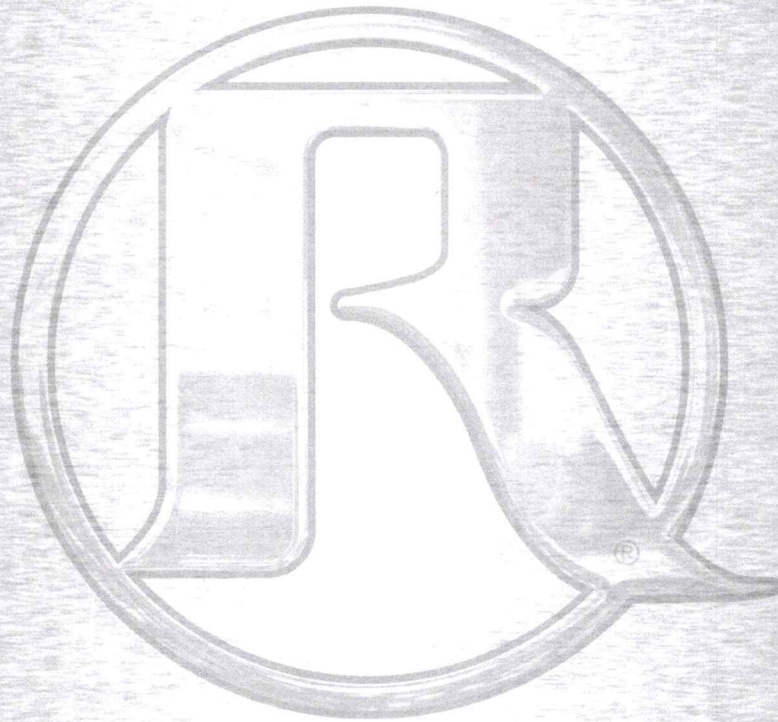




AUTOMOTIVE GROUP INC.

**POLICY & PROCEDURE
MANUAL**



Values *Driven*

COMMITTED TO EXCELLENCE & TEAMWORK

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WELCOME TO REED AUTOMOTIVE GROUP

You are joining a “*Team*” of people who take pride in their association with each other and the accomplishments of the organization which they belong.

We have a deep commitment to excellence, and we recognize that service is the key to our long-term success. Working together to do all that we can to satisfy the needs of our customers is why we all have the title of *Team Member*. The customer views us as one organization, so we all should realize that even though we work in different departments, we must work together. We understand that all the different jobs on the *Team* are just as important as the others; therefore, we all do the best we can to do our part, knowing that the *Team* is only as strong as we make it.

We hold each other to high standards of honesty and integrity. Shortcuts and compromise in these areas never work out for the best; they leave the customers thinking that we are all that way.

Together **E**ach **A**ccomplishes **M**ore. Teamwork is key to a successful business.

PURPOSE, MISSION AND VALUES

Our Purpose:

Serve our Customers by providing the Region's best dealership experience.

Our Mission:

Develop our Team Members and our performance enhancing our company, our families and our communities.

Our Values:

All organizations are guided by core values that shape the way they conduct their business. We, too, trace our success to these basic principles, which honor God and provide a foundation for all we do.

HONESTY: Truthful, Sincere

DILIGENCE: Persistent Effort, Attentive Care

TEAMWORK: Cooperating to Achieve our Purpose

PERFORMANCE: Exceed Expectations with Superior Quality

GOLDEN RULE: Treat Others as We Want to be Treated

SERVING

We all agree that serving each other will help us serve our customers and promote unity in our organization instead of strife. We realize that the best *Team Members* are those who actively look for ways to better the Team and his/her *Team Members*.

Again, Welcome to the Team, we wish you the best of success!

HANDBOOK DISCLAIMER

This handbook is a summary of the policies and procedures in place at Reed Automotive Group. Employees should read and understand the policies in this handbook. Employees who have questions about any policy should speak to their supervisor or contact the HR department.

This handbook doesn't create a binding agreement between Reed Automotive Group and any employee. Reed Automotive Group can change or delete and replace the policies in this handbook at any time, with or without notice to employees.

Nothing in this handbook prohibits or restricts employees from exercising rights or engaging in activities protected by the National Labor Relations Act.

EMPLOYMENT-AT-WILL

The relationship between Reed Automotive Group and you is an employment-at-will relationship. This means that the employment relationship is by mutual consent and is not for any definite period of time. While it is anticipated that your employment will be rewarding and long term, either you or Reed Automotive may terminate the employment relationship at any time with or without notice, for any reason or no reason at all, with or without cause.

EQUAL OPPORTUNITY POLICY

It is the policy of Reed Automotive Group, Inc. to provide equal employment and advancement policies without regard to our Team Member's race, color, sex, religion, national origin, age or disability, as defined under applicable federal, state or local laws.. Reed Automotive Group will carry out this policy in a manner consistent with good business practices and procedures and, of course, in compliance with all applicable local, state and federal laws.

IMMIGRATION ACT REQUIREMENTS

Reed Automotive Group, Inc. will adhere to the requirements of the Immigration Reform and Control Act of 1986. Accordingly, we are required to, and will inspect and verify documentation, which reflects the identity of every new Team Member. Prior to commencement of work we will, therefore, require that you complete Form I-9 and produce for inspection unexpired documents approved by US Department of Homeland Security for the completion of Form I-9 that establish both identity and authorized work status. We will make photocopies of the documentation you produce to complete Form I-9 and keep the documentation in our files for the longer of three years from the date of hire or one year after employment ends.

TRIAL EMPLOYMENT PERIOD

All new Team Members are hired on a ninety-day trial basis. During this trial period Reed Automotive Team will give careful consideration to your work, attitude and commitment to our Purpose, Mission and Values. You also have the opportunity during this time to consider whether or not this is the type of organization you wish to work for and whether the type of job you have is right for you. During this period; employment may be terminated by you, at any time; likewise, if we feel your employment relationship is not going to work for our mutual benefit, your employment may be terminated by the Reed Automotive Group.

Your progress during this period will be reviewed with you to make sure our employment relationship is positive; this trial period is important for both you and Reed Automotive Group because we hope your employment with us will be enjoyable to you for a long period of time.

Please see attendance policy for unplanned days off during trial employment period.

The Team Member agrees that completion of this trial employment period will not be construed to create any contract of employment. All employment with Reed Automotive Group is “employment at will” and may be terminated at any time for any reason. The Team Member agrees that he/she has not entered into that “at will” employment relationship in reliance on any provision of this handbook and that this handbook may not be used as a basis for a claim against Reed Automotive Group or its agents, officers or Team Members in the event employment is terminated. This handbook is not a contract.

TEAM MEMBER RELATIONS

Company Management realized that its fundamental strength and future growth depends directly upon the contribution made by each person within its organization; also, that productivity and efficiency results from real job satisfaction and from the opportunities you receive and accept for your individual self-development. To help implement these principles, we have developed this Team Member Handbook as your aid. While this handbook is not a contract of employment and is subject to change without notice, it has been developed in response to our commitment to the following:

A system of communication that encourages Management at all levels to discuss work related topics with members of the Reed Team in an open, honest and fair manner.

A working environment that motivates everyone to become involved with his/her job, and to accept greater responsibility for the success of their job.

Your success means as much to our company as it does to you. You are an integral part of this organization and your understanding of the fact that we cannot be successful if you aren't, establishes the basis for a relationship of loyalty and cooperation.

COMMUNICATIONS

The Management Team strives to keep the entire Team informed of any and all changes in personnel, promotion and new programs or services. It is our desire to maintain good communication. However, the system is not perfect, and you should know that any breakdown in communication is not intentional. If you have any questions about changes and additions, please contact your Manager.

PERSONAL RECORDS

It is necessary that you notify Human Resources of any change of your address, telephone number, marital status, change of dependents, change of name, change of beneficiary or any other personal information; these changes could affect your eligibility of benefit programs carried on by Reed Automotive Group. Please make sure Reed Automotive Group is notified of any such changes, as Reed Automotive Group cannot be responsible for any detriment to a Team Member who has not notified us of such change.

Many changes can be made directly in your timeclock system. Changes made in the system will automatically notify Human Resources.

HOURS OF WORK

Your manager will inform you of your hours of work. Due to the nature of our business, your hours may vary and may be adjusted to fit the needs of our customers. This schedule will also inform you of lunch breaks and any other breaks in the work schedules.

LENGTH OF SERVICE

For most purposes, your original date of hire constitutes your seniority date. Unless you quit or are discharged or unless your employment is broken because of extended sick leave, certain leaves of absence, or other valid reason, your Anniversary date is important for determining your eligibility for benefits, vacation, promotions, transfers, etc.

WAGE PAYMENT

Reed Automotive Group is committed to complying with all applicable state and federal laws regarding wage payment.

Team Members should immediately contact their Manager, who will then contact the Payroll Manager, if there are any misclassifications in pay, delays in pay, or improper deductions from pay or if they believe they have been discriminated against regarding pay.

PAYROLL DEDUCTIONS

It is not the policy of the Reed Automotive Group to allow special payroll deductions for any reason other than court mandated reasons or for the itemized list below; any authorized payroll deductions will come from the General Manager or ownership of Reed Automotive Group, after careful consideration. The use of any authorized payroll deduction for any non-court mandated reason will be for Team Member Emergency situations.

All deductions from a Team Member's wages will be made in accordance with applicable law and, when required, the Team Member's consent. Deductions may be made from a Team Member's wages for Social Security taxes, federal and state income taxes, local tax, child support, garnishment, benefits, accounts receivable and assignment of wages, as applicable.

Team Members will be notified of deductions due to court orders, such as child support or garnishments, in accordance with such orders.

Deductions not taken for any pay period may be carried over to future pay periods and deducted from the wages due to the extent allowed by law.

Team Members who question any deduction should contact their Manager. Payroll will promptly correct any deductions made in error or not permitted by applicable law.

Team Members should always check the deductions made through payroll. Examples of expected deductions are:

- Payment of group health insurance
- Contributions to a retirement plan
- Spring or Fall uniform shirts
- Team Member weekly uniform rental and cleaning cost

Team Members are required to complete all applicable forms necessary for deductions as may be required by law; such forms include but are not limited to the federal W-4. If a Team Member does not complete a form (*e.g.*, the federal W-4), deductions will be made in accordance with applicable law.

EMPLOYMENT STATUS DEFINITION

Full-time:	Team Member works 30 or more hours per week
Part-time:	Team Member works less than 30 hours per week
Hourly:	Team Member paid on Time Clock hours
Flag rate:	Team Member paid on Flag hours
Salary:	Team Member paid a flat amount per pay period
Performance Based:	Team Member paid a draw each month and the differences are paid on or before the 10 th of the following month

EXEMPT AND NONEXEMPT STATUS

Reed Automotive Group denotes all Team Member positions as exempt or nonexempt regardless of initial employee classifications (for example, full-time Team Member positions can be exempt or nonexempt). Such status is noted in all Reed Automotive Group job descriptions, and Team Members received written notification of such status when hired or if they move into a new position.

Team Members who are considered exempt are those who work for Reed Automotive Group on a salary basis and in executive, administrative, or professional positions as defined under federal and state law and regulations. Additionally, certain mechanics and sales and parts personnel are considered exempt under federal and state law. Such employees generally are ineligible for overtime pay.

Team Members who are considered nonexempt are those who work for Reed Automotive Group on an hourly basis for 40 hours in a workweek. Such employees are eligible for overtime pay.

If at any time employees believe that their status as exempt or nonexempt is incorrect, they should immediately contact their Manager or Payroll Manager.

TIME RECORDS

We are required by federal and state law to maintain an accurate record of all hours worked for each Team Member during a particular workweek. The actual start and ending of your workweek in your pay period may vary from department to department.

