



COMPANY HANDBOOK

**SECURITY AUTO SALES, INC
DBA SECURITY DODGE CHRYSLER JEEP
RAM GEM 345 MERRICK ROAD
AMITYVILLE, NY 11701**

**PARTS WAREHOUSE
LOCATION 16
SPRAGUE AVE
AMITYVILLE, NY 11701**

Should there be a conflict with the statements in this Employee Manual and regulations of the State of New York or the United States, governmental regulations take precedence.

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Welcome to Security Dodge Chrysler Jeep Ram!

We are very happy to welcome you to Security Dodge Chrysler Jeep Ram Gem which may be referred to as the "Company" or Security DCJR throughout this manual. Thank you for joining us! We want you to feel that your association with Security Dodge Chrysler Jeep will be a mutually beneficial and pleasant one.

You have joined an organization that has established an outstanding reputation for quality products/services. Credit for this goes to every one of our employees. We hope you, too, will find satisfaction and take pride in your work here.

This Manual provides answers to most of the questions you may have about Security Dodge Chrysler Jeep Ram Gem's benefit programs, as well as the Company policies and procedures we abide by - our responsibilities to you and your responsibilities to Security Dodge Chrysler Jeep Ram Gem. If anything is unclear, please discuss the matter with your manager. You are responsible for reading and understanding this Employee Manual, and your performance evaluations will reflect your adherence to Security Dodge Chrysler Jeep Ram Gem policies. In addition to clarifying responsibilities, we hope this Employee Manual also gives you an indication of Security Dodge Chrysler Jeep's interest in the welfare of all who work here.

Compensation and personal satisfaction gained from doing a job well are only some of the reasons most people work. Most likely, many other factors count among your reasons for working: pleasant relationships, good working conditions, career development, and promotion opportunities. Security Dodge Chrysler Jeep Ram Gem, is committed to doing its part to assure you of a satisfying work experience.

I extend to you my personal best wishes for your success and happiness at Security Dodge Chrysler Jeep Ram Gem.

Sincerely,

The Vigorito Family

SECTION 1: INTRODUCTION

This handbook is a summary of our personnel policies, plans, and benefits and the procedures we have developed to implement them. It is given to you for your information; **it is not a contract and it is not meant to impose any legal obligation upon either you or Security Dodge Chrysler Jeep Ram** (the "Dealership"). The Dealership may amend or terminate at any time the policies, plans and benefits described in this handbook as our business needs and experience dictate. Any changes will supersede the contents of this handbook. Updates to this handbook will be issued when necessary to describe any changes in the plans or policies.

Among the several advantages that this employee handbook provides is to foster a greater understanding of several complicated and potentially troublesome employment issues. Areas of particular concern involve sexual harassment, family and medical leave, and workers' compensation.

This handbook is also designed to communicate the Dealership's policy against discrimination and harassment, including sexual harassment. **Security Dodge Chrysler Jeep Ram strongly disapproves of any form of harassment.** As discussed in the following pages, the Dealership is committed to providing a work environment that is free of unlawful harassment. Similarly, this handbook is meant to communicate the Dealership's policies regarding family and medical leave. Specifically, the handbook notifies "eligible" employees as to their right, for instance, to take up to twelve (12) unpaid workweeks of leave for one or more reasons such as to care for an ailing spouse or to care for a newborn child. The handbook also defines the Dealership's other obligations under the Family and Medical Leave Act (the "FMLA") such as to maintain an eligible employee under existing health plans during the period of leave and to notify promptly each eligible employee as to whether their requested medical leave will be designated as FMLA leave. Finally, the handbook provides information as to workers' compensation in order to ensure that you are aware of your rights to workers' compensation in the event that you are injured on the job.

In addition to such specific policies, the employee handbook details general work rules, benefits and compensation schemes, as well as other information relevant to your employment. This general guidance is meant to promote a healthy, productive and comfortable working environment.

More complete descriptions of the Dealership's employee benefits are found in the summary plan description and other materials provided directly from the benefit providers, copies of which are available from the Office Manager. If information in this handbook contradicts information in the summary plan, the summary plan shall govern in all cases as to all terms and conditions, rights and obligations.

The policies in this manual apply to both unionized and non-unionized employees. However, where the collective bargaining agreement (CBA) differs from, and/or conflicts with, the policies listed in this manual, the CBA shall control.

SECTION 2: EQUAL EMPLOYMENT OPPORTUNITY, HARASSMENT & SEXUAL HARASSMENT

EQUAL EMPLOYMENT OPPORTUNITY

The Dealership is committed to a policy of equal employment opportunity for applicants and employees. It is our policy that all employees and applicants for employment shall be treated in a manner free of discrimination regarding race, creed, color, religion, sex (including pregnancy, childbirth and related medical conditions), national origin, ancestry, age, physical disability, mental disability, medical condition, family care status, veteran or military status, marital status, domestic violence victim status, genetic predisposition or carrier status, or sexual orientation, or any other basis prohibited by or required by law. The law also prohibits discrimination against nursing mothers who need time while at work to express milk as well as against certain employees who take time off from work to donate blood. This policy covers, but is not limited to, recruitment, employment, testing, working conditions, training programs, promotions, transfers, layoff, terminations, discipline, rates of pay, and all other conditions and terms of employment.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of the Human Resources department. Employees can raise concerns and make reports without fear of retaliation. The Dealership will ensure that no employee is retaliated against for making any good-faith complaint or for cooperating in the investigation of a complaint under this policy. Employees found to have made a malicious report are subject to disciplinary action, up to and including termination. Any employee found to have retaliated against a complaining employee will be subject to disciplinary action, up to and including termination. Every effort will be made to maintain the confidentiality of the matter consistent with the Dealership's need to thoroughly investigate the allegations. Complete confidentiality cannot however be guaranteed. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Furthermore, the Dealership complies with the Americans with Disabilities Act (ADA), the ADA Amendments Act of 2008, and applicable state and local laws providing for nondiscrimination in employment against qualified individuals with disabilities. It is committed to providing equal employment opportunities for all qualified people, including those with physical or mental disabilities. Upon proper request from a qualified individual with a disability, the Dealership will engage in the interactive process designed to determine whether the Dealership is able to provide reasonable accommodations to allow the individual to perform the essential functions of the position, without an undue hardship on the Dealership.

