

EMPLOYEE HANDBOOK

“The most successful people follow passion, not paychecks.”

star



Welcome

Star is proud of our history of success since our founding in 1970 and of the people who make Star a successful organization. We are proud of our reputation for honesty and integrity in the way in which we service customers and our surrounding communities. Our success has been possible because of each member of the Star team working together toward our goal of continuous growth in Customer Satisfaction.

Whatever your department or your job description may be, your performance and adherence to these policies will contribute to the overall success of Star. Never forget that when you are in contact with a customer, whether in person, on the phone, or through electronic communication... **YOU ARE THE COMPANY.**

This handbook describes some of your responsibilities as an employee of Star and outlines our policies, programs, and beliefs. You should become familiar with the contents of this handbook; this handbook will answer many of your questions concerning employment at Star.

It is our goal to maintain a work environment that allowed each member of our Company to participate in the ongoing success of the business and gain satisfaction from a job well done. We hope that your employment at Star will be challenging, enjoyable, and rewarding.

Sincerely,
The Management of the Star Dealerships
Cletus E. Landis, Jr.- Owner/Dealer/President

Star Buick GMC Inc.- 260 Country Club Road- Easton, PA 18045
Keith Muir- General Manager

Star Pre-Owned of Bethlehem L.L.C.- 1730 N. Main Street- Hellertown, PA 18055
Cletus J. Landis- General Manager

Star Buick GMC Cadillac Inc.- 480 N. West End Blvd. – Quakertown, PA 18951
Holly Landis Jarrett- Dealer & General Manager

Robert P. Grow, Jr., Business & HR Director – Jordan Friedman, Assistant HR

Important

This handbook is designed to acquaint employees with Star Buick GMC et al' (Referred to herewith as **Star**). The handbook is NOT all inclusive, but rather is intended to provide employees with a summary of some of Star's guidelines. This edition replaces all previously issued editions.

The language used in this handbook and any verbal statements made by management are not intended to constitute a contract of employment, either expressed or implied, nor are they a guarantee of employment for a specific duration. No representative of Star other than the President of Star has the authority to enter an agreement of employment for any specified period and such agreement must be in writing, signed by the president.

No employee handbook can anticipate every circumstance or question. After reading the handbook, employees that have questions should talk with their immediate supervisor or the human resources department. In addition, the need may arise to change any policy, program, or benefit that is described in the handbook. Except for the at-will nature of the employment, Star therefore reserves the right to interpret the information contained in the handbook or to change any information in the handbook without prior notifying principles.

Our individual interests are served when we work together to serve our customer and our co-worker.





WE BELIEVE:

Service- to our customer is all we have to sell, and we will always work to increase its value.

Quality- work for our customers makes our reputation, therefore we will always work to improve it.

Trust- among employees to be fair and honest with each other will result in equal trust from our customers

Innovation- is a key to the dealerships' future. We will constantly develop new services for our customers and new ways to work more efficiently.

Attitudes- must be positive in our thoughts, words, and actions toward our customers and co-workers.

Respect- for the time, possessions, feelings, and individual rights of our customers and co-workers helps us work together.

Pride- in our work, appearance, speech, and workplace helps us all to do a better job.

Growth- in services to our customers and new skills and resources will give us fresh energy.

Profit- the lifeblood of the company. It provides security, incomes, and capital for growth.

Commitment- from everyone at Star to these principles will gain us continued success and future security.



Clete & Carol Landis – Founders & Owner

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Employment AT WILL

Employment at Star is on an at-will basis unless otherwise stated in a written individual employment agreement signed by the President of the company.

This means that the company may terminate the employment relationship at any time, without reason, and without notice.

Nothing in this employee handbook is intended to or creates an employment agreement, express or implied. Nothing contained in this or any other document provided to the employee is intended to be, nor should it be, construed as a contract that employment or any benefit will be continued for any period of time. In addition, no company representative is authorized to modify this policy for any employee or to enter into any agreement, oral or written, that changes the at-will relationship. Any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience or to facilitate comparisons and are not intended and do not create an employment contract for any specific period of time.

Nothing in this statement is intended to interfere with, restrain, or prevent concerted activity as protected by the National Labor Relations Act. Such activity includes employee communications regarding wages, hours, or other terms or conditions of employment. Star employees have the right to engage in or refrain from such activities.

Equal Opportunity and Commitment to Diversity

Equal Opportunity

Star provides equal employment opportunities to all employees and applicants for employment without regard to race, color, ancestry, national origin, gender, sexual orientation, marital status, religion, age, disability, gender identity, results of genetic testing, service in the military, or any other applicable status protected by state or local law. Equal employment opportunity applies to all terms and conditions of employment, including hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, and training.

Star expressly prohibits any form of unlawful employee harassment or discrimination based on any of the characteristics mentioned above. Improper interference with the ability of other employees to perform their expected job duties is absolutely not tolerated.

Employees who have questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of the HR Manager. The Company will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. If an employee feels he or she has been subjected to any such retaliation, he or she should bring it to the attention of the HR Manager.

Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy, or participated in the reporting and investigation process described below. “Adverse conduct” includes but is not limited to:

1. Shunning and avoiding an individual who reports harassment, discrimination or retaliation;
2. Express or implied threats or intimidation intended to prevent an individual from reporting harassment, discrimination or retaliation; or
3. Denying employment benefits because an applicant or employee reported harassment, discrimination or retaliation or participated in the reporting and investigation process.

Complaints of discrimination should be filed according to the procedures described in the Harassment and Complaint Procedure.

Americans with Disabilities Act and Reasonable Accommodation

To ensure equal employment opportunities to qualified individuals with a disability, Star will make reasonable accommodations for the known disability of an otherwise qualified individual, unless undue hardship on the operation of the business would result.

Employees who may require a reasonable accommodation should contact the Human Resources Department.

Commitment to Diversity

Star is committed to creating and maintaining a workplace in which all employees have an opportunity to participate and contribute to the success of the business and are valued for their skills, experience, and unique perspectives. This commitment is embodied in company policy and the way we do business at Star and is an important principle of sound business management.

Harassment and Complaint Procedure

Sexual and other unlawful harassment is a violation of Title VII of the Civil Rights Act of 1964 (Title VII), as amended, as well as many state laws. Harassment based on a characteristic protected by law, such as race, color, ancestry, national origin, gender, sex, sexual orientation, gender identity, marital status, religion, age, disability, veteran status, or other characteristic protected by state or federal law, is prohibited.

It is Star's policy to provide a work environment free of sexual and other harassment. To that end, harassment of Star's employees by management, supervisors, coworkers, or nonemployees who are in the workplace is absolutely prohibited. Further, any retaliation against an individual who has complained about sexual or other harassment or retaliation against individuals for cooperating with an investigation of a harassment complaint is similarly unlawful and will not be tolerated. Star will take all steps necessary to prevent and eliminate unlawful harassment.

Definition of Unlawful Harassment. "Unlawful harassment" is conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment; has the purpose or effect of substantially and unreasonably interfering with an individual's work performance; or otherwise adversely affects an individual's employment opportunities because of the individual's membership in a protected class.

Unlawful harassment includes, but is not limited to, epithets, slurs, jokes, pranks, innuendo, comments, written or graphic material, stereotyping, or other threatening, hostile, or intimidating acts based on race, color, ancestry, national origin, gender, sex, sexual orientation, marital status, religion, age, disability, veteran status, or other characteristic protected by state or federal law.

Definition of Sexual Harassment. While all forms of harassment are prohibited, special attention should be paid to sexual harassment. "Sexual harassment" is generally defined under both state and federal law as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where:

- Submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of any individual's employment or as a basis for employment decisions; *or*
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

Other sexually oriented conduct, whether intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, intimidating, or humiliating to workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct that, if unwelcome, may constitute sexual

harassment depending on the totality of the circumstances, including the severity of the conduct and its pervasiveness:

- Unwanted sexual advances, whether they involve physical touching or not;
- Physical conduct such as assault or blocking an individual's movements;
- Sexual epithets, jokes, slurs, derogatory comments, written or oral references to sexual conduct, gossip regarding one's sex life, comments about an individual's body, comments about an individual's sexual activity, deficiencies, or prowess;
- Unwelcome leering, whistling, brushing up against the body, sexual gestures, or suggestive or insulting comments;
- Written form such as cartoons, e-mail, posters, drawings, or photographs;
- Inquiries into one's sexual experiences; *and*
- Discussion of one's sexual activities.