Your Manager will inform you of the pay schedule for your department. In order for us to comply with the law, it is mandatory that each Non-exempt Team Member accurately

clocks in and out through the timeclock system. Each Non-exempt Team Member is responsible for keeping a true and accurate record of all hours worked. It is a violation of Reed Automotive Group policy to clock in or out for anyone but yourself.

Team Members should be ready to work as soon as they clock in for work. Likewise, Team members should avoid any work off-the-clock before they have clocked in at the beginning of the day or after they have clocked out at the end of the work day. Where there is a significant difference – for example, five minutes - between time actually worked and time recorded as worked on a time records, Team Members should alert their supervisor and make an appropriate notation on their time record.

Working overtime without approval from your Manager may result in disciplinary action. Also, misrepresenting working hours, falsifying time records, tampering with the Team Member's time records or another Team Member's time records are extremely serious offenses. Employees found to have engaged in any of these prohibited activities are subject to immediate discipline, up to termination.

ADVANCES

It is not our policy to permit pay advances. The only time a Team Member will be permitted an advance on future earnings will be in the case of an emergency, and length of employment and performance will be considered. Any such request for an advance should be submitted in writing and must be approved by your General Manager. Terms of the repayment of any such advance will be made in writing and will be deducted from the Team Member's future earnings in an agreed upon timeframe.

WORKING CONDITIONS

An immaculate work area creates an immediate impression of professionalism. Good housekeeping also makes it easier to organize work and prevent loss of items. It is expected that you will help maintain a clean and professional work area.

- The company provides all wall and desk accessories. Nothing may be hung on the walls unless approved by the President or General Manager.
- Coats should be hung up and not placed over the backs of chairs.

DRUG FREE WORKPLACE

The Team Members of Reed Automotive Group, Inc. are committed to having a drug and alcohol-free workplace. The use of illegal drugs by members of the Reed Team will not be tolerated. All prospective and current Team Members may be required to take a substance abuse test. Anyone testing positive for the use of illegal drugs may be barred employment from this company.

The use of legal products that may be derived from illegal substances may cause a positive drug test. Please be aware that a positive drug test, is a positive drug test. Any positive drug test may result in refusal of employment or disciplinary action up to and including termination.

The use of any (non-prescribed) drug or alcohol while working may result in disciplinary action up to and including termination.

As a contingency to employment, all Team Members must sign an authorization granting the company permission to receive a substance abuse test upon request. All test results will be kept strictly confidential. Only the President and/or Vice President, General Manager, Human Resources, and any other Manager as deemed necessary will be informed of the results.

All testing will be done in accordance with Federal Guidelines. Should the test results of a substance abuse test be positive, that Team Member will be given a chance to explain the reason for the results in an interview with the President and/or Vice President or General Manager.

AUTHORIZED USE OF PRESCRIPTION MEDICINE

If a Team Member is taking a prescribed drug under doctor's orders, **which may alter their physical or mental ability**, they must report this treatment to their Manager or General Manager immediately with proof of a valid prescription. Management will determine whether a temporary change in the Team Members job assignment is necessary during the period of treatment.

SMOKING

Our building is a smoke-free building. Team members should smoke only in the designated area (some locations may ban smoking in public facilities due to city law) away from customer's vehicles and customer's view. Smoking is not allowed in the restroom or break rooms. Team members should refrain from standing outside at the entryways smoking.

All Team members will refrain from smoking in the presence of our customers even if the customer is smoking. When you are waiting on a customer, you are involved in serious business; smoking should not be going on at the same time. Let's show complete attention and respect for our customers by refraining from any smoking at any time in their presence. This personal conduct guideline applies to everyone including Managers, Service and Sales Representatives, and Porters.

In addition, smoking is not allowed in a customer's car or company owned vehicles. If you smoke, be considerate of others, wash your hands after and use breath mints if you are a customer contact Team Member.

SUGGESTIONS

Much of the progress that has taken place in our organization over the years is the result of suggestions made by our Team Members. If, at any time, you have ideas which you feel will improve Customer Service, Produce Additional Sales, Increase Profits, Reduce Costs, Make Working Conditions More Satisfying, Improve the Company Image or any other area of business; please tell us. Often an idea can be developed into an outstanding service program, an effective marketing tool, an increase in customer traffic, a positive change for Team Members, or an important cost savings. Remember that we are a “Team” working together for the success of “Our” company.

Please turn all suggestions in to your Manager; either written or by email.

TERMINATION OF EMPLOYMENT

Your employment here is at your will and the will of Reed Automotive Group, Inc. It is dependent on the satisfaction of both parties within the employment relationship. If you wish to terminate your employment, we request that you give your Manager as much notice as possible; we prefer two to four weeks’ notice.

Termination may be brought about for any reason and must be approved by the General Manager. If terminated, the Team Member will forfeit all privileges and pay excluding any regular earned pay. All bonuses will be forfeited.

All company property is to be returned. This includes uniforms, keys, resource materials, license plates, equipment, etc. All Team Member services and benefits cease upon termination except where continued by law.

Severance pay is not paid.

GENERAL REED AUTOMOTIVE GROUP POLICIES

TEAM MEMBER COMMUNICATIONS

We want you to be happy and satisfied with your job. For this purpose, we emphasize two-way communication between Reed Automotive Group’s President, General Managers, Managers and Team Members. We realize that from time to time it is only normal that situations may arise where a Team Member has a question or complaint about some aspect of his/her employment with the Reed Automotive Group. Because some questions can only be answered and complaints can only be rectified when there is communication between Reed Automotive Team and its Team Members, Reed Automotive Group has established an open-door policy. This is extremely important in

order for us to maintain good channels of communications between Reed Automotive Team and you.

Although we feel no formal procedure is necessary to maintain good relations with Team Members, we urge that whenever you have a question or complaint, you make use of this communication policy. Communication is a two-way street, and we cannot help you with a problem unless you bring it to our attention. It is likely that most questions or problems can be resolved by discussing them with your Manager. Thus, your Manager is always free to discuss a problem with you. It is best if discussion is initiated promptly after a question arises so that it may be dealt with without unnecessary delay.

If you and your Manager cannot resolve the question or problem, you should then present your views to the General Manager. We want you to feel free to present your views and, to this end, we pledge that no Team Member will be adversely treated for presenting his view of a problem to the Reed Automotive Group. All matters of this sort will be settled promptly in accordance with Reed Automotive Group policy. We hope this procedure will allow us to head off the minor problems in your employment relationship before they become major problems.

PERSONAL APPEARANCE AND HYGIENE

Team Members are expected to present a professional image, both through behavior and appearance. Accordingly, Team Members must wear work-appropriate attire during the workday or any time they are representing the company.

Clothing does not need to be expensive but should be clean and neat in appearance. Team Members should consider their level of customer and public contact and the types of meetings they are scheduled to attend when determining what attire is appropriate.

All Team Members are expected to maintain appropriate oral and bodily hygiene. Hair (including facial hair) should be clean and neat. Accessories should not interfere with a Team Member's work. The excessive use of perfume or cologne is unacceptable, as are odors that are disruptive or offensive to others or may exacerbate allergies.

Managers are responsible for enforcing dress and grooming standards for their department. Any Team Member whose appearance does not meet these standards may be counseled. If their appearance is unduly distracting or the clothing is unsafe, the Team Member may be sent home to change into something more appropriate.

Reasonable accommodation will be made for Team Members with disabilities. Sincerely held religious beliefs that conflict with appearance and do not cause an undue burden will be considered. If you would like to request an accommodation or have other questions about this policy, please contact your Manager.

DRESS CODE

A business casual dress policy calls for all Team Members to use their best judgement, while being comfortable in the workplace. Keep in mind that business casual does not mean weekend or sport casual.

Sales Team Members will wear the seasonal shirts on the set schedule as followed by all locations. If you have questions about this schedule, please see your Manager.

Slacks or khakis are acceptable. Both men and women are expected to wear clothes that are laundered and pressed. Jeans, sweatpants, yoga pants and any form-fitting workout wear is inappropriate.

Casual shirts, blouses, sweaters, dresses and skirts are also appropriate work attire. Please remember printed T-shirts, sweatshirts, revealing tops, mini-skirts, spaghetti straps and tanks, and open backs should always be avoided.

TATTOOS AND PIERCINGS

As stated above, the Reed Automotive Group expects all Team Members to exercise appropriate judgment with regard to personal appearance, dress and grooming to be most effective in the performance of their workplace duties.

Exposed body piercings including tongue piercings are prohibited while working. Women's earrings are the only exception. All jewelry should be worn in a tasteful fashion.

Team Members are permitted to wear jewelry or to display tattoos at the workplace within the following guidelines. Factors that management will consider in determining whether jewelry or tattoos may pose a conflict with the Team Member's job or work environment include:

1. Personal safety of self or others, or damage to company property
2. Productivity or performance expectations
3. Offensiveness to co-workers, customers, vendors or others in the workplace based on racial, sexual, religious, ethnic, or other characteristics or attributes of a sensitive or legally protected nature
4. Corporate or societal norms
5. Customer complaints

If management determines a Team Member's jewelry or tattoos may present such a conflict, the Team Member will be encouraged to identify appropriate options, such as removal of excess or offensive jewelry, covering of tattoos, transfer to an alternative position, or other reasonable means to resolve the conflict.

An environment of mutual cooperation, respect, and fair and consistent treatment for all Team Members is the company's goal. Nonetheless, the company is legally responsible for ensuring that no Team Members are subject to harassment or a hostile work environment. As an initial step toward resolution of any complaint or offense under this policy, Managers will be responsible for explaining the policy and answering Team Member questions. If an agreeable solution cannot be reached at that stage, the General Manager, Human Resource Manager and company President will follow company procedures to resolve the issue.

UNIFORMS

All service and parts Team Members will be in uniforms approved by Management. All uniforms will always be changed often to present a neat appearance. If you choose to wear a t-shirt underneath, it should be white, gray or black with no visible logos. Uniforms will be worn with only the top button unbuttoned, and each uniform shirt type will be designated to be worn tucked in or out.

Our Reed logo hats in white, black or gray may ONLY be worn by parts, service and sales Team Members.

ATTENDANCE

Reed Automotive Group depends on our Team Members to be at work at the times and locations scheduled. Time off, paid or unpaid, approved in advance by your Manager does not count against Team Members for disciplinary purposes. Examples are holiday, vacation, funeral leave, jury duty, FMLA leave and disabilities covered by Workers' Compensation and any other leave required by federal or state law. If you expect to be absent from the job for an approved reason, you should notify your Manager of your upcoming absence as far in advance as possible but no later than 2 weeks in advance.

After two consecutive days unscheduled absence, you may be required to provide documentation from your physician to support an injury or illness-related absence and to ensure that you may safely return to work.

Excessive absenteeism and/or tardiness will lead to disciplinary action, up to and including termination. The determination of excessive absenteeism will be made at the discretion of the company based on the guidelines below.

Absences: An absence is any time off that has not been pre-approved within the time frame listed above. It is the Company's policy to count occurrences, not the individual number of days a Team Member is absent for disciplinary purposes. For example, if a Team Member is sick with the flu and is absent for three (3) days, this period will only count as one (1) occurrence.

Late or Tardy: A Team Member is considered to be late whenever they fail to report to work at the time and place scheduled. This includes, but is not limited to, taking longer

than normal lunch breaks, too many breaks during the day, arriving late or leaving work early without Manager approval. Each of these violations will count as one half (1/2) occurrence.