Any applicant or employee who requires a reasonable accommodation in order to perform the essential functions of the job should contact the Human Resources Department and request such an accommodation. In determining the nature of the disability and what, if any, reasonable accommodations are available, the Dealership may request that the employee undergo an exam(s) by the Dealership's own physician(s). All medical information the Dealership obtains about an employee or applicant will be treated as confidential in accordance with the ADA and related federal and state laws.

IMMIGRATION REFORM AND CONTROL ACT OF 1986

The Dealership is committed to full compliance with the federal immigration laws and will not knowingly hire or continue to employ anyone who does not have the legal right to work in the United States. As an ongoing condition of employment, you will be required to provide documentation verifying your identity and legal authority to work in the United States. Federal law requires that the Dealership, have a form I-9 on file for all employees. If you cannot verify your right to work in the United States within three (3) days of hire, the Dealership is required by law to terminate your employment.

SEXUAL HARASSMENT POLICY**Introduction**

The Dealership is committed to maintaining a workplace free from sexual harassment. Sexual harassment is a form of workplace discrimination. All employees are required to work in a manner that prevents sexual harassment in the workplace. This Policy is one component of the Dealership's commitment to a discrimination-free work environment. Sexual harassment is against the law and all employees have a legal right to a workplace free from sexual harassment and employees are urged to report sexual harassment by filing a complaint internally with your immediate supervisor, or the Human Resources Department. Employees can also file a complaint with a government agency or in court under federal, state or local antidiscrimination laws.

The Dealership's policy applies to all employees, applicants for employment, interns, whether paid or unpaid, contractors and persons conducting business, regardless of immigration status, with the Dealership. In the remainder of this document, the term "employees" refers to this collective group.

Sexual harassment will not be tolerated. Any employee or individual covered by this policy who engages in sexual harassment or retaliation will be subject to remedial and/or disciplinary action (e.g., counseling, suspension, termination).

Retaliation Prohibition: No person covered by this Policy shall be subject to adverse action because the employee reports an incident of sexual harassment, provides information, or otherwise assists in any investigation of a sexual harassment complaint. The Dealership will not tolerate such retaliation against anyone who, in good faith, reports or provides information about suspected sexual harassment. Any employee of the Dealership who retaliates against anyone involved in a sexual harassment investigation will be subjected to disciplinary action, up to and including termination. All employees, paid or unpaid interns, or non-employees working in the workplace who believe they have been subject to such retaliation should inform a supervisor, or the Human Resources Department. All employees, paid or unpaid interns or non-employees who believe they have been a target of such retaliation may also seek relief in other available forums, as explained below.

Sexual harassment is offensive, is a violation of our policies, is unlawful, and may subject the Dealership to liability for harm to targets of sexual harassment. Harassers may also be

individually subject to liability. Employees of every level who engage in sexual harassment, including managers and supervisors who engage in sexual harassment or who allow such behavior to continue, will be penalized for such misconduct.

The Dealership will conduct a prompt and thorough investigation that ensures due process for all parties, whenever management receives a complaint about sexual harassment, or otherwise knows of possible sexual harassment occurring. The Dealership will keep the investigation confidential to the extent possible. Effective corrective action will be taken whenever sexual harassment is found to have occurred. All employees, including managers and supervisors, are required to cooperate with any internal investigation of sexual harassment.

All employees are encouraged to report any harassment or behaviors that violate this policy. The Dealership will provide all employees a complaint form for employees to report harassment and file complaints.

Managers and supervisors are required to report any complaint that they receive, or any harassment that they observe or become aware of, to the Human Resources Department.

This policy applies to all employees, paid or unpaid interns, and non-employees and all must follow and uphold this policy. This policy must be provided to all employees and should be posted prominently in all work locations to the extent practicable (for example, in a main office, not an offsite work location) and be provided to employees upon hiring.

What Is “Sexual Harassment”?

Sexual harassment is a form of sex discrimination and is unlawful under federal, state, and (where applicable) local law. Sexual harassment includes harassment on the basis of sex, sexual orientation, self-identified or perceived sex, gender expression, gender identity and the status of being transgender.

Sexual harassment includes unwelcome conduct which is either of a sexual nature, or which is directed at an individual because of that individual’s sex when:

- 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, even if the reporting individual is not the intended target of the sexual harassment;
- Such conduct is made either explicitly or implicitly a term or condition of employment;
- or
- Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual’s employment.

A sexually harassing hostile work environment includes, but is not limited to, words, signs, jokes, pranks, intimidation or physical violence which are of a sexual nature, or which are directed at an individual because of that individual’s sex. Sexual harassment also consists of any unwanted verbal or physical advances, sexually explicit derogatory statements or sexually discriminatory remarks made by someone which are offensive or objectionable to the recipient,

which cause the recipient discomfort or humiliation, which interfere with the recipient's job performance.

Sexual harassment also occurs when a person in authority tries to trade job benefits for sexual favors. This can include hiring, promotion, continued employment or any other terms, conditions or privileges of employment. This is also called "quid pro quo" harassment.

Any employee who feels harassed should report so that any violation of this policy can be corrected promptly. Any harassing conduct, even a single incident, can be addressed under this policy.

Examples of sexual harassment

The following describes some of the types of acts that may be unlawful sexual harassment and that are strictly prohibited:

Physical acts of a sexual nature, such as:

- Touching, pinching, patting, kissing, hugging, grabbing, brushing against another employee's body or poking another employee's body;
- Rape, sexual battery, molestation or attempts to commit these assaults.

Unwanted sexual advances or propositions, such as:

- Requests for sexual favors accompanied by implied or overt threats concerning the target's job performance evaluation, a promotion or other job benefits or detriments;
- Subtle or obvious pressure for unwelcome sexual activities.
- Sexually oriented gestures, noises, remarks or jokes, or comments about a person's sexuality or sexual experience, which create a hostile work environment.
- Sex stereotyping occurs when conduct or personality traits are considered inappropriate simply because they may not conform to other people's ideas or perceptions about how individuals of a particular sex should act or look.