All employees are expected to conduct themselves in a professional and businesslike manner at all times. Conduct which may violate this policy includes, but is not limited to, sexually implicit or explicit communications whether in:

- Written form, such as cartoons, posters, calendars, notes, letters, e-mail or any other visual display of information.
- Verbal form, such as comments, jokes, foul or obscene language of a sexual nature, gossiping, or questions about another's sex life, or repeated unwanted requests for dates.
- Physical gestures and other nonverbal behavior, such as unwelcome touching, grabbing, fondling, kissing, massaging, and brushing up against another's body.

All employees should take special note that, as stated above, retaliation against an individual who has complained about sexual harassment and retaliation against individuals for cooperating with an investigation of sexual harassment complaint is unlawful and will not be tolerated at Star.

Complaint Procedure. Any employee who believes he or she has been subject to or witnessed illegal discrimination, including sexual or other forms of unlawful harassment, is requested and encouraged to make a complaint. Employees may complain directly to their immediate supervisor or department manager, the HR director, or any other member of management with whom the employee feels comfortable bringing such a complaint. Similarly, if an employee observes acts of discrimination toward or harassment of another employee, they are requested and encouraged to report this to one of the individuals listed above.

No reprisal, retaliation, or other adverse action will be taken against an employee for making a complaint or report of discrimination or harassment or for assisting in the investigation of any such complaint or report. Any suspected retaliation or intimidation should be reported immediately to one of the persons identified above.

All complaints will be investigated promptly and, to the extent possible, with regard for confidentiality. If the investigation confirms conduct contrary to this policy has occurred, Star will take immediate, appropriate, corrective action, including discipline, up to and including immediate termination.



Conflicts of Interest and Confidentiality

Conflicts of Interest

Star expects all employees to conduct themselves and company business in a manner that reflects the highest standards of ethical conduct, and in accordance with all federal, state, and local laws and regulations. This includes avoiding real and potential conflicts of interests.

Exactly what constitutes a conflict of interest or an unethical business practice is both a moral and a legal question. Star recognizes and respects the individual employee's right to engage in activities outside of employment which are private in nature and do not in any way conflict with or reflect poorly on the company.

It is not possible to define all the circumstances and relationships that might create a conflict of interest. If a situation arises where there is a potential conflict of interest, the employee should discuss this with a manager for advice and guidance on how to proceed. The list below suggests some of the types of activity that indicate improper behavior, unacceptable personal integrity, or unacceptable ethics:

1. Simultaneous employment by another firm that is a competitor of or supplier to Star.
2. Carrying on company business with a firm in which the employee, or a close relative of the employee, has a substantial ownership or interest.
3. Holding a substantial interest in, or participating in the management of, a firm to which the company makes sales or from which it makes purchases.
4. Borrowing money from customers or firms, other than recognized loan institutions, from which our company buys services, materials, equipment, or supplies.
5. Accepting substantial gifts or excessive entertainment from an outside organization or agency.
6. Speculating or dealing in materials, equipment, supplies, services, or property purchased by the company.
7. Participating in civic or professional organization activities in a manner that divulges confidential company information.
8. Misusing privileged information or revealing confidential data to outsiders.
9. Using one's position in the company or knowledge of its affairs for personal gains.
10. Engaging in practices or procedures that violate antitrust laws, commercial bribery laws, copyright laws, discrimination laws, campaign contribution laws, or other laws regulating the conduct of company business.

Confidential Information

The protection of confidential business information and trade secrets is vital to the interests and success of Star. Confidential information is all information disclosed to or known by any employee because of employment with the company that is not generally known to people outside the company about its business.

Employees may have access to confidential information related to the customers or to the Company. This includes proprietary information, trade secrets and intellectual property to which Star holds the rights. Employees must not discuss this information with anyone without proper authority. Employees should never discuss our proprietary information with anyone outside of the Company or in a public place with other employees where they might be overheard. Discussion of information includes email, phone and text messages. If employees are not sure what information is appropriate to disclose err on the side of caution and do not disclose the information without consulting the immediate supervisor.

Star has developed Company specific (proprietary) ways to manage our business. These techniques make our product more competitive in the marketplace and are not to be revealed to anyone outside of the Company. These Company specific marketing and sales techniques are often referred to as trade secrets. A trade secret can be defined as any information that would damage our business if it became public knowledge. Other information that is proprietary includes but is not limited to financial information.

An employee who improperly uses or discloses trade secrets or confidential business information will be subject to disciplinary action up to and including termination of employment and legal action, even if he or she does not actually benefit from the disclosed information. Should an employee leave the Company for any reason, the obligation to not disclose proprietary information will continue. This is a legal obligation, which we take very seriously, and we will pursue legal remedy as appropriate.

All inquiries from the media must be referred to the HR Manager.
Any violation of this policy will result in disciplinary action up to and including termination.



*Keith Muir – General Manager
Star Buick GMC (Easton)*

Employment Relationship

Employment Classification

To determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, Star classifies its employees as shown below. Star may review or change employee classifications at any time.

Exempt: Exempt employees are paid on a salaried basis and do not receive overtime pay.

Nonexempt: Nonexempt employees are paid on an hourly basis and are eligible to receive overtime pay for overtime hours worked.

Regular, Full-Time: Employees who are not in a temporary status and work a minimum of 30 hours weekly and maintain continuous employment status. Generally, these employees are eligible for the full-time benefits package and are subject to the terms, conditions, and limitations of each benefits program.

Regular, Part-Time: Employees who are not in a temporary status and who are regularly scheduled to work fewer than 30 hours weekly, but at least 1 hour weekly, and who maintain continuous employment status.

Temporary, Full-Time: Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work the company's full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

Temporary, Part-Time: Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work fewer than 30 hours weekly for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status.

Work Week and Hours of Work

The standard workweek is from Saturday 12:00AM until Friday 11:59PM and generally consists of 40 work hours. Office hours are 8:30AM to 5:00PM, with a 30-minute lunch break. Individual work schedules may vary depending on the needs of each department.

Meal and Rest Breaks

The workday and break schedules are established by each department supervisor. When practical, employees may take a 10-minute work break once in the morning and once in the afternoon. In addition, employees receive a 30-minute uninterrupted lunch period depending on the department they are employed in. All breaks and lunch/dinner periods are without pay. Eating in front of guests is discouraged.

Time Records

Every non-exempt and certain overtime exempt employees must record his or her time daily on the time clocks. Employees record only their own time and must not record the time of any other employee. If an employee forgets to record their time, the time must be written in and approved by their immediate supervisor. Time should be recorded at the beginning of the workday, at the beginning of the lunch break and the end of the lunch break and at the end of the workday.

Employees are responsible for approving their time on a weekly basis. All absences from work schedules should be appropriately recorded.

Deductions from Pay/Safe Harbor Exempt Employees

The Company does not make improper deductions from the salaries of exempt employees and complies with the salary basis requirements of the Fair Labor Standards Act (FLSA). Employees classified as exempt from the overtime pay requirements of the FLSA will be notified of this classification at the time of hire or change in position.

Permitted deductions. The FLSA limits the types of deductions that may be made from the pay of an exempt employee. Deductions that are permitted include:

- Deductions that are required by law, e.g., income taxes;
- Deductions for employee benefits when authorized by the employee;
- Absence from work for one or more full days for personal reasons other than sickness or disability;
- Absence from work for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness;
- Offset for amounts received as witness or jury fees, or for military pay; or
- Unpaid disciplinary suspensions of one or more full days imposed in good faith for workplace conduct rule infractions.

During the week an exempt employee begins work for the company or during the last week of employment, the employee will only be paid for actual hours worked. In addition, an employee may be paid only for hours worked during a period when the employee is using unpaid leave under the Family and Medical Leave Act (FMLA).

Improper deductions. If an employee classified as exempt believes that an improper deduction has been taken from his or her pay, the employee should immediately report the deduction to the Human Resources Department. The report will be promptly investigated and if it is found that an improper deduction has been made, the company will reimburse the employee for the improper deduction.

Paychecks

Star's pay period for all employees is biweekly on Friday. Our week begins Wednesday at 12:00AM and ends Tuesday at 11:59 PM with 26 pay periods in one calendar year. If pay day falls on a federal holiday, employees will receive their paycheck on the preceding workday. On each payday, employees receive a statement showing gross pay, deductions and net pay.