If employed less than 90 days:

- 1 occurrence – final warning
- 2 occurrences – termination

If employed more than 90 days:

- 1 - 2 occurrences – verbal warning
- 3 occurrences – written warning
- 4 occurrences – final warning
- 5 occurrences – termination

These guidelines are based on a rolling twelve (12) month period. For example, if a Team Member is absent from work on March 1, this attendance occurrence will remain on record and will count towards any disciplinary action until March 1 of the following year. All attendance records will transfer with a Team Member from one department to another and all corrective actions in effect shall stay in effect. In certain cases, harsher disciplinary measures than those outlined above may be necessary and will be at the discretion of your Manager.

If you unexpectedly need to be absent from or late to work, you must notify your Manager by **phone call** at least two (2) hours prior to the start of your scheduled workday and provide the reason for the absence or tardiness. Your attendance record is a part of your overall performance rating. Your attendance may be included during your review and may be considered for other disciplinary action, up to and including termination.

No Call, No Show

No call, no show occurs if you fail to report to work and fail to notify your Manager. The first instance of a no call, no show will result in a written warning and you will receive two (2) occurrences. Should you fail to show up for work and notify your Manager for two (2) consecutive days, this will be considered job abandonment. Two (2) one (1) day incidents of no call, no show in any twelve (12) month period will result in termination of employment.

PROGRESSIVE DISCIPLINARY ACTION

Disciplinary action may be initiated for various reasons. The severity of the action will depend on the nature of the offense and the Team Member's previous record. It may range from verbal counseling to immediate dismissal. If your Manager believes that corrective action would be appropriate, he or she will work with you to improve your performance. This process is called progressive disciplinary action and is designed to help you understand what we expect and to give you the help you need to improve your job performance.

Disciplinary measures may include:

- Verbal warning – Verbal counseling documented in writing
- 1st written warning – With scheduled follow-ups and review
- Final, written warning – possibly resulting in probation or suspension
- Termination of employment

With each step, you have the opportunity to improve your performance and end the progressive disciplinary action.

Being placed in progressive disciplinary action does not guarantee that you will be put through each successive step and it does not guarantee that you will be given a verbal warning, written warning and final written warning or be placed on probation prior to termination.

At the Company's discretion, a team member may be placed in any stage of the progressive disciplinary process, or may be subject to other corrective action measures, such as demotion, transfer, immediate suspension or termination without notice.

If you have a problem or questions relating to your work, talk with your Manager. Discuss problems as soon as possible. Delaying such discussions may complicate matters and make resolution more difficult.

CONDUCT AWAY FROM THE DEALERSHIP

While you are working for Reed Automotive Group, regardless of whether you are on duty or off, you will be presenting **Our Team** to the public. Our team will be appraised by your conduct. Our business requires public confidence and favor; you should conduct yourself at all times in a manner that does not discredit yourself, your Team Members or your company. This not only includes your actions, but also your appearance.

REPRESENTING THE COMPANY

From time to time a Team Member may be chosen to participate in a business meeting, event or award trip. Everyone who participates in an event as a representative of Reed Automotive must remember they are making an impression for the entire company. Appropriate dress and conduct should be remembered even if away from the company premises. When the dealership wins an award trip, the company president will approve the participants in the trip. No unmarried couples will be permitted to attend a trip if it is necessary to room together. Everyone who attends a trip or meeting should remember they are accountable for their actions and conduct. Should a person's conduct reflect poorly on the company, they will be disciplined up to and including termination.

Social Media accounts are public information, and Reed Automotive Group expects clean conduct on Team Member's social media accounts as each Team Member represents the Reed Automotive Group. The company will monitor social media and any issues raised will be addressed with the Team Member. The company reserves the right to terminate employment for any issues deemed not in line with the Reed Automotive Group's Values on a Team Member's social media.

VACATION TIME OFF

Work schedules and production demands normally limit the number of Team Members that may be on vacation at any one time from any department or job. Every effort will be made to schedule vacations consistent with your requests.

When requesting vacation time, the request should not be made more than three (3) months prior to the dates requested, but no less than one (1) month before the requested time off. Vacation time requested too far in advance will be denied and can be re-requested in the timeframe listed above.

However, if too many requests are made for the same period, your Manager will grant requests on the basis of need and longevity of employment. You will be notified of the approval of your vacation.

UNPAID TIME OFF (NON-FMLA, ACA OR MILITARY)

The Company may allow unpaid time off if you have yet to earn vacation time or an unexpected situation arises. It is the decision of the department Manager to approve any unpaid time off requests. Requests may be denied depending on time of year, coverage and department needs.

If you are an Hourly Team Member, the unpaid time will be documented by your manager on your time sheet and there will be no pay associated with those hours.

If you are a Performance Based Team Member, the unpaid days taken will be pro-rated from your "Washout" check for the month the unpaid days were used.

All approved unpaid time off should be entered into the timeclock system and communicated to Payroll and Human Resources for proper processing.

WORK BREAKS AND LUNCH PERIODS

Fixed operations and office Team Members are provided two paid 15-minute work breaks for each eight-hour day worked, and one unpaid lunch period. The lunch period should be no less than 30 minutes in duration and should be uninterrupted. These breaks

are for the purpose of refreshing and replenishing, getting a snack or beverage, making personal phone calls, etc. Breaks should not be taken in the work area of other Team Members who are not taking a break.

If it is necessary to leave the building, the Team Member should clock out. Non-exempt Team Members should also clock out at the beginning of their lunch break and clock in at the end of the lunch break, even if the Team Member does not leave the building during the lunch break. Work breaks and lunch periods are scheduled by the Manager and should be taken in approved designated areas.

FOOD IN WORK AREAS

Food and beverages should be consumed in a professional manner and away from the view of our customers. Team Members are not to eat food in the presences of customers; especially in the showroom, service drive or office areas. All Team Members should use the break room or conference room as much as possible to enjoy meals and snacks. Food items should not be openly stored or set in a place visible to customers.

SPEECH

We are ladies and gentlemen, serving ladies and gentlemen. Our speech should be respectful and encouraging. We praise each other in public and correct each other in private. Profanity will not be tolerated and may result in disciplinary action.

RUMORS

Rumors can be destructive to a Team and should be stopped immediately. When you hear a rumor, get clarification from your Manager. Passing on rumors and/or gossip is not considered acceptable behavior. If the rumor is concerning a fellow Team Member, go to that person and clarify the situation. DON'T PASS RUMORS.

RESOLUTION OF CONCERNS

Each Team Member is responsible for following Company's rules and practices of conduct. Should you have a suggestion for operational improvement or have a concern with a company procedure, you are encouraged to express your opinion(s) through the following process:

1. Bring the situation to the attention of your Manager, offering any solutions you might have. This should be done in a private and professional manner.
2. If you are not satisfied with the response from your Manager, please discuss your concerns directly with your General Manager. Human Resources is also available.

CONFLICT RESOLUTION

Conflict between Team Members is inevitable, however, how the conflict is resolved is important. Generally, most conflict is able to be resolved by a simple process. Reed Automotive Group encourages all Team Members to remember the Golden Rule and to keep in mind that it is the duty of the Team Member to resolve their own issues by following a commonsense process outlined here.

The first step in conflict resolution is to directly discuss Team Member to Team Member addressing the issue. If you are unable to resolve the problem, your next step is following the chain of command. This being, your Department Manager and then General Manager. If after exhausting these steps and the issue is still apparent, please see Human Resources.

OVERTIME

Reed Automotive Group reserves the right to require reasonable overtime work from its Team Members. Where, according to federal wage and hour laws it is required, the Team Member will be compensated for overtime work. Certain classes of Team Members are exempt from overtime by federal law, these include sales work, parts department work, service advising work, mechanical work, body shop work, and work by certain managers and management Team Members.

PROMOTIONS AND TRANSFERS

In following the good business practices and true Mission of Reed Automotive Group, we will always look first to fill promotions and transfers from within the company.

Should you hear of an opening that you wish to apply for or have a position that you would like to be considered for in the future, always use the open-door policy to discuss these options with your Manager. A Team Member's skill, ability, attendance, productivity, and length of service will be considered with any promotion or transfer.

ACCEPTING GIFTS FROM OUTSIDE THE COMPANY

Team Members will not be allowed to accept any gift or promotional item from a company or individual that sells a product to the dealership. This is prohibited to protect the company and your fellow Team Members from a temptation to do business with anyone for any reason other than the good of the company.

Should you receive anything from anyone that would place you in a compromise of this policy, please notify your Manager and/or your General Manager. With the same respect for others, no member of the Reed Team should in any way offer a gift or bribe to anyone in consideration for doing business with us.

CONFIDENTIALITY

It is important to keep all company business information confidential. All company information that you acquire at your work is absolutely confidential. It must not be discussed with others who are not directly involved with your transaction, or persons outside the company.

CONFLICT OF INTEREST

We expect fulltime Team Members to devote their entire best effort to the performance of their position of the Reed Automotive Group. While the Reed Automotive Group cannot dictate the use of any Team Member's personal time, any other activity must not be in competition with the Reed Automotive Group's best interests, nor interfere with the proper and efficient performance of the Team Member's duties.

Your position with the Reed Automotive Group must never be used to promote or advance personal interests, not even indirectly. Such action may be a cause for disciplinary action by the Reed Automotive Group.

TEAM MEMBER SAFETY

SAFETY IS EVERYONE'S JOB.

Safety must always be our top priority.

It is the responsibility of all Reed Team Members to maintain a safe work and business environment. Should at any time you notice a potential hazard, please stop and remove, fix or protect the hazard. Take initiative to correct problems as you notice them or if you are unsure go immediately to your Manager. Use extra caution when operating any type of power equipment to prevent accidents. Always use the proper protective equipment.

SAFETY – You are to report all accidents and resulting injuries to your Manager, no matter how minor they may appear. By reporting possible safety hazards, you are reducing the possibility of future injury to yourself and fellow Team Members. We provide a Safety Video with a test for you to view and complete with your new hire packet.

WORKING ON OWN VEHICLES – Department head approval is required and will only be allowed during off duty time other than the dealerships normal hours. Company supplies will not be used on your personal vehicle.

DISASTER PLAN – In the event of severe weather and a Tornado Warning has been issued on the radio or by siren; seek shelter immediately. Our designated shelter area is

posted on the Notice Board in the Team Member breakroom. It is recommended that you lie low with your hands covering the back of your head to reduce neck injury. In the event of a fire or a need to evacuate the building, exit the building at the door closest to your area and meet at the new car display lot in front of the building for further direction.

DISCOVERY OF A WEAPON – Should a Team Member discover a firearm or any other weapon in a customer’s vehicle, the Team Member should not touch or handle the weapon in any way. If a weapon is located in such a way as to prevent the Team Member from completing whatever work is being done to the vehicle, then the Team Member needs to get the department manager involved.

RESPIRATOR POLICY – Any Team Member whose job duties require the use of a respirator will be required to adhere to the procedures provided in the Reed Automotive Group Safety Manual.

INTELLECTUAL PROPERTY

All Team Members are expected to devote their full efforts and attention to their responsibilities for the Team on behalf of their fellow Team Members, our customers and the company. Should a good idea, system, product, or other idea be generated while working and that idea is developed for the benefit of the Team, that product, idea system, etc.; should it have value of any sort, it will be the property of Reed Automotive Group, Inc. Should there ever become something of extraordinary value and its further development would require more time than is available while performing your normal function in the company, you should seek guidance of the company President.

PARKING AND TRAFFIC FLOW

Parking areas are provided for the convenience of our Team Members. Your Manager will show you your parking area.

Our company cannot be liable for fire, theft, damage or personal injury involving Team Member’s automobiles. Protect your property by locking your car doors. Courtesy and common sense in parking and driving will avoid accidents, personal injuries, and damage to your car and those of others. If you should accidentally damage another automobile while parking or leaving, report it along with the license number of the car you damaged to the General Manager.