Sexual or discriminatory displays or publications anywhere in the workplace, such as:

- Displaying pictures, posters, calendars, graffiti, objects, promotional material, reading materials or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace.

Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity and the status of being transgender, such as:

- Interfering with, destroying or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
- Sabotaging an individual's work;
- Bullying, yelling, name-calling.

Who can be a target of sexual harassment?

Sexual harassment can occur between any individuals, regardless of their sex or gender. New York Law protects employees, paid or unpaid interns, and non-employees, including independent contractors, and those employed by companies contracting to provide services in the workplace. Harassers can be a superior, a subordinate, a coworker or anyone in the workplace including an independent contractor, contract worker, vendor, client, customer or visitor.

Where can sexual harassment occur?

Unlawful sexual harassment is not limited to the physical workplace itself. It can occur while employees are traveling for business or at employer sponsored events or parties. Calls, texts, emails, and social media usage by employees can constitute unlawful workplace harassment, even if they occur away from the workplace premises, on personal devices or during non-work hours.

Retaliation

Unlawful retaliation can be any action that could discourage a worker from coming forward to make or support a sexual harassment claim. Adverse action need not be job-related or occur in the workplace to constitute unlawful retaliation (e.g., threats of physical violence outside of work hours).

Such retaliation is unlawful under federal, state, and (where applicable) local law. The New York State Human Rights Law protects any individual who has engaged in “protected activity.” Protected activity occurs when a person has:

- made a complaint of sexual harassment, either internally or with any anti-discrimination agency;
- testified or assisted in a proceeding involving sexual harassment under the Human Rights Law or other anti-discrimination law;
- opposed sexual harassment by making a verbal or informal complaint to management, or by simply informing a supervisor or manager of harassment;
- reported that another employee has been sexually harassed; or
- encouraged a fellow employee to report harassment.

Even if the alleged harassment does not turn out to rise to the level of a violation of law, the individual is protected from retaliation if the person had a good faith belief that the practices were unlawful. However, the retaliation provision is not intended to protect persons making intentionally false charges of harassment.

Reporting Sexual Harassment

Preventing sexual harassment is everyone’s responsibility. The Dealership cannot prevent or remedy sexual harassment unless it knows about it. Any employee, paid or unpaid intern or non-employee who has been subjected to behavior that may constitute sexual harassment is encouraged to report such behavior to a supervisor, manager, or the Human Resources Department. Anyone who witnesses or becomes aware of potential instances of sexual

harassment should report such behavior to a supervisor, manager, or the Human Resources Department.

Reports of sexual harassment may be made verbally or in writing. A form for submission of a written complaint is attached to this Policy, and all employees are encouraged to use this complaint form. Employees who are reporting sexual harassment on behalf of other employees should use the complaint form and note that it is on another employee's behalf.

Employees, paid or unpaid interns or non-employees who believe they have been a target of sexual harassment may also seek assistance in other available forums, as explained below.

Supervisory Responsibilities

All supervisors and managers who receive a complaint or information about suspected sexual harassment, observe what may be sexually harassing behavior or for any reason suspect that sexual harassment is occurring, are required to report such suspected sexual harassment to the Human Resources Department.

In addition to being subject to discipline if they engaged in sexually harassing conduct themselves, supervisors and managers will be subject to discipline for failing to report suspected sexual harassment or otherwise knowingly allowing sexual harassment to continue.

Supervisors and managers will also be subject to discipline for engaging in any retaliation.

Complaint and Investigation of Sexual Harassment

All complaints or information about sexual harassment will be investigated, whether that information was reported in verbal or written form. Investigations will be conducted in a timely manner, and will be confidential to the extent possible.

An investigation of any complaint, information or knowledge of suspected sexual harassment will be prompt and thorough, commenced immediately and completed as soon as possible. The investigation will be kept confidential to the extent possible. All persons involved, including complainants, witnesses and alleged harassers will be accorded due process, as outlined below, to protect their rights to a fair and impartial investigation.

Any employee may be required to cooperate as needed in an investigation of suspected sexual harassment. The Dealership will not tolerate retaliation against employees who file complaints, support another's complaint or participate in an investigation regarding a violation of this policy.

While the process may vary from case to case, investigations should be done in accordance with the following steps:

- Upon receipt of complaint, [person or office designated] will conduct an immediate review of the allegations, and take any interim actions (e.g., instructing the respondent to refrain from communications with the complainant), as appropriate. If

- complaint is verbal, encourage the individual to complete the “Complaint Form” in writing. If he or she refuses, prepare a Complaint Form based on the verbal reporting.
- If documents, emails or phone records are relevant to the investigation, take steps to obtain and preserve them.
 - Request and review all relevant documents, including all electronic communications.
 - Interview all parties involved, including any relevant witnesses;
 - Create a written documentation of the investigation (such as a letter, memo or email), which contains the following:
 - A list of all documents reviewed, along with a detailed summary of relevant documents;
 - A list of names of those interviewed, along with a detailed summary of their statements;
 - A timeline of events;
 - A summary of prior relevant incidents, reported or unreported; and
 - The basis for the decision and final resolution of the complaint, together with any corrective action(s).
 - Keep the written documentation and associated documents in a secure and confidential location.
 - Promptly notify the individual who reported and the individual(s) about whom the complaint was made of the final determination and implement any corrective actions identified in the written document.
 - Inform the individual who reported of the right to file a complaint or charge externally as outlined in the next section.

Legal Protections and External Remedies

Sexual harassment is not only prohibited by the Dealership but is also prohibited by state, federal, and, where applicable, local law.

Aside from the internal process at the Dealership, employees may also choose to pursue legal remedies with the following governmental entities. While a private attorney is not required to file a complaint with a governmental agency, you may seek the legal advice of an attorney.

In addition to those outlined below, employees in certain industries may have additional legal protections.

State Human Rights Law (HRL)

The Human Rights Law (HRL), codified as N.Y. Executive Law, art. 15, § 290 et seq., applies to all employers in New York State with regard to sexual harassment, and protects employees, paid or unpaid interns and non-employees, regardless of immigration status. A complaint alleging violation of the Human Rights Law may be filed either with the Division of Human Rights (DHR) or in New York State Supreme Court.