For the employees' convenience, employee's paychecks are automatically deposited to the provided bank account information from each employee. Payroll and other checks may not be cashed at the dealership. Other individuals must have the employees' written permission to pick up their paycheck.

Overtime

When required due to the needs of the business, employees may be asked to work overtime. Overtime is actual hours worked more than 40 in a single workweek. Nonexempt employees will be paid overtime compensation at the rate of one and one half their regular rate of pay for all hours over 40 hours worked in a single workweek. Paid leave, such as holiday, PTO, bereavement time, and jury duty does not apply toward work time. All overtime work must be approved in advance by a supervisor or manager.

Pay for Exempt Employees

Exempt employees must be paid on a salary basis. This means exempt employees will regularly receive a predetermined amount of compensation each pay period, with the pay period being bi-weekly. The Company is committed to complying with salary basis requirements which allows properly authorized deductions.

If an employee believes an improper deduction has been made to their salary, they should immediately report this information to Human Resources. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will promptly be reimbursed.

Bonus

Bonus's will be paid as close to the 10th of the month as possible. If the 10th falls on a weekend or holiday commissions will be paid on the next business day. Monthly bonus will only be paid if the employee is employed by Star for the entire month.

Pay Advance

In some situations, a pay advance against earned income will be considered. If approved the employee will sign an agreement that holds them lawfully obligated until paid in full whether employed by Star or not.

Change of Status

Each employee is responsible for reporting the following information or any change in this information to the payroll department to ensure accurate records including paycheck, taxes and benefits:

- Name
- Address
- Telephone Number & Emergency Information
- Medical, Disability plan coverage
- Marital Status, Number of dependents.

Access to Personnel Files

Employee files are maintained by the Human Resources department and are considered confidential. Each Department Manager is responsible for providing relevant information to the HR Department to maintain an accurate and complete personnel file for each employee. Relevant information includes but is not limited to performance evaluations, disciplinary action reports, attendance records, notes, documents and letters related to the employee's employment history. Managers and supervisors may only have access to personnel file information on a need-to-know basis. Personnel file access by current employees and former employees upon request will generally be permitted within 3 days of the request unless otherwise required under state law. Personnel files are to be reviewed in the Human Resources department. Employee files may not be taken outside the department. Representatives of government or law enforcement agencies, in the course of their duties, may be allowed access to file information.

Separation from Employment

In all cases of voluntary resignation (one initiated by the employee), employees are asked to provide a written notice to their supervisors at least 10 working days in advance of the last day of work. The 10 days must be actual working days. Holidays and paid time off (PTO) will not be counted toward the 10-day notice. Employees who provide the requested amount of notice will be considered to have resigned in good standing and generally will be eligible for rehire.

In most cases, Human Resources will conduct an exit meeting on or before the last day of employment to collect all company property, and to discuss final pay. If applicable, information regarding benefits continuation through the Consolidated Omnibus Budget Reconciliation Act (COBRA) will be sent to the employee's home address. Final paychecks will be mailed to the separated employee's address. ALL Star property is to be returned to the HR Manager on the employee's final day of work. Property includes but is not limited to, keys to any Star buildings, demo vehicles, company issued cell phones, company issued laptops, etc. It is not our policy to pay compensation for unused vacation or sick leave on termination.

Should it become necessary because of business conditions to reduce the number of employees or work hours, this will be done at the discretion of the company.

If an employee is asked to leave the Company due to business necessity (reduction in force), disciplinary action or performance issues they will be paid on no later than the next regular payday on which the wages would have been paid if employment had continued. Employee will be paid for hours worked and commission due only, monthly bonus will only be paid if month is completed.



*CJ Landis – General Manager
Star Pre-owned of Hellertown*

Workplace Safety

Drug-Free and Alcohol-Free Workplace

It is the policy of Star to maintain a drug and alcohol-free work environment that is safe and productive for employees and others having business with the company.

The unlawful use, possession, purchase, sale, distribution, or being under the influence of any illegal drug and/or the misuse of legal drugs while on company or client premises or while performing services for the company is strictly prohibited. Star also prohibits reporting to work or performing services under the influence of alcohol or consuming alcohol while on duty or during work hours. In addition, Star prohibits off-premises abuse of alcohol and controlled substances, as well as the possession, use, or sale of illegal drugs, when these activities adversely affect job performance, job safety, or the Company's reputation in the community.

To ensure compliance with this policy, substance abuse screening may be conducted in the following situations

Pre-employment: As required by the company for all prospective employees who receive a conditional offer of employment

For Cause: Upon reasonable suspicion that the employee is under the influence of alcohol or drugs that could affect or has adversely affected the employee's job performance.

Random: As authorized or required by federal or state law.

Compliance with this policy is a condition of employment. Employees who test positive or who refuse to submit to substance abuse screening will be subject to termination. Notwithstanding any provision herein, this policy will be enforced at all times in accordance with applicable state and local law.

Any employee violating this policy is subject to discipline, up to and including termination, for the first offense.

Smoke-Free Workplace

Smoking is not allowed in company buildings or work areas at any time. “Smoking” includes the use of any tobacco products (including chewing tobacco), electronic smoking devices, and e-cigarettes.

Smoking is only permitted during break times in designated outdoor areas. Employees using these areas are expected to dispose of any smoking debris safely and properly.

Workplace Violence Prevention

Star is committed to providing a safe, violence-free workplace for our employees. Due to this commitment, we discourage employees from engaging in any physical confrontation with a violent or potentially violent individual or from behaving in a threatening or violent manner. Threats, threatening language, or any other acts of aggression or violence made toward or by any employee will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This policy covers any violent or potentially violent behavior that occurs in the workplace or at company-sponsored functions.

All Star employees bear the responsibility of keeping our work environment free from violence or potential violence. Any employee who witnesses or is the recipient of violent behavior should promptly inform their supervisor, manager, or the Human Resources Department. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline as a result of reporting a threat in good faith under this guideline.

Any individual engaging in violence against the company, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination.

Star prohibits the possession of weapons on its property always, including our parking lots or company vehicles. Additionally, while on duty, employees may not carry a weapon of any type. Weapons include, but are not limited to, handguns, rifles, automatic weapons, and knives that can be used as weapons (excluding pocketknives, utility knives, and other instruments that are used to open packages, cut string, and for other miscellaneous tasks), martial arts paraphernalia, stun guns, and tear gas. Any employee violating this policy is subject to discipline up to and including dismissal for the first offense.

The company reserves the right to inspect all belongings of employees on its premises, including packages, briefcases, purses and handbags, gym bags, and personal vehicles on company property. In addition, Star may inspect the contents of lockers, storage areas, file cabinets, desks, and work stations at any time and may remove all Company property and other items that are in violation of Company rules and policies.

Anti-Violence

Employees must not engage in intimidation, threats or hostile behaviors, physical abuse, vandalism, arson, sabotage, use of weapons, carrying weapons on to Company property, or any other act, which, in management's opinion, is inappropriate to the workplace. In addition, employees must refrain from making bizarre or offensive comments regarding violent events and/or behavior. Employees are expected to report any prohibited conduct to management. Employees should directly contact proper law enforcement authorities if they believe there is a serious threat to the safety and health of themselves or others.

Anti-Bullying

Star will not in any instance tolerate bullying behavior. Employees found in violation of this policy will be disciplined, up to and including termination of employment.

Bullying may be intentional or unintentional. However, it must be noted that where an allegation of bullying is made, the intention of the alleged bully is irrelevant, and will not be given consideration when meting out discipline. As in sexual harassment, it is the effect of the behavior upon the individual which is important. Star considers the following types of behavior examples of bullying:

- Verbal Bullying: slandering, ridiculing or maligning a person or his/her family; persistent name calling which is hurtful, insulting or humiliating; using a person as butt of jokes; abusive and offensive remarks.
- Physical Bullying: pushing; shoving; kicking; poking; tripping; assault, or threat of physical assault; damage to a person's work area or property
- Gesture Bullying: non-verbal threatening gestures, glances which can convey threatening messages
- Exclusion: socially or physically excluding or disregarding a person in work-related activities

In addition, the following examples may constitute or contribute to evidence of bullying in the workplace:

- Persistent singling out of one person
- Shouting, raising voice at an individual in public and/or in private
- Using verbal or obscene gestures
- Not allowing the person to speak or express him/herself (i.e., ignoring or interrupting).
- Personal insults and use of offensive nicknames
- Public humiliation in any form

Commitment to Safety

Protecting the safety of our employees and visitors is the most important aspect of running our business. All employees have the opportunity and responsibility to contribute to a safe work environment by using commonsense rules and safe practices and by notifying management when any health or safety issues are present. All employees are encouraged to partner with management to ensure maximum safety for all.