The following safety guidelines should always be followed:

- Team Member vehicles should be parked according to their designated area. All Team Members assigned a company owned vehicle should use the exit closest to their assigned parking place.

- Customer owned cars or company vehicles driven by service technicians for test drive purposes should enter and exit via the closest exit available and accomplish test drives on public streets.
- All vehicles operated on the dealership premises by a Team Members will be operated in a safe manner not to exceed 10 mph at any time.

DRIVING SAFETY

The purpose of this policy is to ensure the safety of those individuals who drive company vehicles. Vehicle accidents are costly to our company, but more importantly, they may result in injury to you or others. It is the driver's responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage.

Should a Team Member not the follow the guidelines listed below, the result may be progressive disciplinary action up to and including termination.

1. Company vehicles are to be driven by authorized Team Members only.
2. Any Team Member who has a driver's license revoked or suspended must immediately notify their Manager, General Manager and Human Resources.
3. All accidents in company vehicles, regardless of severity, must be reported to the Department Manager and General Manager immediately. Accidents involving a Team Member's personal injury must be reported to Human Resources for Worker's Compensation purposes.
4. Drivers must report all ticket violations received while operating a company vehicle as soon as possible not to exceed 24 hours.
5. Motor Vehicle Records will be obtained on all Team Members prior to employment and no less than once a year after employment.
6. Team Members must have a valid and current Driver's license to operate a company vehicle, or a personal vehicle with current auto insurance while on company business.
7. Driving under the influence of intoxicants and other drugs (which could impair driving ability) is forbidden and is cause for discipline, up to and including termination of employment.
8. Cell phone use while driving should be kept to a minimum. Drivers are advised to pull off the road to continue/finish the conversation if needed. Whenever possible, Drivers should complete calls while the vehicle is parked and/or use the phone in a "hands free" mode via a headset or speaker. While driving, attention to the road and safety should always take precedence over conducting business over the phone.
9. Absolutely NO texting and driving.

10. All drivers and passengers operating or riding in a company vehicle ***must*** wear seat belts, even if air bags are available.

DAMAGE TO VEHICLES

When an accident occurs involving a Team Member in a customer's vehicle or a vehicle owned by the company causing or not causing damage, that Team Member is expected to report the accident immediately. A post-accident substance abuse test will be required regardless of who is at fault.

Any Team Member who damages a company or customer's vehicle by no fault of their own, while in the scope of their duty, will not be responsible for the cost of damages. However, if a Team Member should damage a vehicle when not in the scope of duty, he/she will be charged the full cost of repairs.

If the Team Member is responsible for damage to a company or customer vehicle due to carelessness or negligence, they may be responsible for the cost of repairs. The Team Member discount plan may be used in such cases.

When a vehicle is damaged while being driven by, or in possession of a Team Member, an inspection will be done to be fair in determining who was at fault and if the accident was caused through negligence or carelessness. The General Manager will oversee/perform the investigation.

The following procedures must be followed should an accident occur. Failure to do so will result in disciplinary action up to and including termination.

PROCEDURE FOR ON PROPERTY ACCIDENT WITHOUT CUSTOMER VEHICLE

1. Notify Department Manager and General Manager
2. Fill out an accident form
3. Report to Concentra for a drug and alcohol screening
4. Email the Controller and Human Resources with details of the accident
5. Contact Body Shop for estimate of damages
6. Forward estimate to the Controller and Human Resources

PROCEDURE FOR ANY ACCIDENT WITH A NON-REED VEHICLE

1. Call Law Enforcement for a police report
2. Take photos of damages of all vehicles involved
3. Notify Department Manager and General Manager
4. Fill out an accident form
5. Report to Concentra for a drug and alcohol screening

6. Email the Controller and Human Resources with details of the accident
7. Contact Body Shop for estimate of damages
8. Forward estimate to the Controller and Human Resources

COMPANY PROPERTY

Company property should not be used for personal use unless authorized by the company President. Letterhead is not to be used for personal references, public endorsements or testimonials, etc. unless authorized by the company President.

KEYS

Team Members who lose keys will be expected to pay all costs associated with changing locks.

POSTING OR EMAILING OF PERSONAL NOTICES

Posting or emailing of any notices other than official company related business is to be approved by Management.

SOLICITATIONS

The circulation, distribution or sale of any materials or merchandise during working time or in working areas without prior approval of Management, is prohibited.

- From time to time, we may authorize solicitations on behalf of a recognized charity. All contributions are voluntary and do not affect your continued employment.

HARASSMENT AND SEXUAL HARASSMENT POLICY

Reed Automotive Group does not tolerate the harassment of our Team Members or customers by any Team Member or Non-Team Member. Any forms of harassment relating to a Team Member's race, color, sex, religion, national origin, age or disability, is a violation of our policy and will be treated as a disciplinary matter. For our purposes the term "harassment" includes but is not limited to slurs, jokes, other verbal, graphic, physical conduct relating to an individual's race, color, sex, religion, national origin, age or disability. "Harassment" also includes unwelcome sexual or social advances, requests for sexual favors, and other verbal, graphic or physical conduct of a sexual nature. Proven violation of this policy by a Team Member will result in disciplinary action up to and including termination.

If you feel you are being harassed by a Team Member, Manager or Non-Manager, because of race, color, sex, religion, national origin, age or disability, or are subject to sexual harassment, immediately notify your Manager or General Manager. The matter will be investigated and, where appropriate, disciplinary action will be enforced. If you do not feel the matter can be discussed with your Manager, contact the Human Resources Department.

Harassment of our Team Members by Non-Reed Team Members will not be tolerated. Please notify your Manager immediately. If a Team Member should become aware of any harassment of another Team Member, they should report such harassment to his/her manager. Appropriate action will be taken against any violation of this policy.

INFORMATION TECHNOLOGY

Our companies rely on telephone, computers and the internet to perform many of our business transactions. At times malfunctions in these systems may cause the loss or degradation in these systems or our ability to use them. Should this happen, please email our IT Department with the issue. IT@ReedAuto.com

If your issue is with the dealership operating system, contact your Manager. If there is a more wide-spread problem than your individual computer, your Manager will contact our IT Manager.

All of our telephone conversations with outside lines are recorded conversations, if you have a conversation with someone on our phone system, remember this it can be accessed and listened to at any time.

COMPANY PROPERTY DAMAGE

Company owned property may be provided to Team Members to efficiently complete their job. Examples of such equipment may include, but is not limited to; cell phones, laptops and tablets. Team Members should treat company property with the utmost respect. The Company acknowledges that accidents can happen, however, if there is a clear indication that the company property damage was the result of misuse or neglect, the Team Member may be responsible for the replacement cost.

CUSTOMER COMMUNICATION

All contact with customers or vendors should be completed through the company phone system or email system. All communication information belongs to the company, and all telephone calls both incoming and outgoing are recorded.

Under no circumstance should personal cell phone numbers or personal email addresses be given to customers. If you prefer to have your desk phone ring to your cell phone, please take advantage of the company provided, mobile-app.

INTERNET POLICY

Our business involves Internet usage. Team Members should refrain from wasting time searching for information not essential to their jobs. Playing games, social media activity or other nonproductive uses should be avoided during working hours.

It is prohibited activity to search, receive or access any “adult oriented” or pornographic information. This information will not be allowed in this company in any way. Violation of this policy may result in immediate termination of employment. All computers are the property of the company and should be treated as such. Random checks of Internet activity history will be conducted on your computer.

SOCIAL MEDIA

You are solely responsible for what you post online. Keep in mind that any of your conduct that adversely affects your job performance, the performance of the Team or otherwise adversely affects Team Members, customers, suppliers, or the company’s legitimate business interests may result in disciplinary action up to and including termination.

When posting on Social Media, Remember:

- Be Kind
- Use Common Sense
- Express only your personal opinions, not to reflect the opinions of the company or its Team Members
- Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated
- Expect company management will see your posts.
- Reed Automotive Group respects Team Members’ right to express personal opinions when using personal social media and doesn't retaliate or discriminate against Team Members who use social media for political organizing or other lawful purposes, such as activities protected by the National Labor Relations Act. Team Members who link to Reed Automotive Group websites on personal social media websites should identify their relationship with Reed Automotive

Group. Team Members who identify themselves as Reed Automotive Group employees on social media should state that the views they express are their own. Reed Automotive Group protects its name and related business assets that are discussed on social media, as permitted by federal and state law.

Violation of this policy may result in discipline up to and including termination.

PERFORMANCE REVIEWS

Performance reviews are designed to help everyone understand their responsibilities and to evaluate job performance. The performance review is an opportunity for a Team Member and their Manager to measure past performance and establish future goals.

The first step in this process happens after 45 days of employment, with the Tune-Up meeting with your Manager to check-in, evaluate progress and review our Purpose, Mission and Values.

Performance reviews will be completed on the Team Member's one-year anniversary and then annually thereafter on the Team Member's anniversary date.

During this process you will be reviewed on the following:

- Honesty
- Work Ethic
- Teamwork
- Golden Rule
- Customer Service
- Performance
- Organizational Contribution
- Overall Rating

RECOGNITION PROGRAM

Length of Service Awards

Recognition is given to those who maintain long periods of service. Those Team Members who remain with the company for a year will receive an "R" logo pin. Those Team Members who remain with the company for ten years will receive a special gift. These items are an expression of our appreciation of commitment.

The "Go the Extra Mile Award"

To encourage and give recognition for achieving a high standard in Teamwork and Customer Service.

One Team Member at each dealership is selected annually to receive the “Go the Extra Mile Award.” The past winners in cooperation with the ownership will select the recipient of this award and the award will be presented at the annual Christmas party.

Sales Representative of the Year Award

This award will be presented each year to the Sales Representative who achieved the highest overall results for the calendar year.

The award will be presented at the annual Christmas party. The Sales Managers and the company President will choose the winner of the award.

Technician of the Year Award

This award will be presented each year to the Technician who achieved the highest overall results for the calendar year.

The award will be presented at the annual Christmas party. Service or Collision Management, General Manager and the company President will choose the winner of the award.

BUSINESS MANAGEMENT PROCEDURES

DEPARTMENT PROCEDURES

Although every department is a part of the total company operation, each may have unique differences. Your manager will detail your duties. Listen carefully to their explanations, but do not hesitate to ask for clarification.

PURCHASING

All purchasing of any item related to our company must be done through a manager. For most items, purchasing should be accomplished through the Parts Department. Any item that is bought by the company must have a Purchase Order (PO) filled out at the time the purchase is made. All PO's should be fully completed and must include the price agreed for the item being purchased. All PO's should be electronic PO's through the operating system. Please document your PO number on all invoices, packing slips, etc. In all cases, if something is needed either to purchase or to repair something, General Manager approval must be obtained before any commitment is made from any person in the company. Repairs to our facility or equipment must have a PO with proper approval.

CHECK REQUEST

Only managers are authorized to sign check requests. An individual cannot sign a check request written for themselves or a family member.

EXPENSE CONTROL

Waste of time and materials is costly to all of us. You can help through the amount of material you save as well as the amount and quality of work you offer. Please make every effort to eliminate waste whenever possible.

DEPARTMENT MANAGER

The first person you will associate with as a Reed Team Member is your department manager. You will find this person courteous, considerate, and interested in helping you. You can look to them for guidance and help in all matters. One of their most important jobs is helping you work effectively and to the best of your ability.

We encourage you to consult your manager when you have problems or need advice. Through experience, this person has learned to solve many of the problems which may confront you.

CUSTOMER ORIENTATION POLICIES

OUR PHILOSOPHY – We are a Franchised Dealer Group. We service, sell, lease and provide parts and accessories for all models of these vehicles. It is you, with all other Team Members, who provide the support and teamwork that is necessary to run a successful dealership. We work together toward the common goal of providing quality sales and services for our customers. The person who buys a vehicle from our dealership must be more satisfied than any other buyer of any other vehicle bought from any other dealership!