Complaints with DHR may be filed any time within one year of the harassment. If an individual did not file at DHR, they can sue directly in state court under the HRL, within three years of the

alleged sexual harassment. An individual may not file with DHR if they have already filed a HRL complaint in state court.

Complaining internally to the Dealership does not extend your time to file with DHR or in court. The one year or three years is counted from date of the most recent incident of harassment.

You do not need an attorney to file a complaint with DHR, and there is no cost to file with DHR.

DHR will investigate your complaint and determine whether there is probable cause to believe that sexual harassment has occurred. Probable cause cases are forwarded to a public hearing before an administrative law judge. If sexual harassment is found after a hearing, DHR has the power to award relief, which varies but may include requiring your employer to take action to stop the harassment, or redress the damage caused, including paying of monetary damages, attorney's fees and civil fines.

DHR's main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458. You may call (718) 741-8400 or visit: www.dhr.ny.gov.

Contact DHR at (888) 392-3644 or visit dhr.ny.gov/complaint for more information about filing a complaint. The website has a complaint form that can be downloaded, filled out, notarized and mailed to DHR. The website also contains contact information for DHR's regional offices across New York State.

Civil Rights Act of 1964

The United States Equal Employment Opportunity Commission (EEOC) enforces federal anti-discrimination laws, including Title VII of the 1964 federal Civil Rights Act (codified as 42 U.S.C. § 2000e et seq.). An individual can file a complaint with the EEOC anytime within 300 days from the harassment. There is no cost to file a complaint with the EEOC. The EEOC will investigate the complaint, and determine whether there is reasonable cause to believe that discrimination has occurred, at which point the EEOC will issue a Right to Sue letter permitting the individual to file a complaint in federal court.

The EEOC does not hold hearings or award relief, but may take other action including pursuing cases in federal court on behalf of complaining parties. Federal courts may award remedies if discrimination is found to have occurred. In general, private employers must have at least 15 employees to come within the jurisdiction of the EEOC.

An employee alleging discrimination at work can file a "Charge of Discrimination." The EEOC has district, area, and field offices where complaints can be filed. Contact the EEOC by calling 1-800-669-4000 (TTY: 1-800-669-6820), visiting their website at www.eeoc.gov or via email at info@eeoc.gov.

If an individual filed an administrative complaint with DHR, DHR will file the complaint with the EEOC to preserve the right to proceed in federal court.

Local Protections

Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city or town in which they live to find out if such a law exists. For example, employees who work in New York City may file complaints of sexual harassment with the New York City Commission on Human Rights. Contact their main office at Law Enforcement Bureau of the NYC Commission on Human Rights, 40 Rector Street, 10th Floor, New York, New York; call 311 or (212) 306-7450; or visit www.nyc.gov/html/cchr/html/home/home.shtml.

Contact the Local Police Department

If the harassment involves unwanted physical touching, coerced physical confinement or coerced sex acts, the conduct may constitute a crime. Contact the local police department. It is the policy of this Dealership that all employees shall have the right to work in an environment free from any form Sexual and other Unlawful Harassment.

NON-DISCRIMINATION OF REPRODUCTIVE RIGHTS

Notice of Rights and Remedies

It is the Dealership's policy to prohibit discrimination against an individual's and their dependent's reproductive health decisions including but not limited to the decision to use or access a particular drug, device or medical service. This prohibition applies to the following:

- Accessing an employee's personal information regarding the employee's (or the employee's dependent's) reproductive health decisions, without the employee's prior informed affirmative written consent.
- Discriminating or taking any retaliatory personnel action against an employee with respect to compensation, terms, conditions or privileges of employment because of or based on the employee's (of the employee's dependent's) reproductive health decisions; or
- Requiring an employee to sign a waiver or other document that purports to deny employees the right to make their own reproductive health care decision.

No employee will be subjected to discrimination, retaliation, intimidation or disciplinary action as a result of making or threatening to make a complaint to an employer, a coworker or to a public body or for instituting a proceeding and providing information to or testifying before any public body conducting an investigation, hearing or inquiry into any such violation. Retaliation is defined as discharging, suspending, demoting or otherwise penalizing.

Any employee who believes these rights have been violated may bring a civil action, in which they may be:

- Awarded damages including, but not limited to, back pay, benefits, reasonable attorneys' fees and costs;
- Given injunctive relief;

- Reinstated;
- Awarded liquidated damages equal to 100% of their other damages.

The Dealership is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Dealership expects that all relationships among persons in the workplace will be business-like, free of bias, prejudice, discrimination and harassment.

Employee Relationships

SECURITY AUTO SALES INC. ("Company") desires to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism, possible claims of sexual harassment, and employee morale and dissension problems that may result from romantic relationships amongst employees in the Company. In order to minimize the risks of conflicts of interest and promote fairness, the Company maintains the following policy with respect to romance in the workplace:

All romantic or dating relationships between employees are prohibited.

Employees in violation of this policy may be subject to disciplinary action, up to and including termination of employment.

Prior Employee Relationships

A supervisor or manager who has had a previous romantic or dating relationship with a subordinate or employee whose terms and conditions he or she may influence will not be involved in decisions relating to that individual's promotions, raises, termination, or other terms and conditions of employment. Any supervisor or manager who has been involved in a previous romantic or dating relationship covered by this section shall promptly report such relationship to your Department Manager :

Policy Protocols and Consequences

All employees engaged in a romantic or dating relationship are required to notify Human Resources. Employees in violation of this policy may be subject to disciplinary action, up to and including termination of employment.

Discretion and Non-Discrimination

SECURITY AUTO SALES INC retains discretion in its enforcement of this policy. Decisions made under this policy will be made based on operational and business reasons and without regard to sex (including pregnancy), gender identity or expression (including status as a transgender individual), sexual orientation (including actual or perceived heterosexuality, homosexuality, bisexuality, and asexuality), gender, race, color, religion, creed, age (40 and over), national origin (including ancestry), ancestry, citizenship status, marital status, familial status (including any person who is pregnant, has a child, or is in the process of securing legal custody of an individual under 18 years of age), victim of domestic violence status, physical or mental disability (including gender dysphoria and similar gender-related conditions), military service or application, predisposing genetic characteristics, genetic information, association or relationship with a member of a protected class, or any other protected characteristic under federal, state, or local law.