In the event of an emergency, notify the appropriate emergency personnel by dialing “outgoing” for an outside line, then dial 911 to activate the medical emergency services.

The Company is committed to a safe work environment for employees. Employees should report any unsafe practices or conditions to their supervisor.

If employees are injured on the job, no matter how minor, they must immediately report this fact in writing to their supervisor, or the General Manager. We are concerned about the safety of our employee and consider no accident or injury minor. Early action may prevent a more serious injury or illness from occurring.

If medical treatment for an on-the-job injury is needed, it must be obtained from one of the Company’s designated physicians. If not, the employee may be responsible for the cost of medical treatment.

Following treatment for an injury or accident the employee must:

- Complete a workers’ compensation report as required
- Keep all medical appointments as scheduled
- Return to work when cleared by the physician. Employees must provide certification prior to returning to work. If an employee cannot return to the same position reasonable accommodations in accordance with the American’s With Disability Act will be made.

Background Checks

This employee background check policy applies to candidates who go through our company’s hiring process. It may also apply to internal candidates who are being considered for a promotion or transfer. Our employee background check policy refers to our guidelines for investigating our job candidates’ backgrounds as part of our hiring process. Background checks help us:

- Get insight into candidates’ background
- Ensure we hire reliable employees
- Verify candidates’ information for truthfulness and accuracy
- Screen candidates convicted of serious criminal behavior

Background checks may include:

- Criminal records
- Credit reports
- Drug testing
- Verification reports (e.g. identity, previous employment, education, SSN)
- Driving records
- Reference checks

Emergency Closings

Star will always make every attempt to be open for business. In situations in which some employees are concerned about their safety, management may advise supervisors to notify their departments that the office is not officially closed, but anyone may choose to leave the office if he or she feels uncomfortable.

If an employee leaves earlier than the official closing time, they will be paid only for actual hours worked, or they can take PTO time. Exempt employees will be paid for a normal full day but are expected to complete their work at another time.

For information regarding closures and delays, employees are encouraged to check www.StarCarHR.com.

Workplace Guidelines

Attendance

Regardless of what position each employee fills with Star, they were carefully selected for that position. Thus, punctuality and regular attendance are essential for efficient operations. If an employee knows in advance that they are going to be unavoidably late or absent, report this to their supervisor as soon as possible. When illness or emergency situations necessitate an absence without prior notice please advise the supervisor immediately by phone (not by email or by text). Leaving a message with another employee or on voicemail is unacceptable.

If an employee does not provide adequate notice of an absence or if the supervisor considers the reason unacceptable, the employee will be charged with an unexcused absence. Employees may be excluded from overtime work in any week that they have an unexcused absence.

All employees are expected to arrive on time, ready to work, every day they are scheduled to work.

If unable to arrive at work on time, or if an employee will be absent for an entire day, the employee must contact the supervisor as soon as possible. Voicemail and e-mail messages are not acceptable except in certain emergency circumstances. Excessive absenteeism or tardiness will result in discipline up to and including termination. Failure to show up or call in for a scheduled shift without prior approval may result in termination. If an employee fails to report to work or call in to inform the supervisor of the absence for three (3) consecutive days or more, the employee will be considered to have voluntarily resigned employment.

Job Performance

Communication between employees and supervisors or managers is very important. Discussions regarding job performance are ongoing and often informal. Employees should initiate conversations with their supervisors if they feel additional ongoing feedback is needed. Generally, formal performance reviews are conducted annually. These reviews include a written performance appraisal and discussion between the employee and the supervisor about job performance and expectations for the coming year.

Outside Employment

Employees are permitted to work a second job if it does not interfere with their job performance with Star. Employees with a second job are expected to work their assigned schedules. A second job will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel, or refusal to work overtime or different hours.

If outside work activity causes or contributes to job-related problems, it must be discontinued, or the employee may be subject to disciplinary action, up to and including termination.

Dress and Grooming

Customers and the public visit us at our work stations as a part of routine business. We require that employees observe and practice conservative good taste in dress and appearance. Extremes in makeup, hairstyling, dress, or jewelry should be avoided as they reflect unfavorably on both the individual and Star. Employees may be required to wear a uniform depending on their position and job duties.

Employees who do not meet a professional standard may be sent home to change and non-exempt employees will not be paid for that time off.

A reasonable standard of dress rules out shorts, tee-shirts with most logos, tank tops, halter-tops or any extreme in dress, accessory, fragrances or hair. It is impossible and undesirable to define an absolute code for dress and fragrances. Company will apply a rule of reason on a case-by-case basis.

Management may make exceptions for special occasions. Any questions or complaints regarding the appropriateness of attire should be directed to the Human Resources department. Decisions regarding attire will be made by the Human Resources department and not by individual departments or managers.

Social Media Acceptable Use

Star encourages employees to share information with co-workers and with those outside the company for the purposes of gathering information, generating new ideas, and learning from the work of others. Social media provide inexpensive, informal, and timely ways to participate in an exchange of ideas and information. However, information posted on a website is available to the public and, therefore, the company has established the following guidelines for employee participation in social media.

Note: As used in this policy, “social media” refers to blogs, forums, and social networking sites, such as Twitter, Facebook, LinkedIn, YouTube, Instagram, and SnapChat, among others.

Off-duty use of social media. Employees may maintain personal websites or weblogs on their own time using their own facilities. Employees must ensure that social media activity does not interfere with their work. In general, the company considers social media activities to be personal endeavors, and employees may use them to express their thoughts or promote their ideas.

On-duty use of social media. Employees may engage in social media activity during work time provided it is directly related to their work, approved by their manager, and does not identify or reference company clients, customers, or vendors without express permission. The company monitors employee use of company computers and the Internet, including employee blogging and social networking activity.

Respect. Demonstrate respect for the dignity of the company, its owners, its customers, its vendors, and its employees. A social media site is a public place, and employees should avoid inappropriate comments. For example, employees should not divulge Star confidential information such as trade secrets, client lists, or information restricted from disclosure by law on social media sites. Similarly, employees should not engage in harassing or discriminatory behavior that targets other employees or individuals because of their protected class status or make defamatory comments. Even if a message is posted anonymously, it may be possible to trace it back to the sender.

Post disclaimers. If an employee identifies himself or herself as a company employee or discusses matters related to the company on a social media site, the site must include a disclaimer on the front page stating that it does not express the views of the company and that the employee is expressing only his or her personal views. For example: “The views expressed on this website/Weblog are mine alone and do not necessarily reflect the views of my employer.” Place the disclaimer in a prominent position and repeat it for each posting expressing an opinion related to the company or the company’s business. Employees must keep in mind that if they post information on a social media site that is in violation of company policy and/or federal, state, or local law, the disclaimer will not shield them from disciplinary action.

Competition. Employees should not use a social media to criticize the company’s competition and should not use it to compete with the company.

Confidentiality. Do not identify or reference company clients, customers, or vendors without express permission. Employees may write about their jobs in general but may not disclose any confidential or proprietary information. For examples of confidential information, please refer to the confidentiality policy. When in doubt, ask before publishing.

New ideas. Please remember that new ideas related to work, or the company’s business belong to the company. Do not post them on a social media site without the company’s permission.

Links. Employees may provide a link from a social media site to the company’s website during employment (subject to discontinuance at the company’s sole discretion). Employees should contact the IT Department to obtain the graphic for links to the company’s site and to register the site with the company.

Trademarks and copyrights. Do not use the company’s or others’ trademarks on a social media site or reproduce the company’s or others’ material without first obtaining permission.

Avoid statements about the company’s future. Because the company is publicly held, writing about projected growth, sales and profits, future products or services, marketing plans, or the stock price may violate Securities and Exchange Commission (SEC) rules or other applicable laws.

Legal. Employees are expected to comply with all applicable laws, including but not limited to, Federal Trade Commission (FTC) guidelines, copyright, trademark, and harassment laws.