INTEGRITY – Everyone in our organization is in a position of trust. To violate this trust affects you, your fellow Team Members, your department, your manager and the company. Avoid any situation that may reflect negatively against you and your reputation. Examples include, but are not limited to, violations of the law and public disturbances.

OUR REPUTATION – Our public image is, for the most part, the result of attitudes of each Team Member. The responsibility of maintaining a positive reputation is on everyone's shoulders. When we all act with honesty, integrity and the Golden Rule we will continue with the reputation of the "Region's Best Dealership Experience."

All Team Members are expected to avoid all situations at or away from work that could have a negative influence on our reputation.

CUSTOMER RELATIONS – We all recognize that it is a good business policy to acquaint the general public with our products and services. The courteous intelligent treatment of people by the entire Team will help make and retain loyal customers.

The promptness with which customers are waited on, the courtesy displayed, the way you address them on the telephone, the care and skill used in your work, the accuracy with which promises are kept, the neatness of you and our facility ~ all of these factors influence the customer either to come back or go elsewhere.

RELATIONS WITH CUSTOMERS

Reed Automotive Group's successful record of growth has been greatly influenced by our Team Members appreciation of their responsibility to our customers. Our continued success will depend to large degree on how we will continue to satisfy them. The customers will not always be right, but they usually think they are. Don't argue with them. If you cannot satisfy them with a considerate and courteous discussion, refer them to your Manager. Discourtesy to customers will be considered a violation of policy.

CUSTOMER COMPLAINTS AND CUSTOMER OPPORTUNITIES

It is our daily duty as a member of the Reed Team to strive for customer satisfaction. It is only with this dedication and the ability to see each customer situation as the customers sees it, that sets us apart in the marketplace. Customer complaints are therefore never taken lightly, and successful resolution is pursued to the highest level necessary.

Always remember:

1. No customer is to leave the dealership dissatisfied without first bringing the issue to the Department Managers attention.
2. If the Manager cannot resolve the complaint, it will then be referred to the General Manager.
3. The General Manager or President will be the only person with the authority to turn a customer away unhappy.
4. It is our intention that no Team Member would have to encounter any verbal or physical abuse from any customer. Should a customer become offensive, contact your Manager without delay. If the Manager is unable to make progress with the customer, the General Manager should be contacted immediately.

PROTECTION OF CUSTOMER INFORMATION

It is the policy of Reed Automotive to take reasonable steps to protect the personal information of our customers. At a minimum, we will comply with the FTC Safeguards Rule, implementing the provisions of the Gramm-Leach-Bliley Act as they pertain to automobile dealerships.

Reed Automotive shall designate a Corporate Compliance Officer. Reed Automotive will also designate an Assistant Compliance Officer at each Reed Automotive facility. Both the Corporate Compliance Officer and the Assistant Compliance Officers shall receive the same training (described below). In the event the Corporate Compliance Officer becomes unable or unwilling to continue serving in that capacity, an Assistant Compliance Officer shall assume the Corporate Compliance Officer's duties until such time as a new Corporate Compliance Officer can be designated and trained. In the event an Assistant Compliance Officer becomes unable or unwilling to continue serving in that capacity, a new Assistant Compliance Officer shall be designated and trained. It is the policy of Reed Automotive to never be without a Corporate Compliance Officer or Assistant Compliance Officers at any of its locations.

The Corporate Compliance Officer shall be a management level Team Member of Reed Automotive who has completed the requisite training and has never been convicted of a felony involving moral turpitude. The Corporate Compliance Officer must have the education, training and work experience necessary to reasonably be able to execute the duties of that office.

The Corporate Compliance Officer shall conduct a risk assessment following the natural flow of customer information both inside and outside the dealership premises. The risk assessment shall identify how information is obtained from customers, how it is recorded, how it is transmitted, used, stored and, ultimately, destroyed. For each of those stages in the information cycle, the risk assessment shall identify (i) how unauthorized access to the information might occur; (ii) what steps the dealership is currently taking to prevent such unauthorized access to customer information; and (iii) what steps could be taken to prevent unauthorized access to customer information.

The Corporate Compliance Officer and Assistant Compliance Officer shall be responsible for ensuring that site-specific safeguards are designed and implemented. The safeguards shall address, at a minimum, the following items:

- (i) Creation of secure document areas and procedures;
- (ii) Selection, training and management of personnel entitled to handle customer information;
- (iii) Establishment of secure storage facilities for customer information; and
- (iv) Secure written agreements or contract addenda from lenders and vendors who process confidential customer information affirming compliance with the

Safeguards Rule.

The Corporate Compliance Officer shall ensure that the information safeguards are audited no less than once per quarter, and the results of those audits recorded and stored.

It is the policy of Reed Automotive to contract only with outside vendors and lenders (collectively, "Service Providers") that are capable of ensuring the security of our customers' personal information. To achieve that end, all Service Providers doing business with Reed Automotive shall be required to (i) describe in writing the procedures they have in place to ensure the security of our customers' personal information; and (ii) execute and return contract addenda that obligate them to adequately protect our customers' personal information.

Each Service Provider with which Reed Automotive performs business pursuant to an oral agreement shall, as a condition of continuing its relationship with Reed Automotive, execute a written Safeguards Agreement obligating the Service Provider to adequately protect our customers' personal information.

FAIR CREDIT POLICY

Reed Automotive Group, Inc. is fully committed to complying with the letter and spirit of federal, state, and local laws and regulations that are designed to protect our customers. This includes ensuring that all qualifying credit applicants have equal access to credit and are treated in a manner that is fair, professional, and consistent with the terms of the Reed Automotive Group, Inc. Fair Credit Compliance Program. Engaging in any form of unlawful credit discrimination is destructive, morally repugnant, and will not be tolerated.

CUSTOMER SLIP AND FALL PROCEDURE

In the instance of a customer slip and fall on dealership property the following procedure needs to be followed.

1. Assist customer immediately, while having a Team Member call the non-emergency fire department number listed below. Advise the dispatcher that we had a slip and fall on our business property and need to have our customer assessed. Please send an ambulance.
2. If the customer is refusing medical treatment, that is fine. However, the customer needs to refuse the medical treatment to the medical professional, not a dealership Team Member.
3. As soon as the customer is cared for and situation is resolved, please email Sara Villarin at Sara.Villarin@ReedAuto.com with the details of the incident and the customer contact information (name and phone number). It is imperative that the insurance company reaches out to the customer on the day the incident occurs.

RJ & RHG

Merriam Non-Emergency Fire Department Phone Number: 913-888-6066

RBG

Kansas City Non-Emergency Fire Department Phone Number: 816-784-9200

RC & RJH

St. Joseph Non-Emergency Fire Department Phone Number: 816-271-4777

CUSTOMER MILITARY DISCOUNTS

This discount applies to Active-Duty Military and their dependents with valid ID.

- New Car - \$250.00 off Factory Best Program Available
- Used Cars – Market Value
- Service – 10% Discount

EMPLOYMENT BENEFIT POLICIES

WORKERS' COMPENSATION

Workers' compensation is a no-fault system designed to provide benefits to all Team Members for work-related injuries. Workers' compensation insurance coverage is paid for by employers and governed by state law. The workers' compensation system provides for coverage of medical treatment and expenses, occupational disability leave, and rehabilitation services, as well as payment for lost wages due to work related injuries.

If you are injured on the job while working at Reed Automotive Group, no matter how slightly, you are to report the incident immediately to your Manager. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim for benefits.

To receive workers' compensation benefits, notify your Manager immediately of your claim. If your injury is the result of an on-the-job accident, you must fill out an accident report. You will be required to submit a medical release before you can return to work.

HEALTH INSURANCE

For Full-time Team Members, group health insurance is available. The premium will be partially paid for by the Company. Dependents of Team Members can be covered on the Company plan, the Team Member is responsible for the cost difference between the

company contribution for the Team Member and the total cost for the family. The payment is administered by payroll deduction.

VACATIONS

Vacation time for full-time Team Members will be earned as follows:

First 6 Months	No Vacation Time
6 Months to 1 Year	3 Days (24 Hours) Paid Vacation
On 1 Year Anniversary	One Week (40 Hours) Paid Vacation
On 3 Year Anniversary	Two Weeks (80 Hours) Paid Vacation
On 10 Year Anniversary	Three Weeks (120 Hours) Paid Vacation
On 20 Year Anniversary	Four Weeks (160 Hours) Paid Vacation

ALL vacation time requests must be made and approved through Paylocity.

Vacation time may be used in one (1) week increments or less at a time.

Vacation time should be requested at least 30 days prior to the vacation. A Team Member must work a full day on the last normal scheduled day before and the first normal scheduled day after vacation (unless a prior arrangement has been made with your manager).

Hourly and Flat Rate Team Members will be paid at their normal hourly/flag rate at 8 hours per day on requested vacation days.

Salaried Team Members, Share Value Team Members and Managers shall take vacation time in eight-hour increments. For any day in which vacation under this policy is taken, their salary or draw for that workweek will remain the same and their washout, if earned will not be prorated. However, for each day that vacation is taken under this policy, the total number of hours of paid vacation available as provided under this policy will be reduced accordingly.

Salaried Team Members who have exhausted their vacation balance and who are out due to personal reasons for an entire day shall be required to take a leave of absence without pay for that day.

Performance-Based Sales Team Members will be paid their draw while using their vacation time. They will receive an annual check in their anniversary month to reflect vacation pay.

Vacation time earned for Team Members will renew on their anniversary date. Vacation time earned for Managers are based on a calendar year and will renew January 1st.

Unused vacation time will be lost if not used by their anniversary date for all Team Members and December 31st for all Managers.

Upon End of Employment:

Hourly and Flat Rate Team Members will be paid out 8 hours per day for unused vacation time at their regular rate.

Managers and Salaried Team Members will be paid out one pro-rated day of salary or draw rate for each unused vacation day.

Share Value Team Members and Performance-Based Sales Team Members will be paid out one pro-rated day at their draw rate for each unused vacation day.

***If a Team Member resigns without giving 2 (two) weeks' notice, any unused vacation time will not be paid out.

***If a Team Member is fired for gross misconduct, they waive their right to their unused vacation time payout. Examples of gross misconduct include, but are not limited to, misappropriation of company property, disclosure of confidential information, violation of conflict-of-interest policy, unlawful discrimination, fighting, violation of the company's drug and alcohol policy, and criminal acts on company premises during work hours.

HOLIDAYS

The Reed Automotive Group has adopted the following holidays:

- New Year's Day
- Memorial Day
- July 4th
- Labor Day
- Thanksgiving
- Christmas Day

Team Members shall be compensated at the following rates:

Hourly Team Members will be paid their current wage rate multiplied by 8 hours.

Salaried Team Members will receive pay for that day the same as any other working day. All service Team Members paid on flat rate production hours will receive 8 flag hours. Part-time Team Members are not eligible for holiday pay.

To receive holiday pay a Team Member must work on the last normal scheduled day before the holiday and the first normal scheduled day after the holiday or be on authorized vacation. The Team Members must work here for 30 calendar days before being eligible for holiday pay. Recognizing that unusual events can prevent a Team Member from meeting the attendance requirement, the following exceptions are provided:

1. Illness or injury, which requires medical treatment and is verified, in writing, by a physician.
2. Certain weather conditions or other extraordinary situations MAY result in waiving of the attendance requirement. Such waiver will be solely at the discretion of management.
3. Other paid absences.