Employees Covered Under a Collective Bargaining Agreement

The employment terms set out in this policy work in conjunction with, and do not replace, amend, or supplement any terms or conditions of employment stated in any collective bargaining agreement that a union has with SECURITY AUTO SALES INC. Employees should consult the terms of their collective

bargaining agreement. Wherever employment terms in this policy differ from the terms expressed in the applicable collective bargaining agreement with employees should refer to the specific terms of the collective bargaining agreement, which will control.

Conduct Not Prohibited by This Policy

This policy is not intended to preclude or dissuade employees from engaging in legally protected activities/activities protected by state or federal law, including the National Labor Relations Act, such as discussing wages, benefits, or terms and conditions of employment, forming, joining, or supporting labor unions, bargaining collectively through representatives of their choosing, raising complaints about working conditions for their and their fellow employees' mutual aid or protection or legally required activities.

Additionally, this policy is not intended to restrict communications or actions protected or required by local, state or federal law.

SECTION 3: ORIENTATION PERIOD

EMPLOYMENT RELATIONSHIP

All employees have the right to terminate their employment at any time, subject to the notification requirements set forth in this handbook, and the Dealership retains a similar right to terminate the employment relationship at any time, with or without cause or with or without notice. The use of an orientation period and the distinction between employees serving their orientation is not intended to state, imply or change the status of any employee to anything other than that of an "at-will" employee. Rather, such distinctions are used to differentiate those employees who are entitled to fringe benefits (Regular Employees) from those serving their orientation period, who are not.

ORIENTATION PERIOD

All new and rehired employees serve a 90-day orientation period. The orientation period gives an employee's immediate supervisor the opportunity to assess the employee's ability to perform the assigned duties of his/her position. In addition, it also provides the employee an opportunity to determine whether he/she is satisfied with the position.

ORIENTATION GUIDELINES

The Dealership has outlined the following guidelines that will govern an employee's orientation period. They are:

1. As is true of all employees, employment may be terminated at any time and for any reason should such termination be deemed necessary by the employee or the Dealership.
2. Upon the completion of the orientation period, an evaluation will be performed by the immediate supervisor to determine whether the employee will continue to be employed. Successful completion of the orientation does not alter the at-will nature of the employment. The employee or the employer may terminate the relationship at any time, for any reason, with or without notice.
3. An employee's orientation period can be extended an additional 30 days in addition to the original 90 days.

During the orientation period an employee is not entitled to any fringe benefit, except as otherwise indicated in this handbook.

SECTION 4: CATEGORIES OF EMPLOYMENT

Successful completion of the orientation period and subsequent employment classification does not result in a guarantee of employment or alter the status of an employee as an "at will" employee. Instead, employees who successfully complete their orientation period will be classified as one of the following:

REGULAR FULL-TIME

The Patient Protection and Affordable Care Act defines a full-time employee as an employee, who works 30 hours or more in the workweek, on a regular basis, thus, for purposes of health insurance benefits, a full-time employee is one who works 30 hours or more in a workweek on a regular basis. For all other purposes, a full-time employee is an employee who works 40 hours or more per week, 5 days per week or more and 8 hours or more in a workweek on a regular basis. These employees are entitled to health insurance and other benefits as described in this handbook.

PART-TIME

Employees who are regularly scheduled to work less than 40 hours per week, work less than 5 days per week and less than 8 hours per day are considered part-time employees and may not be entitled to health insurance and other benefits. Employees in this category should check with the Office Manager to determine their benefits.

TEMPORARY

Employees who work full-time or part-time on a temporary basis, for a specified period or for a specific task (such as an individual hired to replace a regular employee who is on medical leave of absence) are considered temporary employees. These temporary employees are not entitled to health insurance and other benefits.

SECTION 5: GENERAL EMPLOYMENT POLICIES

In order to make our employees aware of Dealership personnel policies and practices, we have instituted the following notice procedures. Communications to employees will be performed in one or more of the following ways:

- a) This handbook;
- b) Oral communication between supervisors and employees;
- c) Distribution of policies and practices through posting of policies and practices on the employee bulletin board or distribution by supervisors; and
- d) Direct mailing to the employee's home address.

By these means, the Dealership will keep employees informed of changes, revisions and/or the establishment of policies.

Notwithstanding the above, any change in policy in any matter which is covered in this Handbook will be made in writing and distributed to employees. In the event that a change is needed to address an emergency circumstance, such may be communicated orally by a supervisor and written changes will be distributed as soon as is practicable under the circumstances.

CHANGES IN EMPLOYMENT INFORMATION

We need to maintain up-to-date information about you so we would be able to aid you and/or your family in matters of personal emergency. It is the responsibility of the employee to notify the Office Manager as soon as possible of any changes in employment information such as name, address, telephone number, benefit status, emergency contact person, resignation, etc. All changes must be submitted in writing to the employee's immediate supervisor. This information will then be forwarded to the appropriate department.

CELL PHONES & ELECTRONIC COMMUNICATIONS

The personal use of cell phones in the office or on the business premises for non-emergency purposes during business hours is prohibited. Employees must obtain permission from their supervisors before using cell phones for non-emergency purposes. Employees are prohibited from using cell phones for business purposes outside of their scheduled working hours.

The approved use of cell phones during scheduled business hours for personal reasons is limited to important and/or emergency calls, texts and Internet use. Employees may use their cell phones only during scheduled breaks or after work hours. Use of cell phone includes but is not limited to; calls, texts, Internet sites and social media applications. Under no circumstances should cell phones or other mobile devices be used when driving on company time or in a company vehicle. Employees are to pull to the side of the road or use a hands-free device when driving.