Company restrictions. Because the company is publicly held, it may require that employees temporarily confine social media commentary to topics unrelated to the company or that employees temporarily suspend such activity to ensure compliance with the SEC's regulations or other laws. The company may also require employees to delete references to it on a website or Web log and to stop identifying themselves as an employee of the company.

Discipline. Violations of this policy may result in discipline up to and including immediate termination of employment.

Note: Nothing in this policy is meant to, nor should it be interpreted to, in any way limit your rights under any applicable federal, state, or local laws, including your rights under the National Labor Relations Act to engage in protected concerted activities with other employees to improve or discuss terms and conditions of employment, such as wages, working conditions, and benefits.

Bulletin Boards

All required governmental postings are posted on the boards located in the break room. These boards may also contain general announcements.

Employees may submit to Human Resources notices of general interest, such as for-sale notices; recreational-type announcements and/or club functions (e-mail should not be used for the aforementioned); postcards; expressions of gratitude or sympathy; and notices looking for/offering carpools, tickets, roommates, or pets. Human Resources approves, posts, and takes down all notices. All notices posted by employees will be removed after 2 weeks unless otherwise stipulated. The company reserves the right to refuse permission to post or to take down any announcement.

Solicitation

Employees should be able to work in an environment that is free from unnecessary annoyances and interference with their work. In order to protect our employees and visitors, solicitation by employees is strictly prohibited while either the employee being solicited or the employee doing the soliciting is on "working time." "Working time" is defined as time during which an employee is not at a meal, on break, or on the premises immediately before or after his or her shift. Employees are also prohibited from distributing written materials, handbills, or any other type of literature on working time and, at all times, in "working areas," which includes all office areas. "Working areas" do not include break rooms, parking lots, or common areas shared by employees during nonworking time.

Contributions may not be solicited on Company property without the permission of the Human Resources Department. Solicitation should be kept to a minimum to avoid embarrassing employee who do not or cannot contribute. No pressure to contribute to any cause or event should ever be made by one employee to another.

Distribution or solicitations by non-employees on Company property is prohibited. Distribution of written material by employees is prohibited during work hours or in work areas. Nonemployees may not trespass or solicit or distribute materials anywhere on company property at any time. Any solicitation by employees is prohibited during working hours or any customer services areas. Any employee may not engage in any solicitation of customers or distribute materials to customers.

Computers, Internet, Email, and Other Resources

The company provides a wide variety of communication tools and resources to employees for use in running day-to-day business activities. Whether it is the telephone, voice mail, fax, scanner, Internet, intranet, e-mail, text messaging, or any other company-provided technology, use should be reserved for business-related matters during working hours. All communication using these tools should be handled in a professional and respectful manner.

Employees should not have any expectation of privacy in their use of company computer, phone, or other communication tools. All communications made using company-provided equipment or services including email and internet activity, are subject to inspection by the company. Employees should keep in mind that even if they delete an email, voicemail or other communication, a copy may be archived on the company's systems.

Employee use of company-provided communication systems, including personal e-mail and internet use, that are not job-related have the potential to drain, rather than enhance, productivity and system performance. Employees should also be aware that information transmitted through e-mail and the internet is not completely secure or may contain viruses or malware, and information they transmit and receive could damage the company's systems as well as the reputation and/or competitiveness of the company. To protect against possible problems, delete any e-mail messages prior to opening that are received from unknown senders and advertisers. It also is against company policy to turn off antivirus protection software or make unauthorized changes to system configurations installed on company computers. Violations of this policy may result in termination for a first offense.

The company encourages employees to use e-mail only to communicate with fellow employees, suppliers, customers, or potential customers regarding company business. Internal and external e-mails are considered business records and may be subject to federal and state recordkeeping requirements as well as to discovery in the event of litigation. Be aware of this possibility when sending e-mails within and outside the company.

All use of company-provided communications systems, including e-mail and internet use, should conform to our company guidelines/policies, including but not limited to the Equal Opportunity, Harassment, Confidential Information, and Conflicts of Interest. So, for example, employees should not engage in harassing or discriminatory behavior that targets other employees or individuals because of their protected class status or make defamatory comments. Similarly, employees should not divulge confidential information such as trade secrets, client lists, or information restricted from disclosure by law on social media sites.

Because e-mail, telephone and voice mail, and internet communication equipment are provided for company business purposes and are critical to the company's success, all employee

communications may be accessed without further notice by Information Technology department administrators and company management to ensure compliance with this guideline.

The electronic communication systems are not secure and may allow inadvertent disclosure, accidental transmission to third parties, etc. Sensitive information should not be sent via unsecured electronic means.

Office telephones are for business purposes. While the company recognizes that some personal calls are necessary, these should be kept as brief as possible and to a minimum. Personal use of the company's cell phones, long-distance account, or toll-free numbers is strictly prohibited. Abuse of these privileges is subject to corrective action up to and including termination.

The company reserves the right to monitor customer calls to ensure employees abide by company quality guidelines and provide appropriate levels of customer service. Employees working in sales and customer service will be subject to telephone monitoring and e-mail. Should the subject matter of any telephone conversation become personal while monitoring is taking place, monitoring of the call will immediately be discontinued.

Nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment as protected under the National Labor Relations Act. Employees have the right to engage in or refrain from such activities.

Disciplinary Procedure

Occasionally performance or other behavior falls short of our standards and/or expectations. When this occurs, management acts when deemed appropriate.

Disciplinary actions can range from a formal discussion with the employee about the matter to immediate discharge. Action taken by management in an individual case does not establish a precedent in other circumstances.

Star expects employees to comply with the Company's standards of behavior and performance and to correct any noncompliance with these standards.

Under normal circumstances, Star endorses a policy of progressive discipline in which it attempts to provide employees with notice of deficiencies and an opportunity to improve. It does, however, retain the right to administer discipline in any manner it sees fit. This policy does not modify the status of employees as employees-at-will or in any way restrict the Company's right to bypass the disciplinary procedures suggested.

The following steps are suggested in the discipline procedure. All steps should be documented in the employee's personnel file.

Step 1: Informal Discussion. When a performance problem is first identified, the nature of the problem and the action necessary to correct it should be thoroughly discussed with the employee.

Step 2: Counseling. If a private informal discussion with the employee has not resulted in corrective action, following a thorough investigation, the supervisor should meet with the employee and (a) review the problem, (b) permit the employee to present his or her views on the problem, (c) advise the employee that the problem must be corrected, (d) inform the employee that failure to correct the problem will result in further disciplinary action which may include discharge, and (e) issue a counseling notice to the employee.

Step 3: Reprimand. If satisfactory performance and corrective action are not achieved under Steps 1 and 2, the supervisor and his or her superior should meet with the employee in private and proceed via (a) through (d) above and issue a reprimand notice to the employee.

Step 4: Suspension. Supervisors have the authority to temporarily remove employees from the workplace, with or without pay, if approved in advance by the department director and the director of Human Resources. An exempt employee generally may not be suspended without pay for less than a full day, and the suspension must be related to written workplace conduct rules applicable to all employees, e.g., such as a written policy prohibiting sexual harassment or workplace violence.

Step 5: Failure to improve. Failure to improve performance or behavior after the written warning or suspension can result in termination.

The progressive disciplinary procedures described above also may be applied to an employee who is experiencing a series of unrelated problems involving job performance or behavior.

In cases involving serious misconduct, or any time the supervisor determines it is necessary, such as a major breach of policy or violation of law, the procedures contained above may be disregarded. Typically, the supervisor should suspend the employee immediately (with or without pay) and an investigation of the incidents leading up to the suspension should be conducted to determine if any further action, such as termination, should be taken.

Insubordination

In any organization certain rules and regulations must be observed by each employee for the benefit of everyone in the Company. Our guidelines and policy are intended to promote a safe and productive environment for all. If an employee refuses to follow directions (both written and oral), policies and procedures they will be subject to disciplinary action up to and including termination. No action will be taken against them however if they refuse a direction or fail to follow a policy if they believed their safety or the safety of others was at stake.

Probation

Star recognized two conditions where employees may be placed on probation:

During the first 90 days on the job. This period is established to benefit both the employer and the employee. It is a period of adjustment and adaptation, both personally and in learning the job requirements and Company culture. If during this time an employee is not able to successfully adapt to the job requirements or the Company culture, their employment can be terminated. An employee is not entitled to any non-statutory benefits during this period.