If a holiday falls within a vacation period, the vacation day will not be charged against earned vacation. Our business sometimes requires work on a holiday. If an hourly Team Member is required to work on any of the observed holidays, that Team Member will receive his/her regular hourly wage for the time worked plus holiday pay.

Holiday pay is not used when calculating overtime pay.

Team Members are not eligible for holiday pay if they are on a leave of absence.

SICK DAYS

There will be no compensation for missed workdays due to illness for all hourly and commissioned Team Members. Managers will receive six (6) paid illness related days per year. Share Value Team Members will receive three (3) paid illness related days per year.

Unused Sick Days are not rolled over to the next year, nor are they paid out at the end of the year or at termination.

An illness related absence is only for the Team Members and must be verifiable. A Doctor's report may be requested.

BEREAVEMENT LEAVE

Should a death occur in a Team Member's immediate family or the immediate family of his/her spouse, the company will grant paid leave of absence to hourly, salaried and flag

rate Team Members. Bereavement pay begins on the day of notification to the funeral day and is not to exceed three (3) working days.

Immediate family is defined as:

- Mother/Step-Mother/Mother-In-Law
- Father/Step-Father/Father-In-Law
- Sister/Brother/Step-Sister/Step-Brother/Sister-In-Law/Brother-In-Law
- Children/Step-Children
- Grand Parents/Great-Grand Parents/Grand Children

Hourly and flag rate Team Members will be compensated eight (8) hours per day. Only Full-time Team Members with over thirty (30) days employment with the company will be eligible for paid bereavement leave.

JURY DUTY

All Team Members are to notify their manager immediately if they are called for Jury Duty. If you are selected for Jury Duty, you will be granted a leave of absence.

For such absence, you will be paid your regular hourly rate for a normal work shift, less any compensation or fees earned. You must return to work within one hour after being excused from service as a juror or forfeit the right to payment for all or any portion of the day for which you failed to return. This requirement is waived when you are excused from service as a juror within two hours of the end of your regularly scheduled workday.

You will be compensated for a period of time not to exceed 10 working days or 80 hours.

Jury duty doesn't count as time worked for purpose of calculating overtime.

RETIREMENT PLAN 401(K)

Reed Automotive Group offers a competitive 401(k) plan that is available to all Team Members who meet the plan requirements. When Team Members become eligible for this plan, they will be notified by our selected 401(k) provider, John Hancock Financial, with a mailing to their home address of the enrollment opportunity.

The 401(k) plan is a paperless process, where enrollment and changes are made by the Team Member through either the website, App, or telephone call. All deferral changes will be updated weekly and will be processed for the following payroll.

The Reed Automotive Group's desire is to encourage all Team Members to think and act on retirement savings and to provide a great solution to every qualifying Team Member by contributing a match to your investment.

This process has been streamlined for ease of use and both the website and App are user-friendly.

SALE OF NEW CARS TO TEAM MEMBERS

We want our Team Members to get the BEST deal we can give!

As a member of the Reed Team, you are eligible to use the following guidelines for determining your purchase options:

Employed less than 6 months – All cars and trucks can be purchased for Dealer Invoice. Contact one of the Managers for assistance in your purchases. Reed Automotive Group will reserve the right to decide if a particular model may or may not be purchased by a Team Member at the Team Member prices due to availability.

Employed more than 6 months – You may be eligible for the Manufacturer's Employee Purchase Plan Price (GMS). See the New Vehicle Manager for details.

In order to receive this benefit, any Team Member buying a new model must keep the car at least six (6) months. If you desire, you may sell your car yourself as long as there are no company salespeople involved in handling the transaction for you.

Reed Automotive Group will buy any used car from any Team Member who wishes to sell a used car. The purchase price will be figured at the current wholesale market price as determined by our Sales Manager.

- Team Members will receive the dealership buy rate they qualify for if they choose to finance the vehicle at the dealership.
- Service Contracts may be purchased at \$25.00 over dealer cost.
- Sales Representatives who purchase a new vehicle at the Manufacturer's Employee Purchase Plan Price will receive credit for the unit and all respective incentive points normally associated with the sale.

SALE OF USED CARS TO TEAM MEMBERS

Since all used cars have a different value, we know of no special arrangement that would be satisfactory to all Team Members. Therefore, we believe it is best to negotiate each used car sales individually based on its market value. Because of the individuality of each used car, the dealership cost figure will be irrelevant to the sale price. Please contact the Used Car Manager if you are interested in a used car.

TEAM MEMBER SERVICE DISCOUNTS

All discounts will apply only to the Team Member, his/her spouse, parents and a child who lives in the home and is not an adult employed elsewhere, or who is eligible for employment elsewhere. Team Members may not pay for work on someone else's vehicle in order to get the discount and then be reimbursed.

Charges on repair orders covering personal cars will be determined by the following formula:

Labor at 60% of the Current Warranty Rate of the Dealership where the service is performed.

Parts = Cost + 10%

Any coupons offered to the public are not usable. Repair Orders and Invoices will only be generated to cover goods and services normally provided by the company in conjunction with a normal service operation.

- Bills must be paid when the work is finished.
- Team Members are not allowed to create or close any repair order(s) for their own vehicle or for their family members vehicle.
- Team Members who utilize our Collision Center will receive a discount of one half of the deductible – depending on the amount of the deductible and the cost of repair.

LEAVE OF ABSENCE

An unpaid Leave of Absence can be requested by a Team Member for a medical or personal leave of absence where the leave does not qualify for protection under the Family Medical Leave Act (FMLA). Requests should be made to your General Manager. Leave of Absence requests are evaluated on a case-by-case basis. If a Leave of Absence is approved, all available Vacation and Sick time must be used concurrently with the Leave of Absence. Holiday pay is not paid during a Leave of Absence.

SPECIALIZED TRAINING AND EDUCATION

It is the policy of Reed Automotive Group to actively promote and send qualified personnel to approved seminars, conferences, and/or schools. Management will determine the candidates according to the needs of the company. Related expenses will be paid (with the exception of entertainment and liquor).

UNEMPLOYMENT COMPENSATION INSURANCE

Unemployment compensation insurance is paid for by Reed Automotive Group and provides temporary income for Team Members who have lost their job under certain circumstances. Your eligibility for unemployment compensations, will, in part, be determined by the reasons for your separation from the Company.

MILITARY LEAVE

Reed Automotive Group is covered under the federal Uniformed Services Employment and Reemployment Rights Act and complies with all USERRA requirements and related federal and state military leave requirements. This policy addresses military leave and reinstatement rights under USERRA for eligible employees who leave employment to fulfill military service obligations, including active duty, training, fitness-for-duty examinations, and funeral honors duty.

EMPLOYEE ELIGIBILITY

Military leave and reinstatement protections extend to employees who are full-time, part-time, probationary, or seasonal employees; temporary employees unless they have no realistic expectation of ongoing employment; and certain employees who are laid off with recall rights, on strike, or on leaves of absence.

Team Members who perform service in the uniformed services are eligible to take military leave. Service in the uniformed services means duty performed on a voluntary or involuntary basis in a uniformed service, including active duty, inactive and active duty training, full-time National Guard duty, any time spent undergoing fitness-for-duty examinations, funeral honors duty, and duty performed by intermittent employees of the National Disaster Medical System in training exercises or in response to public health emergencies. Uniformed services include the U.S. Armed Forces and Reserves, the Army National Guard and Air National Guard, the Commissioned Corps of the Public Health Service, and any other category of persons designated by the president in time of war or emergency. Team Members who serve as intermittent disaster response appointees of the National Disaster Medical System and are federally activated or attending authorized training are considered engaged in service in the uniformed services.

Team Members who return to work for Reed Automotive Group from military leave are eligible for reinstatement if they give advance written or verbal notice to Reed Automotive Group of the need for leave, they report to or submit applications for reemployment in a timely manner, they are honorably discharged from military service, and the current military leave of absence combined with all previous military leaves of absence doesn't exceed five years.

Layoffs, strikes, and leaves of absence. Team Members who begin military service while laid off or are laid off while performing military service are eligible for reemployment with Reed Automotive Group on return if Reed Automotive Group would have recalled them to employment during their period of military service. Similarly, employees who are on strike or on leaves of absence from work when they begin military service are eligible for reemployment with Reed Automotive Group on return if Reed Automotive Group would have recalled them to employment during their period of military service. Reemployment rights aren't ensured for employees who are laid off before or during military service if Reed Automotive Group wouldn't have recalled them during their period of military service.

Other conditions affecting employee eligibility. Team Members don't have reemployment rights with Reed Automotive Group after leave for military service if employees are: not honorably discharged from military service; commissioned officers who are dismissed by court-martial or order of the president; or commissioned officers who are dropped from military service rolls because of unauthorized absences of three months or more, confinement related to a court-martial, or imprisonment in a federal or state correctional institution. Reed Automotive Group also doesn't reemploy employees who return from military leave if: Reed Automotive Group's circumstances have changed, making reemployment impossible or unreasonable; reemployment priorities would create undue hardship; or the job employees held before taking military leave was for a brief, nonrecurrent period, and there is no expectation that the employment will continue indefinitely or for a significant period.

EMPLOYEE NOTIFICATION REQUIREMENTS

Team Members must provide advance notice of the need for military leave to Reed Automotive Group verbally or in writing unless relevant circumstances makes such notice unreasonable, impossible, or prevented by military necessity (military officers can give such notice of military service to Reed Automotive Group on behalf of employees).

After completing military service, employees can request reinstatement from Reed Automotive Group by reporting to or applying for reemployment with Reed Automotive Group within the following time frames:

- Military service of 30 or fewer days or for a period of any length if leave is taken for fitness examinations. Team Members must report to Reed Automotive Group no later than the beginning of the next work period following the end of service plus eight hours or as soon as possible after the end of the eight-hour period if earlier reporting is impossible through no fault of employees.
- Military service of 31 days to 180 days. Team Members must apply for reemployment with Reed Automotive Group within 14 days of completing service or the next full calendar day if applying for reemployment within that time frame is impossible through no fault of employees.

- Military service of 181 days or more. Team Members must apply for reemployment with Reed Automotive Group within 90 days after completing service.

For employees who are hospitalized or convalescing from injuries that are received during military service, the period of their military leave is extended until their recovery or two years, whichever is shorter. The two-year period can be extended to accommodate circumstances beyond employees' control that make timely reporting impossible or unreasonable.

Team Members who fail to notify Reed Automotive Group of their intent to return to work within these time frames don't automatically forfeit their rights. Instead, they can be treated as if they are on Reed Automotive Group-approved leaves of absence.

Team Members who apply for reemployment with Reed Automotive Group after military leave and who were absent for military service for more than 30 days must give Reed Automotive Group documentation that their applications are timely, they haven't exceeded the service limit period, and they were honorably discharged from military service. Documents that satisfy the reemployment eligibility requirement for such military leave include: federal Department of Defense certificates of release or discharge from active duty; copies of duty orders that are prepared by the facility where the orders were fulfilled and indicate that service was completed; letters from commanding officers of a Personnel Support Activity or persons of comparable authority; certificates of completion from military training school; discharge certificates showing character of service (for example, whether discharge from service is honorable); copies of extracts from payroll documents that show periods of military service; and letters from National Disaster Medical System team leaders or administrative officers that verify dates and times of NDMS-related training or federal activation. Reed Automotive Group doesn't deny or delay reemployment or attempt to avoid reemployment obligations by demanding documentation from returning servicemembers that doesn't exist or isn't readily available at the time of reemployment.

Team Members who are reemployed by Reed Automotive Group after military leave and were absent for military service for more than 90 days must provide documentation of reemployment eligibility to Reed Automotive Group to ensure that no break in service occurs for calculating pension benefits.