The Employer reserves the right to monitor your electronic communications on employer owned equipment. The term electronic communications include, but is not limited to, e-mail, texting, instant messaging, applications, social media, Internet/World Wide Web, voice mail, and related

equipment. Your electronic communications are considered the property of the Employer and there is no expectation of privacy. Therefore, the Employer reserves the right to monitor, access, retrieve, read and disclose either inadvertently or for legitimate business purposes all electronic communications.

As there is no expectation of privacy regarding electronic communications, the Employer prohibits you from uploading, downloading, or otherwise transmitting highly confidential, private or proprietary information or materials without Company authorization; using the Company's systems to gain unauthorized access to or to damage, alter, or disrupt remote computers or other systems; using someone else's password without authorization; disclosing anyone's code or password without authorization; enabling unauthorized third parties to have access to or use of the Employer's systems; jeopardizing the security of the Company's systems; opening electronic communications; or using the Company's systems for illegal activities.

Notwithstanding anything herein to the contrary this policy does not limit any rights, or prohibit any conduct, afforded to employees under Section 7 of the NLRA.

For purposes of this policy, the Dealership considers cell phone usage to include any means of communication via personal cell phone (e.g., text messaging).

This policy will be strictly enforced and may result in disciplinary action up to and including termination. Use of social media, Internet, or other media, whether through the use of a cell phone, iPad or other device is prohibited during work hours.

TELEPHONE CALLS

The Dealership's phone lines must be kept open for business use only. Incoming personal telephone calls should be postponed until breaks or lunch. If the call is an emergency, you will be contacted and the call may be taken at the nearest phone. Otherwise, a message will be taken. There shall be no outgoing personal phone calls from Dealership phones. Unauthorized use of a Dealership phone is regarded as theft and is grounds for dismissal.

SOLICITATION/DISTRIBUTION POLICY

To ensure the efficient operation of our business and to prevent interference with work and inconvenience to others, employees may not distribute literature or printed material of any kind, sell merchandise, solicit financial contributions, or solicit for any other cause or purpose during their own working time. Employees not on working time (i.e., lunch and rest breaks) may not solicit employees who are on working time. Additionally, non-employees are prohibited from distributing material or soliciting employees on dealership premises at all times.

SEVERE WEATHER

Severe weather is to be expected during the winter months. Although driving at times may be difficult, when caution is exercised, the roads are normally passable. Except for cases of severe storms, we are all expected to work our regular hours. Time taken off due to poor weather conditions must be taken as vacation, a personal day or a sick day.

Employees may not remove retail facility vehicles from the premises during severe weather.

Unless notified by your supervisor, you are to report to work on all regularly scheduled days, regardless of weather conditions. If you are unable to report to work due to weather conditions, you must notify your supervisor as soon as possible.

DEALERSHIP PROPERTY

The unauthorized use of dealership property including, but not limited to, computers, loaner cars, demonstrator vehicles, tools is prohibited. Use of such dealership property may only be authorized by the Dealer Principal or the General Manager. Unauthorized use of such dealership property will subject the employee to disciplinary action and/or termination.

POWER OUTAGES

If the company has a power outage, and the employee comes to work the Exempt employee will be paid only by using a sick or vacation day. The Non-Exempt employee will be paid a minimum of Four hours with no charge to their time.

SECTION 6: CODE OF CONDUCT

The following are examples of some other actions that are violations of our policies and procedures and can result in disciplinary action, up to and including termination of employment. This list is not meant to be all-inclusive and there may be additional actions that can, based on the circumstances, result in disciplinary action, up to and including termination of employment:

- Insubordination
- Unauthorized use or possession of intoxicants or drugs on Dealership premises or reporting to work while under the influence of intoxicants or drugs
- Sleeping on the job or during your work period
- Fighting or threatening behavior towards co-workers or others while on the job
- Willful or careless destruction or damage of Dealership or another's property or equipment
- Unauthorized use or theft of the Dealership's or another person's property
- Unacceptable or inappropriate performance of your job
- Failure to follow safety or operating rules and procedures
- Carrying or possessing weapons of any kind on Dealership property
- Falsification of Dealership records
- Excessive or unexcused absenteeism, tardiness or leaving the job without authorization
- Smoking in "No Smoking" areas
- Failure to participate or cooperate in Dealership investigations
- Failure to advise the Dealership of criminal convictions.
- Harassment of any kind of a co-worker or others
- Unethical behavior

The Dealership may consider an employee's job performance, prior violation(s) of our work rules and other circumstances to determine whether to counsel, warn, suspend or discharge an employee. It is up to the employee's supervisor and Dealership management to decide what corrective action is appropriate.

SECTION 7: COMPENSATION & HOURS OF OPERATION

HOURS OF OPERATION

A normal workweek consists of a seven (7) day period, Monday through Sunday. Operating a 40-hour workweek, the Dealership has instituted a basic eight (8) hour shift, depending on the employee's employment classification as stated earlier. An employee may be required to work various shifts in order to meet the operational needs of the Dealership. Any variation of employee shift is subject to the approval of the employee's immediate supervisor.

ATTENDANCE

It is Dealership policy that employees have a good attendance record. It is imperative that an employee report to work ready, willing and able to perform his/her duties at a designated starting time. Regular and dependable attendance is integral to an effective, efficient and successful operation.

If you are running late, you **MUST** call ahead to your direct manager. Try to see if your co-workers can cover your hours if you will be "out" as well. Text messages and voicemails are not sufficient to cover your lateness or absence. You must speak directly to your manager. Planned time off needs to be pre-approved by both your direct manager and the owner.

LUNCH

All employees will take a lunch period. The lunch period is flexible; however, it should occur on or between the times of 11:00am and 2:00pm. The employee's immediate supervisor will schedule and/or approve an employee's lunch period.

The lunch period must be a for a minimum of 30 minutes and be taken away from one's work station/desk.

OVERTIME

Employees may be required to work overtime on occasion. Employees eligible for overtime compensation will be compensated at a rate of time and a half (1 ½) for those hours over forty (40).

All employees who work overtime must have prior written authorization from their immediate supervisor before working such overtime.