Probation can also occur for inadequate performance or improper behavior any time after the first 90 days. Probation is intended to allow employees time to correct performance shortcomings or behavioral issues. Employees may be discharged immediately if it appears they are unable or unwilling to correct the problem or if termination is in the best interest of the Company or to the safety and welfare of the other employees.

Conduct off the job

Management does not attempt to exercise any control over an employee's private life. Management only asks that employees remember that their actions reflect Star and a reflection on possible promotions.

Mistakes

The person does not live who has never made a mistake. Yet all human beings seem to resist admission of mistakes for fear of reprisal or status deprecation. If management calls mistakes to an employees' attention it should never be interpreted as an attempt to belittle but to prevent reoccurrence. Management respects the employee who admits him or she "goofed" and offers a solution to prevent reoccurrence. Management personnel are cautioned to be "leaders" and not "bosses" in pointing out mistakes to their subordinates.

Moonlighting Policy/Use of Company Shop

Star policy prohibits employees from performing (for hire) the vehicular services which are regularly performed at Star during the hours they are not scheduled to work at Star. Performing mechanical and repair services on vehicles, privately or for a competing Company, results in direct competition with Star. Violation of this policy will not be tolerated and will result in disciplinary action.

After hours use of the Company's shop to repair employee's vehicles is prohibited. We think our time, efforts and mental energy should be directed to customer service and work productivity. For these reasons we discourage work on personal vehicles during the work day. However, Company shops may be used under the following conditions.

- A repair order must be written for all work performed.
- The work must be scheduled through the Service Manager
- Parts and supplies must be procured through the Parts department and charged out on the repair order.

Parking

Employees should park in designated parking spots provided by the Company. Vehicles used for transportation to and from work should be parked on Company property. The only circumstance under which an employee's car is permitted in the customer parking area is when the car is scheduled for repairs. Unauthorized parking on the Company's premises is incontinent for the customers and therefore strictly prohibited.

Star is not responsible for any damage to an employee vehicle while parked on Company property.

Performance Evaluation

Star endeavors to give new employees a performance evaluation after ninety days of employment. Performance evaluations will be done once a year thereafter on the employee's anniversary date. Employees should contact their supervisor if it has been more than a year since the last performance review. This does not mean that automatic raises will be given. A performance evaluation is one factor in determination of raises.

Performance Improvement Plan (PIP)

The Performance Improvement Plan (PIP) is designed to facilitate constructive discussion between a staff member and his or her supervisor and to clarify the work performance to be improved.

It is implemented, at the discretion of the supervisor, when it becomes necessary to help a staff member improve his or her performance. The supervisor, with input from the affected employee, develops an improvement plan; the purpose of the activities outlined is to help the employee to attain the desired level of performance.

In all cases, it is recommended that the supervisor's supervisor and the Human Resources department review the plan. This will ensure consistent and fair treatment of employees across the company. The supervisor will monitor and provide feedback to the employee regarding his or her performance on the PIP and may take additional disciplinary action, if warranted and deemed necessary.

Problem Solving

Employees who disagree or are dissatisfied with a Company practice should promptly discuss the matter with their immediate supervisor, where appropriate. Normally, this discussion should be held within 3-5 days of the incident, or in a timely manner. Discussions held in a timely manner will enhance our ability to resolve concerns while it's fresh in everyone's mind. The majority of misunderstandings can be resolved at this level.

If the solution offered is not satisfactory, or if it is inappropriate to go to the supervisor, then employees are encouraged to take the problem to General Manager for review and final decision about the situation.

Training

Star has established an educational assistance program to help eligible employees develop their skills and upgrade their performance. All full-time regular employees who have completed a minimum of one year of service are eligible to participate in the program. For eligible employees that are approved, they need to see their supervisor for details and the Technician Training Policy if applicable. Star will pay the full cost of the training program. In addition, employees receive their regular wages during the time they are participating in the training. If the employee leaves Star within one year of completing training for which Star has paid, Star will deduct a pro-rated amount of the training expenses (travel, meals, tuition and wages) from the employee's final paycheck, in accordance with the agreement the employees requesting paid training must sign.

Protective Equipment

Employees will be furnished with the required safety equipment for their position including but not limited to safety glasses, gloves, noise protection devices, special protection devices for handling hazardous chemical and waste. All employees are required to follow all rules concerning the wearing of protective equipment. Refusal to wear protective equipment or the removal of any protective equipment such as machine guards will be considered insubordination and disciplinary action up to and including termination.

Accidents involving a Company owned vehicle must be reported to the police and to the immediate supervisor. The employee should obtain the names, addresses, contact information and insurance information for all involved parties and the names and contact information for any witnesses to the accident. The employee may be held responsible if they are found to be at fault for any accident.

Uniforms

All employees in our Service areas are required to wear a uniform or Company issued shirt and nametag, sweater or jacket. Other departments may also require the wearing of a uniform or Company issued clothing at the discretion of the supervisor. This creates professional environment and is also an added benefit to our employees. Supervisor will inform subordinates if they are required to wear a uniform.

When uniforms are required to be worn on the job, Star will pay the total the cost of the uniforms for all employees. Employees turn over all uniforms within 48 hours of termination or have money deducted from their final paycheck for the cost of the uniform.

Theft

All employees are expected to protect Star's assets from loss or damage. Company assets include knowledge and information and well as physical goods. Cameras, computers, printers, copiers and office supplies are for Company business use only and should not be used for personal matters.

Vehicles

As an employee a job responsibility may include transportation of products. All Company vehicles must be maintained and operated in a safe manner. Driver training is required for all employees who drive a company or customer vehicle and will be scheduled by HR. The following reflect the main rules all employees must adhere to:

Only authorized employees of Star should operate Company vehicles. Family members are not permitted to drive Company vehicles.

Do not operate a Company vehicle while under the influence of any drug or alcohol. This might include a doctor's prescription or over the counter medication. Please be sure any medication that is being taken does not inhibit the ability to properly drive. Driving under the influence will be cause for immediate termination of employment.

All employees must have a valid operator's license at all times. A copy of all employee's valid operator's license must be on file with Human Resources.

No unauthorized passengers should be transported in Company vehicles.

All accidents, whether the employees' fault or not, must be reported immediately the General Accounting Office. An accident report must also be completed with the local law enforcement agency where the accident occurred. Employees may be responsible for any insurance deductible related to an accident where they are the driver of a Company vehicle.

Employees may be held responsible for any damage to a Company vehicle or customer vehicle in the event of negligent behavior. (See Demo Vehicles Policy).

Employees driving Company vehicles are entrusted with Dealer License Plates. This plate is the employees' responsibility and anyone who loses plate will be charged \$50.00

Make sure the vehicle that is being operated has been properly maintained. Maintenance schedules are kept and should be reviewed prior to use.

Seat belts are to be used at all time while operating a vehicle by the driver and by all passengers. Do not text or make phone calls while operating a Company vehicle. No smoking is permitted in a Company vehicle. The speed limit while on company property is five (5) miles per hour.

Employees are expected to apply the same degree of care to Star vehicles as they would to their own. Need for repair shall be reported promptly to management. Company vehicles may not be used without permission.

Demo Vehicles

It is understood that the employee's use and possession of the demonstrator vehicle is at the sole direction of the Dealership Owners.

1. The demonstrator (DEMO) will be selected by the dealership and will be available for demonstration use and sale at all times. The User must accept the make and model of vehicle selected by the management of the dealership. The User is responsible for all costs to return and to restore demonstrator to "new" or "as received" condition when returned.
2. Only one employee will be permitted to drive the demo.
3. User is committed to safe, defensive driving always and will maintain a valid driver's license.
4. User will use a seat-belt always and will ensure their passengers wear their seat-belts always.
5. User will never drive while under the influence of drugs or alcohol.
6. User will inspect company vehicles prior to driving and will report any mechanical problems or body damage immediately.
7. User will report any on-the-job accidents or moving violations to management immediately and will cooperate fully with the insurance claims investigation.
8. User will report any medical conditions and/or doctor prescribed medications that may impact ability to operate a vehicle.