REEMPLOYMENT PRIORITIES

Upon following and completing proper reinstatement application procedures, employees who take military leave are reinstated to employment with Reed Automotive Group according to the following military service time frames:

- Military service of fewer than 91 days. Team Members who serve fewer than 91 days are reemployed by Reed Automotive Group to the job positions (with the pay, benefits, seniority, and other job perquisites) that they would have attained with reasonable certainty if they didn't take military leave. Team Members must remain qualified for such

job positions, and Reed Automotive Group makes reasonable efforts to help employees returning from military service become qualified to perform their jobs. If employees aren't qualified for such job positions, even after reasonable efforts by Reed Automotive Group to help them become qualified, employees are reinstated to the job that they held before leaving for military service. Team Members who aren't qualified to perform any such job positions, even after reasonable efforts of help from Reed Automotive Group, are reinstated in any other job position close to the job position that they would have attained with reasonable certainty if they didn't take military leave or their pre-service job position.

- Military service of 91 days or more. Team Members who serve 91 days or more are reemployed by Reed Automotive Group to the job positions (with the pay, benefits, seniority, and other job prerequisites) that they would have attained with reasonable certainty if they didn't take military leave or a position of similar seniority, status, and pay. Team Members must remain qualified for such job positions, and Reed Automotive Group makes reasonable efforts to help employees returning from military service become qualified to perform their jobs. If employees aren't qualified for such job positions, even with reasonable efforts by Reed Automotive Group to help them become qualified, employees are reinstated to the same or similar job position that they held before leaving for military service. Team Members who aren't qualified to perform their pre-service positions, even after reasonable efforts of help from Reed Automotive Group, are reinstated in another job position with similar seniority, status, and pay.

Regardless of length of military service, if employees incur a disability or aggravate a disability during service that causes them not to be qualified for the position they would have held if no interruption of employment occurred, Reed Automotive Group gives them a job position that is equivalent in seniority, status, and pay.

If Reed Automotive Group must reinstate two employees to the same job position, the employee who left the position first has priority for the position. The other employee is reinstated by Reed Automotive Group to a job of similar status and pay.

PAY ISSUES

Military leave is unpaid. Team Members can use accrued annual, vacation, or similar leave for unpaid military leave. Team Members also can use accrued sick leave during military service as specified in Reed Automotive Group's sick leave policy.

Salaried employees who perform any services for Reed Automotive Group in a week when they are absent for military duty are compensated for that week. While Reed Automotive Group doesn't deduct from pay for military service, Reed Automotive Group offsets any amounts received by employees as military pay for a particular week against the salary due for that particular week.

BENEFITS CONTINUATION

Benefits in general. Seniority and other rights and benefits determined by seniority are restored to employees who are reemployed with Reed Automotive Group after military leave as employees would have had by remaining continuously employed; they don't receive benefits above what they would have had if they had remained continuously employed. These employees are treated as being on furlough or a leave of absence and given the rights and benefits that generally are provided to employees of similar seniority, status, and pay who are on leaves of absence. Benefits mean the terms, conditions, or privileges, of employment, including any advantage, profit, privilege, gain, status, account, or interest (other than wages or salary for work performed) that results from an employment contract, policy, plan, or practice. More specifically, benefits include rights and benefits under a pension plan, a health plan, insurance coverage and awards, bonuses, severance pay, vacations, and the opportunity to select work hours or location of employment.

If employees knowingly provide written notice to Reed Automotive Group of their intent not to return to their job after military service, they can forfeit the non-seniority rights and benefits ordinarily given to other employees on similar leaves of absence. Upon receipt of such notice, Reed Automotive Group confirms in writing with such employees of their intention not to return to work with Reed Automotive Group with an explanation of the consequences of such decision on employee rights and benefits. After receiving such notice from Reed Automotive Group, employees who still intend not to return to work with Reed Automotive Group after military service must sign and date Reed Automotive Group's notice acknowledging that they don't intend to return to work with Reed Automotive Group and they understand the consequences of such decision; they must return the signed and dated notice to Reed Automotive Group according to Reed Automotive Group's termination policy. Otherwise, employees' original notice of intent not to return to work after military service can remain ineffective.

Health benefits. Team Members who are on military leave and are covered by an employer-sponsored health plan can elect continued coverage under the federal Consolidated Omnibus Budget Reconciliation Act for themselves, their spouses, and their dependents. The maximum coverage period under such an election is the shorter of the 24-month period beginning on employees' date of absence or the period ending the day after the date on which employees fail to apply for or return to employment with Reed Automotive Group. For more information on COBRA health care continuation coverage, see Reed Automotive Group's COBRA policy.

Pension benefits. Team Members who are reemployed with Reed Automotive Group after performing military service don't incur a break in service for purposes of pension vesting and accrual of benefits. These requirements apply equally to defined benefit plans, defined contribution plans, and profit-sharing plans that reward length of service. Team Members who are reemployed by Reed Automotive Group after military leave and were absent for military service for more than 90 days must follow proper notification procedures to ensure that no break in service occurs for calculating pension benefits.

FMLA leave. Team Members who are returning servicemembers are eligible for FMLA leave if the time that they would have worked for employers during their period of military service combined with the months employed and the hours actually worked meet the FMLA eligibility threshold of 12 months and 1,250 hours of employment. For more information, see Reed Automotive Group's FMLA policy below.

TERMINATION

Reed Automotive Group doesn't terminate employment of returning servicemembers, except for cause, for 180 days after the date of reemployment if employees' most recent period of military service was more than 30 days but fewer than 181 days. Reed Automotive Group also doesn't terminate employment of returning servicemembers, except for cause, for one year after the date of reemployment if employees' most recent period of military service was for more than 180 days. Cause for termination includes misconduct and other legitimate nondiscriminatory reasons such as job elimination and layoffs. For more information, see Reed Automotive Group's termination policy.

ANTI-HARASSMENT

Reed Automotive Group strives to keep its workplace free from all forms of harassment. Specifically, Reed Automotive Group prohibits harassment of employees because of their membership in the armed forces or their military service obligations. For more information, see Reed Automotive Group's EEO policy.

Reed Automotive Group considers harassment in all forms to be a serious offense and to violate Reed Automotive Group's EEO policy. Reed Automotive Group takes prompt action to correct any such conduct.

ANTI-RETALIATION

Reed Automotive Group doesn't deny employment, reemployment, retention, promotion, or any other benefit to employees because of application for, performance of, or obligation to perform military service.

Reed Automotive Group doesn't retaliate or take adverse employment action against employees who take action to enforce protections under USERRA, testify, or otherwise participate in a USERRA-related proceeding or investigation, or exercise USERRA rights.

Reed Automotive Group doesn't take adverse action against employees or other persons because of activities protected under USERRA, regardless of whether they have performed military service.

COMPLAINT PROCEDURES

Team Members should immediately contact their Manager about any violations of Reed Automotive Group's military leave policy or any applicable law relating to military leave. All complaints are promptly investigated, and full cooperation is expected of all staff. Information obtained during investigations is confidential and only disclosed to those who have a need for it.

Where appropriate, informal means to resolve military leave complaints are taken. For example, informal dispute resolution procedures might include mediation between the two parties.

When a military leave complaint can't be resolved informally, a written report of the investigation and recommendations of further action is prepared and delivered to Reed Automotive Group management. Recommendations can include the restoration of any employment terms, conditions, or opportunities employees lost or were denied because of military leave violations.

THE AMERICANS WITH DISABILITIES ACT (ADA)

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act (ADAAA) are federal laws that require employers with 15 or more employees to not discriminate against applicants and individuals with disabilities and, when needed, to provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of Reed Automotive Group to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is the company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment.

PROCEDURES

When an individual with a disability requests accommodation and can be reasonably accommodated without creating an undue hardship or causing a direct threat to workplace safety, he or she will be given the same consideration for employment as any other applicant. Applicants who pose a direct threat to the health, safety and well-being of themselves or others in the workplace when the threat cannot be eliminated by reasonable accommodation will not be hired.

Reed Automotive Group will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job unless doing so causes a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation or if the accommodation creates an undue hardship to Reed Automotive Group, Inc.. Contact Human Resources (HR) with any questions or requests for accommodation.

All employees are required to comply with the company's safety standards. Current employees who pose a direct threat to the health or safety of themselves or other individuals in the workplace will be placed on leave until an organizational decision has been made in regard to the employee's immediate employment situation.

Individuals who are currently using illegal drugs are excluded from coverage under the company ADA policy.

The HR department is responsible for implementing this policy, including the resolution of reasonable accommodation, safety/direct threat and undue hardship issues.

TERMS USED IN THIS POLICY

As used in this ADA policy, the following terms have the indicated meaning:

- **Disability:** A physical or mental impairment that substantially limits one or more major life activities of the individual, a record of such an impairment, or being regarded as having such an impairment.
- **Major life activities:** Term includes caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating and working.
- **Major bodily functions:** Term includes physical or mental impairment such as any physiological disorder or condition, cosmetic disfigurement or anatomical loss affecting one or more body systems, such as neurological, musculoskeletal, special sense organs, respiratory (including speech organs), cardiovascular, reproductive, digestive, genitourinary, immune, circulatory, hemic, lymphatic, skin and endocrine. Also covered are any mental or psychological disorders, such as intellectual disability (formerly termed "mental retardation"), organic brain syndrome, emotional or mental illness and specific learning disabilities.
- **Substantially limiting:** In accordance with the ADAAA final regulations, the determination of whether an impairment substantially limits a major life activity requires an individualized assessment, and an impairment that is episodic or in remission may also meet the definition of disability if it would substantially limit a major life activity when active. Some examples of these types of impairments may include epilepsy, hypertension, asthma, diabetes, major depressive disorder, bipolar disorder and schizophrenia. An impairment, such as cancer that is in remission but that may possibly return in a substantially limiting form, is also considered a disability under EEOC final ADAAA regulations.

- Direct threat: A significant risk to the health, safety or well-being of individuals with disabilities or others when this risk cannot be eliminated by reasonable accommodation.
- Qualified individual: An individual who, with or without reasonable accommodation, can perform the essential functions of the employment position that such individual holds or desires.
- Reasonable accommodation: Includes any changes to the work environment and may include making existing facilities readily accessible to and usable by individuals with disabilities, job restructuring, part-time or modified work schedules, telecommuting, reassignment to a vacant position, acquisition or modification of equipment or devices, appropriate adjustment or modifications of examinations, training materials or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities.
- Undue hardship: An action requiring significant difficulty or expense by the employer. In determining whether an accommodation would impose an undue hardship on a covered entity, factors to be considered include:
 - The nature and cost of the accommodation.
 - The overall financial resources of the facility or facilities involved in the provision of the reasonable accommodation, the number of persons employed at such facility, the effect on expenses and resources, or the impact of such accommodation on the operation of the facility.
 - The overall financial resources of the employer; the size, number, type and location of facilities.
 - The type of operations of the company, including the composition, structure and functions of the workforce; administrative or fiscal relationship of the particular facility involved in making the accommodation to the employer.
- Essential functions of the job: Term refers to those job activities that are determined by the employer to be essential or core to performing the job; these functions cannot be modified.

The examples provided in the above terms are not meant to be all-inclusive and should not be construed as such. They are not the only conditions that are considered to be disabilities, impairments or reasonable accommodations covered by the ADA/ADAAA policy.

FAMILY AND MEDICAL LEAVE ACT (FMLA)

Reed Automotive Group will provide Family and Medical Leave Act (FMLA) leave to its eligible employees. The company posts the mandatory FMLA Notice and upon hire provides all new employees with notices required by the U.S. Department of Labor

(DOL) on Employee Rights and Responsibilities under the Family and Medical Leave Act in the breakrooms of all locations.

The function of this policy is to provide employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

If you have any questions, concerns, or disputes with this policy, you must contact the Human Resources Department in writing.