SECTION 8: HOLIDAYS AND LEAVES OF ABSENCE

The Main Office Employees (All Office Employees with the exception of Automotive Billers) will observe the following holidays:

New Year's Day	Thanksgiving Day	Independence Day	Labor Day
Memorial Day	Easter Sunday	Christmas Day	

The Sales Department and affiliated employees (Sales Managers, Sales People, BDC Personnel, Receptionists, Finance & Insurance Managers, Porters, Automotive Billers, Fleet Managers and anyone associated with sales and answers to Gabe) will observe the following holidays:

Easter Sunday	Thanksgiving Day	Christmas Day
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The Service Department & Parts Department (Service & Parts office personnel: Service Managers, Parts Manager, Service Assistants, Advisors, Dispatchers) will observe the following holiday:

New Year's Day	Thanksgiving Day	Independence Day	Labor Day
Memorial Day	Easter Sunday	Christmas Day	

Union Employees will observe the holidays as stated in the Union Contract.

All Receptionists, Lot Attendants and Porters will follow the Sales Department Holiday Schedule.

***Please check with your manager for your hours on the holidays, as they may vary.**

Eligible employees (full-time) receive a paid holiday only if the holiday falls on a day they are normally scheduled to work. Full-time employees are eligible for paid holidays after completing thirty days of employment. If you do not qualify, you may check with management to see if you can come in on the holiday to work, if the business is open and be paid for the day as a normal work day.

Exempt employees will receive holiday pay in compliance with state/federal wage and hour laws. Non-exempt employees must work their scheduled workday.

Holidays on non-work days do not affect an employee. An employee must work the day before and the day after to receive holiday pay (unless a day off has been scheduled and the use of employee vacation has been approved in from their dept manager. Holiday paid time off is not considered time worked.

***Please check with your manager for your hours on the holidays, as they may vary.**

SICK LEAVE

NEW YORK QUARANTINE LEAVE

If an Employee is unable to work due to a mandatory or precautionary order of quarantine or isolation order issued by New York State, New York Department of Health, Local Board of Health or any governmental entity due to COVID-19, he or she is eligible for fourteen (14) paid sick days during the applicable quarantine leave.

Employees shall be paid the amount that the employee would have otherwise received had they been continuing to work for that period.

An employee will not suffer the loss of any other accrued sick leave. Once Quarantine Leave has been exhausted, an employee is eligible to use their paid time off.

This section also applies if an employee needs to provide care for a minor dependent child of an employee who is subject to a mandatory or precautionary order of quarantine or isolation due to COVID-19. An employee is not eligible for Quarantine Leave when:

- Asymptomatic employees who are subject to quarantine or isolation but are able to work remotely;
- Self-isolation or independently quarantine; and
- Subjected to quarantine or isolation orders due to certain foreign travel if travel was unrelated to employment and employees were notified of both the travel health warnings and the Quarantine Leave Law's exclusions before such travel.

NEW YORK PAID SICK AND SAFE TIME

In compliance with New York City's Earned Sick and Safe Time Act, the Dealership provides employees paid time off for the care and treatment of themselves or a family member.

Employees may also use paid time off to handle matters related to their own or a family member's suffering as a victim of domestic violence, sexual assault, stalking, or human trafficking. Employees are eligible to receive fifty-six (56) hours of paid sick time each year. Employees will accrue 1 hour of paid sick time for every thirty (30) hours worked.

Sick leave may be used in increments of four (4) hours and greater. Employees may carry over up to 40 hours of unused sick leave to the next calendar year. Accrued, unused sick leave will not be paid out upon termination of employment.

An employee may use their sick time to:

- a. Care for an employee or employee's family member's mental or physical illness, injury or mental health condition, whether it has been diagnosed or required medical care at the time New York Paid safe and sick leave is requested.

b. For the diagnosis, care or treatment of an employee's or employee's family member's mental or physical illness, injury or health condition or for preventative care;

c. Several qualifying reasons when an employee or the employee's family member has been a victim of domestic violence, a family offense, sexual offense, stalking or human trafficking. Including obtaining services from a domestic violence shelter, rape crisis center or other service programs; participating in safety planning; temporarily or permanently relocating; meeting with an attorney; participating in legal proceedings; enrolling children in a new school; or taking other actions to increase the safety of the employee or employee's family members.

A family member is defined as an employee's child (biological, adopted, foster, a legal ward or a child or an employee standing in loco parentis), spouse, domestic partner, parent (biological, adopted, foster, step-parent, legal guardian, or a person who stood in loco parentis when the employee was a minor child), sibling, grandchild or grandparents, and the child or parent of an employee's spouse or domestic partner.

Employees may request to use their sick leave orally or in writing and will not be required to disclose any confidential information in verifying their sick or safe leave. If the need for sick or safe time is foreseeable, an employee must provide seven (7) days' advance notice. If the need for paid sick time is unforeseeable, then the employees must call their immediate supervisor at least 2 hours prior to their scheduled work day. Failure to call and not show up to work is considered job abandonment and the employee will be disciplined up to and including termination.

Furthermore, employees will be restored to the same position, with the same pay and other terms and conditions of employment, as held prior to their sick leave. Employees shall not be discharged, threatened, penalized, discriminated or retaliated against requesting and using their sick leave.

Employees may request from Dealership a summary of the amount of sick leave accrued and used in the current calendar year and/or any previous calendar year, as applicable. Employees will receive a response within three (3) days of the request.

MILITARY LEAVE

The Dealership grants military leave in accordance with federal and state law.

DISABILITY AND FAMILY AND MEDICAL LEAVE

Disability bled from work for non-work-related reasons (including pregnancy) is entitled to disability benefits

Under New York Law an employee receives for up to 26 weeks. The benefits are calculated based on the employee's wages in the weeks preceding the disability.

Under New York Law an employee disabled from work due to a work-related reason is entitled to benefits under the New York Workers' Compensation Law which includes coverage for all medical expenses and a weekly benefit based on the employee's wages in the weeks preceding the injury.

FEDERAL FAMILY AND MEDICAL LEAVE

As an eligible employee, you are allowed to take unpaid Family and/or Medical Leave under federal law, per the Family and Medical Leave Act (FMLA).

Eligibility

To be eligible for federal FMLA leave, all three of the following must apply.