Revision Date: **August 17, 2018** ©StarCarHR

9. The demonstrator is not to be used by friends, relatives, or spouses of the User. Its use outside of normal working hours is to be limited. The User is responsible for all gasoline costs and to see that regular maintenance is performed.
10. User is not allowed to store possessions in the vehicle and is responsible for all parking tickets.
11. Management may check users driving record at any time they deem appropriate.
12. Extensive trips (taking the Demo outside of Pennsylvania) will be reported to ownership beforehand for approval before they are taken.
13. User understands that they are not to eat, drink, smoke, or damage the vehicle in anyway.
14. User understands that if involved in an accident, where they are deemed to be at fault, the user will be liable for a \$500.00 deductible. All income and wages due will be held until full settlement and/or payment arrangements are made.
15. Employment separation: Upon termination, whether voluntary or involuntary, user agrees to return the vehicle to the Dealership immediately. Any unusual damages at the time will be considered the terminated employees responsibility and they hereby agree to pay the said amount commissions earned or, if necessary, from user's personal account.

Time Off and Leaves of Absence

Holidays

After 90 days of full-time employment all fixed operations personnel shall receive the following paid holidays, Sales Department will receive days marked with an asterisk:

1. New Year's Day
2. Memorial Day
3. Independence Day
4. Labor Day
5. Thanksgiving Day*
6. Christmas Day*

To qualify for holiday pay, employees must work the day prior to and the day following the holiday. Should the holiday fall on a Saturday or Sunday the following will occur:

Each department manager will schedule a portion of his/her employees to take Friday off and the remainder to take Monday off. The primary concern will be to make sure that each department is adequately staffed on both Friday and Monday to properly service our customers.

No additional days will be authorized. Employees must take either Friday or Monday off or lose that holiday with no pay.

Any additional holidays will be designated by the company at start of each calendar year. If one of these holidays falls on a Sunday, it will be observed on the following Monday. If the holiday falls on a Saturday, the company will select either the following Monday or the preceding Friday as a substitute holiday. The company reserves the right to pay eligible employees in lieu of time off if the holiday falls on Saturday.

Religious observances. Employees who need time off to observe religious practices or holidays not already scheduled by the company should speak with their supervisor. Depending upon business needs, the employee may be able to work on a day that is normally observed as a holiday and then take time off for another religious day. Employees may also be able to switch a scheduled day with another employee, or take vacation time, or take off unpaid days. The company will seek to reasonably accommodate individuals' religious observances.

Vacation

Star recognizes the importance of time off from work to relax, spend time with family, and enjoy leisure activities. We believe that vacations allow employees to refresh and recharge and should be taken each year. The company provides paid vacation time to full-time employees for this purpose and employees are encouraged to take vacation during the year. Star does not accrue vacation from one year to the next nor will any vacation pay be paid in the event of termination of employment. If an employee fails to take vacation during the year or if their employment ends with the Company, they forfeit any right to vacation pay. Vacation should be used in the year it is earned. Employees will not be permitted to carry-over days of accrued vacation. If employees chose to take vacation during a time that includes a paid holiday, he or she will not have the holiday time charged toward their vacation balance. All vacation days must be approved two weeks in advance by the direct supervisor to be considered paid time off.

Employees may not take paid vacation until they have earned or accrued the vacation time. New employees accrue paid vacation at the start of employment but may not take any vacation until they have completed at least 6 months of employment.

Generally, employees should submit vacation plans to their supervisor at least 2 months in advance of the requested vacation date electronically (TimeForce) and by paper. Vacation may be scheduled in increments of 1 full work day up to a maximum of 1 week unless approved. Managers have the right to designate when some or all of vacations must be taken.

Regular full-time employees who have been continuously employed by Star for one year will be entitled to the following vacation time:

- After One year - 5 days
- After Three years - 10 days
- After Ten Years- 15 Days

Holiday Pay and Paid Vacation Days are calculated as follows:

- Exempt Employees (Salary) and Sales Personnel, Service Advisors, and BDC Representatives will receive 1/52 of either last year's W-2 or the average of the last 26 pay periods. Earned commissions are used for calculation, monthly department bonus does not apply.
- Non-Exempt (Hourly) and Technicians will receive pay at their current hourly or flat rate wage. (overtime and/or production bonus plans are not used in the calculation)

Sick Leave

After one year of employment the employee is eligible for up to three sick days with pay. The Company can, at its discretion, require medical certification for any and all sick days and or leave.

Sick days are not intended to be used as a substitute for vacation days, but sick days may be used if an employee needs to provide care for a family member who is ill. Sick days may also be used if an employee needs time off for scheduled medical procedures.

If the need for sick leave is foreseeable, employees are required to give at least 2 weeks' advance notice (e.g., a planned medical treatment) whenever possible. If the need for sick leave is not foreseeable, employees are asked to notify their supervisor as soon as is practical by phone (not by email or by text).

Star may require the employee to provide a physician's written permission to return to work. Except as required by state law, unused sick days are forfeited when an employee's employment ends for any reason.

Family and Medical Leave

Star complies with the federal Family and Medical Leave Act (FMLA), which requires employers to grant unpaid leaves of absence to qualified workers for certain medical and family-related reasons. The company also abides by any state and local leave laws. The more generous of the laws will apply to the employee if the employee is eligible under both federal and state laws.

To be eligible for FMLA benefits, an employee **must**:

- have worked for the Company for a total of 12 months;
- have worked at least 1,250 hours over the previous 12 months; and
- work at a location in the United States or in any territory or possession of the United States where at least 50 employees are employed by the employer within 75 miles.

Please note there are many requirements, qualifications, and exceptions under these laws, and each employee's situation is different. Contact the Human Resources department to discuss options for leave.

The FMLA requires private employers with 50 or more employees and all public agencies, including state, local, and federal employers, and local education agencies (schools), to provide eligible employees up to 12 weeks of unpaid, job-protected leave in any 12-month period for certain family and medical reasons. The 12-month period is a rolling period measured backward from the date an employee uses any FMLA leave, except for leaves to care for a covered servicemember with a serious illness or injury. For those leaves, the leave entitlement is 26 weeks in a single 12-month period, measured forward from the date an employee first takes that type of leave.

Basic Leave Entitlement. The FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons: (1) for incapacity due to pregnancy, prenatal medical care, or child birth; (2) to care for the employee's child after birth or placement for adoption or foster care; (3) to care for the employee's spouse, son or daughter, or

Revision Date: August 17, 2018 ©StarCarHR

parent who has a serious health condition; or (4) for a serious health condition that makes the employee unable to work.

Military Family Leave Entitlements. Eligible employees with a spouse, son, daughter, or parent on active duty or called to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include addressing issues that arise from (1) short notice of deployment (limited to up to seven days of leave); (2) attending certain military events and related activity; (3) arranging childcare and school activities; (4) addressing certain financial and legal arrangements; (5) attending certain counseling sessions; (6) spending time with covered military family members on short-term temporary rest and recuperation leave (limited to up to five days of leave); (7) attending post-deployment reintegration briefings; (8) arranging care for or providing care to a parent who is incapable of self-care; and (9) any additional activities agreed upon by the employer and employee that arise out of the military member's active duty or call to active duty. The FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties and for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

Benefits and Protections During FMLA Leave. During FMLA leave, the Company will maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees will be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. However, an employee on FMLA leave does not have any greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the FMLA leave period.

Certain highly compensated key employees also may be denied reinstatement when necessary to prevent "substantial and grievous economic injury" to the Company's operations. A "key" employee is an eligible salaried employee who is among the highest paid ten percent of the Company's employees within 75 miles of the worksite. Employees will be notified of their status as a key employee, when applicable, after they request FMLA leave.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Employee Eligibility. The FMLA defines eligible employees as employees who: (1) have worked for the Company for at least 12 months; (2) have worked for the Company for at least 1,250 hours in the previous 12 months; and (3) work at or report to a worksite which has 50 or more employees or is within 75 miles of Company worksites that taken together have a total of 50 or more employees.

Definition of Serious Health Condition. A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care

facility or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school, work, or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave. An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced work schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies also may be taken on an intermittent or reduced work schedule basis.

Substitution of Paid Leave for Unpaid Leave. Employees may choose, or employers may require the use of accrued paid leave while taking FMLA leave. Accordingly, the Company requires employees to use any accrued paid vacation, personal, and sick days during an unpaid FMLA leave taken because of the employee's own serious health condition or the serious health condition of a family member or to care for a seriously ill or injured family member in the military. In addition, the employee must use any accrued paid vacation or personal days (but not sick days) during FMLA leave taken to care for a newborn or newly placed child or for a qualifying exigency arising out of a family member's active duty or call to active duty status in support of a contingency operation. In order to use paid leave for FMLA leave, employees must comply with the Company's normal paid leave procedures found in its Vacation and Sick Leave policies.

