. Documents containing social security numbers that are sent through the mail must not reveal the number through the envelope window or otherwise be visible from outside the envelope or package.

Storage and Disposal. All documents or files that contain social security numbers must be stored in a physically secure manner. Do not store social security numbers on computers or other electronic devices that are not secured against unauthorized access. When disposing of documents or other materials containing social security numbers, do not simply throw them away in the trash; instead, discard or destroy them in a manner that protects their confidentiality, such as shredding.

Accountability. Any team member who fails to comply with this policy will be subject to discipline up to and including discharge.

Policy Guidance. If you have any questions regarding social security number privacy and security, please speak with your Manager or a member of Senior Management for clarification and guidance.

## **THEFT**

We do not tolerate theft in any form, whether from Gurley Leep, a guest or a team member. Failing to install all parts charged out on a repair order is considered theft. Taking a coworker's property without authorization is considered theft. Reporting that you have performed service or other work which you have not performed is considered theft. Recording time that you did not actually work is considered theft. Vehicles that we have taken in trade are Company property, even if they are going to be wholesaled. Therefore, removing parts or equipment from any such vehicle is considered theft of Company property. Taking customer lists and other confidential and proprietary business information is considered theft. Team members involved in any form of theft are subject to termination, as well as criminal prosecution.

## **TIMEKEEPING PROCEDURES**

Under federal law, all Gurley Leep non-exempt team members are required to keep an accurate and complete record of all his or her hours worked each

day and each week. Unless you are told not to record your time, you are required to do so. In most cases this will be done on a time card or through computer log-in system. We expect you to accurately record on your time record all time that you work for the Company.

Team members are required to punch in and out at lunch and any other time you leave Company premises. If you have to leave during the day for reasons other than lunch, you are expected to notify your Manager.

Any changes or corrections to your time card or time record must be initialed by you and your Manager. Under no circumstances may any team member punch or alter another team member's time card or work "off the clock."

### **UNLAWFUL ACTIVITY**

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

### **USE OF COMPANY FACILITIES**

Team members are not permitted to use any Company facilities to work on personal vehicles without the prior permission of the Service Manager. If you wish to work on your own vehicle or a family member's vehicle, you

must have a repair order and the Service Manager must be notified. All parts must be charged out on a parts ticket/repair order. For safety reasons, working on vehicles after normal work hours is prohibited.

## **USED PARTS AND SCRAP**

All used parts that are not returned to the guest are the property of the Company. No team member may remove any used part – including scrap – from the Company without the prior written permission of his or her Manager. The removal of used parts or other scrap from the Dealership without written permission is considered theft.

## **WORK SCHEDULE AND OVERTIME**

Business hours vary by department as determined by guest demand, workload, and competitive factors. Individual work schedules are assigned in response to the Company's business needs.

Service, body, parts and administrative department hours are set by your Manager based on guest demand. Your work hours will vary according to your department and duties. Please contact your Manager if you have any questions about your schedule.

We may periodically schedule mandatory overtime or weekend work to meet business or guest needs. We will attempt to give you as much advance notice as

possible, and we expect that all team members who are scheduled to work overtime will be at work, unless excused by your Manager. If you are entitled to receive overtime pay, the Company will calculate your overtime pay in accordance with applicable law.

## **WORKING CONDITIONS**

Gurley-Leep constantly strives to maintain the best working conditions possible. In this regard, it is the responsibility of all team members to help keep clean, safe, and pleasant facilities; in short, facilities you and our guests will enjoy! If any conditions exist which, in your opinion are unsafe, unsightly or below our organization standards, please notify your supervisor immediately. If the condition continues to exist, please contact your General Manager.

## **RESIGNATION**

In the event you choose to resign from your position, we ask that you give us at least two weeks' notice. We expect you to take care of all your outstanding accounts with the Company and return all Company property prior to picking up your final paycheck.

## **EXIT INTERVIEW**

Any team member leaving the Company is required to attend an exit interview conducted by the team

member's Department Manager or Human Resources Manager. The purpose of the interview is to determine the reasons for leaving and to resolve any questions of compensation, insurance continuation, return of Company property, or other matters related to leaving.

## **TO SUM IT ALL UP**

This Handbook highlights your opportunities and responsibilities here at Gurley-Leep Automotive Management Corporation. By always keeping the contents of the Handbook in mind, you should be successful and happy working with us. Once again, welcome to our Company, and we look forward to working with you.