A. General Provisions

Under this policy, Reed Automotive Group, Inc. will grant up to 12 weeks of leave during a 12-month period to eligible employees (or up to 26 weeks of military caregiver leave to care for a covered servicemember with a serious injury or illness). The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in this policy.

B. Eligibility

To qualify to take family or medical leave under this policy, the employee must meet all of the following conditions:

- 1) The employee must have worked for the company for 12 months or 52 weeks. The 12 months or 52 weeks need not have been consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or Reserve military service obligations or when there is a written agreement, including a collective bargaining agreement, stating the employer's intention to rehire the employee after the service break. For eligibility purposes, an employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.
- 2) The employee must have worked at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave. The 1,250 hours do not include time spent on paid or unpaid leave. Consequently, these hours of leave should not be counted in determining the 1,250 hours eligibility test for an employee under FMLA.
- 3) The employee must work in a worksite where 50 or more employees are employed by the company within 75 miles of that office or worksite. The distance is to be calculated by using available transportation by the most direct route.

C. Type of Leave Covered

To qualify as FMLA leave under this policy, the leave must be for one of the reasons listed below:

- 1) The birth of a child and in order to care for that child.
- 2) The placement of a child for adoption or foster care and to care for the newly placed child.
- 3) To care for a spouse, child or parent with a serious health condition (described below).
- 4) The serious health condition (described below) of the employee.

An employee may take leave because of a serious health condition that makes the employee unable to perform the functions of his or her position.

Under the FMLA, a “spouse” means a husband or wife. Husband or wife refers to the other person with whom an individual entered into marriage as defined or recognized under state law for purposes of marriage in the state in which the marriage was entered into or, in the case of a marriage entered into outside of any state, if the marriage is valid in the place where entered into and could have been entered into in at least one state. This definition includes an individual in a same-sex or common law marriage that either:

- a) was entered into in a state that recognizes such marriages; or
- b) if entered into outside of any state, is valid in the place where entered into and could have been entered into in at least one state.

A serious health condition is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or a condition that requires continuing care by a licensed health care provider.

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Employees with questions about what illnesses are covered under this FMLA policy or under the company's sick leave policy are encouraged to consult with the Human Resource Manager.

If an employee takes paid sick leave for a condition that progresses into a serious health condition and the employee requests unpaid leave as provided under this policy, the company may designate all or some portion of related leave taken as

leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

5) Qualifying exigency leave for families of members of the National Guard or Reserve or of a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

An employee whose spouse, son, daughter or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following:

- a. short-notice deployment
- b. military events and activities
- c. childcare and school activities
- d. financial and legal arrangements
- e. counseling
- f. rest and recuperation
- g. post-deployment activities
- h. additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

Eligible employees are entitled to FMLA leave to care for a current member of the Armed Forces, including a member of the National Guard or Reserve, or a member of the Armed Forces, the National Guard or Reserve who is on the temporary disability retired list, who has a serious injury or illness incurred in the line of duty on active duty for which he or she is undergoing medical treatment, recuperation, or therapy; or otherwise in outpatient status; or otherwise on the temporary disability retired list. Eligible employees may not take leave under this provision to care for former members of the Armed Forces, former members of the National Guard and Reserve, or members on the permanent disability retired list.

(6) To care for a covered servicemember with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the covered servicemember.

- a) A "son or daughter of a covered servicemember" means the covered servicemember's biological, adopted, or foster child, stepchild or legal ward, or a child for whom the covered servicemember stood in loco parentis, and who is of any age.
- b) A "parent of a covered servicemember" means a covered servicemember's biological, adoptive, step or foster father or mother, or any other individual who stood in loco parentis to the covered servicemember. This term does not include parents in law.

c) The “next of kin of a covered servicemember” is the nearest blood relative, other than the covered 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 covered servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of military caregiver leave under the FMLA. When no such designation is made, and there are multiple family members with the same level of relationship to the covered servicemember, all such family members shall be considered the covered servicemember's next of kin and may take FMLA leave to provide care to the covered servicemember, either consecutively or simultaneously. When such designation has been made, the designated individual shall be deemed to be the covered servicemember's only next of kin. For example, if a covered servicemember has three siblings and has not designated a blood relative to provide care, all three siblings would be considered the covered servicemember's next of kin. Alternatively, where a covered servicemember has siblings and designates a cousin as his or her next of kin for FMLA purposes, then only the designated cousin is eligible as the covered servicemember's next of kin. An employer is permitted to require an employee to provide confirmation of covered family relationship to the covered servicemember pursuant to § 825.122(k).

“Covered active duty” means:

(a) “Covered active duty” for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country.

(b) *Covered active duty or call to covered active duty status* in the case of a member of the Reserve components of the Armed Forces means duty during the deployment of the member with the Armed Forces to a foreign country under a federal call or order to active duty in support of a contingency operation, in accordance with 29 CR 825.102.

The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee’s 12-week maximum of FMLA leave in a 12-month period.

(7) Military caregiver leave (also known as covered servicemember leave) to care for an injured or ill servicemember or veteran.

An employee whose son, daughter, parent or next of kin is a covered servicemember may take up to 26 weeks of leave in a single 12-month period to care for that servicemember.

Next of kin is defined as the closest blood relative of the injured or recovering servicemember.

The term “covered servicemember” means:

(a) a member of the Armed Forces (including a member of the National Guard or Reserve) 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; or

(b) a veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserve) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation or therapy.

The term “serious injury or illness” means:

(a) in the case of a member of the Armed Forces (including a member of the National Guard or Reserve), means an injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member’s office, grade, rank or rating;

(b) in the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserve) at any time during a period when the person was a covered servicemember, means a qualifying (as defined by the Secretary of Labor) injury or illness incurred by a covered servicemember in the line of duty on active duty that may render the servicemember medically unfit to perform the duties of his or her office, grade, rank or rating.

(c) Outpatient status, with respect to a covered servicemember, means the status of a member of the Armed Forces assigned to either a military medical treatment facility as an outpatient; or a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.

D. Amount of Leave

An eligible employee can take up to 12 weeks for the FMLA circumstances (No. 1) through (No. 5) above under this policy during any 12-month period. The company will

measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, the company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time.

An eligible employee can take up to 26 weeks for the FMLA circumstance (No. 6) above (military caregiver leave) during a single 12-month period. For this military caregiver leave, the company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

If a husband and wife both work for the company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the husband and wife may only take a combined total of 12 weeks of leave. If a husband and wife both work for the company and each wish to take leave to care for a covered injured or ill servicemember, the husband and wife may only take a combined total of 26 weeks of leave.

E. Employee Status and Benefits During Leave

While an employee is on leave, the company will continue the employee's health benefits during the leave period at the same level and under the same conditions as if the employee had continued to work. Upon returning from leave, you and the payroll department will initiate a plan to repay the employee portion of premiums.

If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family member or a circumstance beyond the employee's control, the company will require the employee to reimburse the company the amount it paid for the employee's portion of the health insurance premiums during the leave period.

Health Insurance is defined as all health benefits a Team Member has chosen to enroll in.

F. Employee Status After Leave

An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from a health care provider. This requirement will be included in the employer's response to the FMLA request. Generally, an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one that is virtually identical in terms of pay, benefits and working conditions. The company may choose to exempt certain key employees from this requirement and not return them to the same or similar position when doing so will cause substantial and grievous economic injury to business operations. Key employees will be given written notice at the time FMLA leave is requested of his or her status as a key employee.

G. Use of Paid and Unpaid Leave

An employee who is taking FMLA leave because of the employee's own serious health condition or the serious health condition of a family member must use all paid vacation, personal or sick leave prior to being eligible for unpaid leave. Sick leave may run concurrently with FMLA leave if the reason for the FMLA leave is covered by the established sick leave policy.

Disability leave for the birth of a child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA. For example, if an employer provides six weeks of pregnancy disability leave, the six weeks will be designated as FMLA leave and counted toward the employee's 12-week entitlement. The employee may then be required to substitute accrued (or earned) paid leave as appropriate before being eligible for unpaid leave for what remains of the 12-week entitlement. An employee who is taking leave for the adoption or foster care of a child must use all paid vacation, personal or family leave prior to being eligible for unpaid leave.

An employee who is using military FMLA leave for a qualifying exigency must use all paid vacation and personal leave prior to being eligible for unpaid leave. An employee using FMLA military caregiver leave must also use all paid vacation, personal leave or sick leave (as long as the reason for the absence is covered by the company's sick leave policy) prior to being eligible for unpaid leave.

H. Intermittent Leave or a Reduced Work Schedule

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill servicemember over a 12-month period).

The company may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule, in instances when leave for the employee or employee's family member is foreseeable and for planned medical treatment, including recovery from a serious health condition or to care for a child after birth or placement for adoption or foster care.

For the birth, adoption or foster care of a child, the company and the employee must mutually agree to the schedule before the employee may take the leave intermittently or work a reduced-hour schedule. Leave for birth, adoption or foster care of a child must be taken within one year of the birth or placement of the child.

If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee should try to reach agreement with the company before taking intermittent leave or working a reduced-hour schedule. If this is not possible, then the employee must prove that the use of the leave is medically necessary.

I. Certification for the Employee's Serious Health Condition

The company will require certification for the employee's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Employee's Serious Health Condition.

The company may directly contact the employee's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the company will obtain the employee's permission for clarification of individually identifiable health information.

The company has the right to ask for a second opinion if it has reason to doubt the certification. The company will pay for the employee to get a certification from a second doctor, which the company will select. The company may deny FMLA leave to an employee who refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary, to resolve a conflict between the original certification and the second opinion, the company will require the opinion of a third doctor. The company and the employee will mutually select the third doctor, and the company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

J. Certification for the Family Member's Serious Health Condition

The company will require certification for the family member's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Family Member's Serious Health Condition.

The company may directly contact the employee's family member's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the company makes this direct

contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the company will obtain the employee's family member's permission for clarification of individually identifiable health information.

The company has the right to ask for a second opinion if it has reason to doubt the certification. The company will pay for the employee's family member to get a certification from a second doctor, which the company will select. The company may deny FMLA leave to an employee whose family member refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary, to resolve a conflict between the original certification and the second opinion, the company will require the opinion of a third doctor. The company and the employee will mutually select the third doctor, and the company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

K. Certification of Qualifying Exigency for Military Family Leave

The company will require certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification of Qualifying Exigency for Military Family Leave.

L. Certification for Serious Injury or Illness of Covered Servicemember for Military Family Leave

The company will require certification for the serious injury or illness of the covered servicemember. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered Servicemember.

M. Recertification

The company may request recertification for the serious health condition of the employee or the employee's family member no more frequently than every 30 days unless circumstances have changed significantly, or if the employer receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence. The company may provide the employee's health care provider with the employee's attendance records and ask whether need for leave is consistent with the employee's serious health condition.

N. Procedure for Requesting FMLA Leave

All employees requesting FMLA leave must provide verbal or written notice of the need for the leave to the HR manager. Within five business days after the employee has provided this notice, the HR manager will complete and provide the employee with the DOL Notice of Eligibility and Rights.

When the need for the leave is foreseeable, the employee must provide the employer with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day the need for leave is discovered or the next business day. When the need for FMLA leave is not foreseeable, the employee must comply with the company's usual and customary notice and procedural requirements for requesting leave, absent unusual circumstances.

O. Designation of FMLA Leave

Within five business days after the employee has submitted the appropriate certification form, the HR manager will complete and provide the employee with a written response to the employee's request for FMLA leave using the DOL Designation Notice.

P. Intent to Return to Work from FMLA Leave

On a basis that does not discriminate against employees on FMLA leave, the company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.