Employee Responsibilities. Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable and generally must comply with the Company's normal call-in procedures. The Company may delay leave to employees who do not provide proper advance notice of the foreseeable need for leave, absent unusual circumstances preventing the notice.

Employees must provide sufficient information for the Company to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also are required to provide a certification and periodic recertification supporting the need for leave. The Company also may require a second, and if necessary, a third opinion (at the Company's expense) and, when the leave is a result of the employee's own serious health condition, a fitness for duty report to return to work. The Company also may delay or deny approval of leave for lack of proper medical certification.

Company Responsibilities. The Company will inform employees requesting leave whether they are eligible under the FMLA. If they are, the notice will specify any additional information

required as well as the employees' rights and responsibilities. If employees are not eligible, the Company will provide a reason for the ineligibility.

The Company will inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's FMLA leave entitlement. If the Company determines that the leave is not FMLA-protected, the Company will notify the employee.

Other Provisions. Under an exception to the Fair Labor Standards Act (FLSA) in the FMLA regulations, hourly amounts may be deducted for unpaid leave from the salary of executive, administrative, and professional employees; outside sales representatives; certain highly-skilled computer professionals; and certain highly compensated employees who are exempt from the minimum wage and overtime requirements of the FLSA, without affecting the employee's exempt status. This special exception to the "salary basis" requirements for the FLSA's exemptions extends only to eligible employees' use of FMLA leave.

Employees may not perform work for self-employment or for any other employer during an approved leave of absence, except when the leave is for military or public service or when the Company has approved the employment under its Outside Employment policy and the employee's reason for FMLA leave does not preclude the outside employment.

Military Leave

Star supports the military obligations of all employees and grants leaves for uniformed service in accordance with applicable federal and state laws. Any employee who needs time off for uniformed service should immediately notify the Human Resources department and his or her supervisor, who will provide details regarding the leave. If an employee is unable to provide notice before leaving for uniformed service, a family member should notify the supervisor as soon as possible.

Bereavement Leave

Employees with more than 3 months' service may take up to 3 days of unpaid bereavement leave upon the death of a member of their immediate family. "Immediate family members" are defined as an employee's spouse, domestic partner, parents, stepparents, siblings, children, stepchildren, grandparent, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandchild, or a person who is legally acting in one of these capacities. All regular, full-time employees may take up to one (1) day off without pay to attend the funeral of an extended family member (aunts, uncles, and cousins).

The company may require verification of the need for the leave. The employee's supervisor and Human Resources will consider this time off on a case-by-case basis.

Jury Duty/Court Appearance

The company supports employees in their civic duty to serve on a jury. Employees must present any summons to jury duty to their supervisor as soon as possible after receiving the notice to allow advance planning for an employee's absence.

A regular full-time employee called to jury duty shall notify his or her supervisor in advance and will be excused from his or her work to report to his duty. If not selected as a juror, the employee

shall return to work without delay. If the employee is selected as a juror, he or she shall call his or her supervisor as soon as possible and inform him or her of the employee being selected as a juror. The employee can use all accumulated vacation, sick, personal days and/or unpaid leave of absence.

Time Off for Voting

Star recognizes that voting is a right and privilege of being a citizen of the United States and encourages employees to exercise their right to vote. In almost all cases, employees will have sufficient time outside working hours to vote. If for any reason an employee thinks this won't be the case, they can contact their supervisor to discuss scheduling accommodations.

Employee Benefits

Star recognizes the value of benefits to employees and their families. The company supports employees by offering a comprehensive and competitive benefits program. For more information regarding benefit programs, please refer to the company Summary Plan Descriptions (SPD), which are found at www.stacarhr.com, or contact the Human Resources department. To the extent of the information provided here conflicts with the SPD or full plan document, the full plan document will control.

Benefits Eligibility

After the first 90 days of employment, employees will become eligible for Company benefits (with the exception of 401k, vacation and holiday pay for which an employee becomes eligible the of the first anniversary date of employment).

Medical, Dental, and Vision Insurance

Full-time employees working 30 hours or more per week are eligible for insurance on the first of the month following 30 days of service. To keep coverage in force, every insured employee must work a minimum of 30 hours per week. Employees have the opportunity to enroll in Health, Dental, and Vision insurance after working full time for 90 consecutive days. Employees reserve the right to decline insurance however should they want to enroll in any insurance at a later date they must either wait until Open Enrollment or have proof of a qualifying life event.

401(k) Plan

Star recognizes the importance of saving for retirement and offers eligible employees a 401(k) plan after one year of continuous employment. The company will match up to 1%.

Eligibility, vesting, and all other matters relating to these plans are explained in the onboarding insurance packet that can be obtained from Human Resources.

Employee Purchases

Employees are able to receive discounts on parts, labor and apparel but do not pertain to insurance work, specials or coupon offers. Regarding work done in our service department or body shop: There will be a 20% discount on our published labor rate and 10% over cost on parts.

Star encourages our employees to purchase Star Pre-owned or New GM vehicles. All purchases must be approved by the dealer or General Manager. Some vehicles may be excluded. A pre-owned vehicle can be purchased for \$500. over inventory cost if the vehicle has been in inventory 75 days or more, \$750. over from 46 to 75 days, and \$1000. over for a vehicle up to 45 days. The bank rate for auto loans for employees will be at 1% over our dealer discount rate and service agreements can be purchased at \$300. over our cost. A new GM vehicle can be purchased under the GM dealer employee purchase program guidelines. Some vehicles may be excluded or offered at fair market value.

Workers' Compensation

Workers' compensation is a "no-fault" system that provides compensation for medical expenses and wage losses to employees who are injured or who become ill because of employment. Star pays the entire cost of workers' compensation insurance. The insurance provides coverage for related medical and rehabilitation expenses and a portion of lost wages to employees who sustain an injury on the job.

The company abides by all applicable state workers' compensation laws and regulations. If an employee sustains a job-related injury or illness, it is important to notify the supervisor and Human Resources immediately. The supervisor will complete an injury report with input from the employee and return the form to the Human Resources department. Human Resources will file the claim with the insurance company. In cases of true medical emergencies, report to the nearest emergency room.

Workers' compensation benefits (paid or unpaid) will run concurrently with FMLA leave, if applicable, where permitted by state and federal law. In addition, employees will not be paid vacation or sick leave for approved absences covered by the company's workers' compensation program, except to supplement the workers' compensation benefits such as when the plan only covers a portion of the employee's salary as allowed by state law.

The only way to keep our cost under control is for every employee to work safely and follow all rules and regulations. The leading injury in the workplace is back injuries. As much as possible we wish to eliminate the need to lift heavy objects and to use proper technique and equipment at all time. Training in how to prevent injuries is included in orientation including specific training on how to prevent back injuries. Star takes our employees safety very seriously. Any employee who violates safety rules will be subject to discipline up to and including termination.

For more information regarding Workers' Compensation and how to submit a claim, see the HR manager.



Holly Landis Jarrett – Owner/Dealer – Star Buick GMC Cadillac (Quakertown)

EMPLOYEE HANDBOOK ACKNOWLEDGMENT AND RECEIPT

I hereby acknowledge receipt of the employee handbook of Star. I understand and agree that it is my responsibility to read and comply with the policies in the handbook.

I understand that the handbook and all other written and oral materials provided to me are intended for informational purposes only. Neither it, company practices, nor other communications create an employment contract or term. I understand that the policies and benefits, both in the handbook and those communicated to me in any other fashion, are subject to interpretation, review, removal, and change by management at any time without notice.

I further understand that I am an at-will employee and that neither this document nor any other communication shall bind the company to employ me now or hereafter and that my employment may be terminated by me or the company without reason at any time. I understand that no representative of the company has any authority to enter into any agreement for employment for any specified period of time or to assure any other personnel action or to assure any benefits or terms or conditions of employment or make any agreement contrary to the foregoing.

I also understand and agree that this agreement may not be modified orally and that only the president of the company may make a commitment for employment. I also understand that if such an agreement is made, it must be in writing and signed by the president of the company.

Employee's Name in Print

Signature of Employee

Date Signed by Employee

Witness: R. Grow or J. Friedman (StarCarHR Department)

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE

Revision Date: **August 17, 2018** ©StarCarHR