- You must have been employed by the Company for at least 12 months.
- You must have worked at least 1,250 hours for the Company in the 12 months immediately preceding the beginning of the leave.
- You must work in the Company's office or work site where 50 or more individuals are employed within 75 miles of that office or work site.

Amount of Leave Available

As stated above, eligible employees are generally eligible for up to a total of 12 weeks of protected leave within a rolling 12-month period, measured backward from the date an employee uses any federal leave for any combination of reasons listed below.

When leave is taken to care for a covered service member who is undergoing medical treatment for a serious injury or illness, a spouse, son, daughter, parent, or next of kin may take up to 26 weeks of unpaid leave during a single 12-month period rolling forward from the date of the commencement.

Leave taken for FMLA will run concurrently with other leave provisions available. Leave available under FMLA and other leave provisions available is exhausted simultaneously. To understand how the integration of laws with employer policies affects you, please contact your Human Resources office.

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Types of Leave Available

You are allowed up to 12 work weeks per year of unpaid, job-protected leave with continued medical benefits for any combination of following reasons:

1. To care for your child after birth, adoption, or foster care placement; the leave must conclude within 12 months of the event.
2. To care for your spouse, child, or parent who has a serious health condition.
3. To seek treatment for your own serious health condition.
4. To take leave due to a "qualified exigency" that arises because you have an eligible family member (spouse, son, daughter, or parent) who is called to active duty or is on active-duty

status in support of a military contingency operation. The service member must be in the regular Armed Forces, National Guard, or Reserves, and on active duty or called to active duty in a foreign country.

The U.S. Department of Labor defines eight broad categories of qualified exigencies for which an employee may use FMLA leave.

1. Short-notice deployment (7-day notice or less).
2. Attend military events/ceremonies and related activities related to active duty or call to active duty.
3. Childcare and school activities.
4. Financial and legal arrangements.
5. Counseling.
6. Spend time with a military member who is on temporary rest and recuperation leave (15 days).
7. Care of the deployed family member's parents with a serious health condition.
8. Post-deployment activities.
9. Additional activities not encompassed in the other categories, but agreed to by the employer and employee.

You are also allowed up to 26 workweeks of unpaid, job-protected leave with continued medical benefits in a single 12-month period to care for a covered service member's serious illness or injury.

A covered service member is...

A current member of the Armed Forces, including a member of National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for serious injury or illness, or

A veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care of the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

The FMLA Definitions of a 'serious illness or injury' for current service members and veterans are separate and different than the FMLA definition of a serious health condition.

The single 12-month period commences on the first day of leave taken to care for the service member and expires 12 months from that date.

If the employee does not take all of the 26-workweek entitlement during the single 12-month period, the remainder of the 26-workweek entitlement is forfeited.

The single 12-month period is applied on a per-covered-service member, per-injury basis, so an employee may be entitled to take more than one period of 26 workweeks of leave if the leave is to care for a different service member or the same service member with a subsequent illness or injury.

No more than 26 workweeks of leave may be taken within any single 12-month period.

An employee is entitled to a combined total of 26 workweeks of leave for any FMLA-qualifying reason during the single 12-month period. Within the single 12-month period, an employee is limited to a total of 12 weeks of FMLA leave for any purpose other than to care for an injured service member.

Substitution of Paid Leave During FMLA

Under FMLA, employees may be eligible to substitute some forms of employer-provided paid leave during an FMLA-approved leave. There is no limit on substituting paid vacation, but the employee may not substitute paid sick leave for any situation where the employee is not otherwise allowed to use sick leave per employer sick leave policy. For example, an employee may not use sick leave during an FMLA military exigency leave to arrange for childcare, attend military ceremonies, or attend to legal affairs. In addition, sick leave may not be used to care for a newborn child or newly placed adopted child or foster child under FMLA.

Birth or Placement for Adoption or Foster Care: Family leave is available to eligible male and female employees for the birth of a child or for placement of a child with the employee for purposes of adoption or foster care. Federal leave must be completed within 12 months of the birth or placement.

Non-continuous leave. Federal leave may be taken intermittently only if medically necessary or if the employer agrees to it. See below for more details on intermittent leave.

Certification process. The need for leave must be documented by your treating healthcare provider through our medical certification process (see below) or documented proof of placement of a child.

Serious Health Condition of Employee: If, as an eligible employee, you experience a serious health condition as defined by federal law, you may take medical leave under this policy (see Definitions for the definition of serious health condition). A serious health condition generally occurs when you:

- Receive inpatient care in a hospital, hospice, or nursing home;
- Suffer a period of incapacity accompanied by continuing outpatient treatment/care by a healthcare provider; or
- Have a history of a chronic condition that may cause episodes of incapacity.

Non-continuous leave. Medical leave may be taken all at once or, when medically necessary, intermittently (see below).

Certification process. The need for leave must be documented by your treating healthcare provider through our Medical Certification Process (see below).

Fitness-for-Duty Statement. A Fitness-for-Duty Statement will be required in order for you to return from a medical leave. Failure to provide the statement will result in a delay in the return to work.

Serious Health Condition of Immediate Family Member: If, as an eligible employee, you need family leave in order to care for your son, daughter, spouse, or parent who experiences a serious health condition as defined by federal law (see Definitions for definitions of child, spouse, parent, and serious health condition), you may take medical leave under this policy.

Non-continuous leave. Medical leave may be taken all at once or, when medically necessary, intermittently (see below).

Certification process. The need for leave must be documented by the family member's treating healthcare provider through our Medical Certification Process (see below).

Active Duty Because of Any Qualifying Exigency: If, as an eligible employee, you need family leave because of any qualifying exigency arising out of the fact that your spouse, son, daughter, or parent is on active duty, or has been notified that they will be called or ordered to active duty in the Armed Forces in support of a contingency operation, you may take family leave under this policy.

Non-continuous leave. Family leave for any qualifying exigency arising out of the active duty of a family member may be taken all at once or intermittently (see below).

Certification process. The need for leave must be documented by a certification in a form and in such manner as the U.S. Department of Labor and the Secretary of Defense prescribe (see below).

Service member Family Leave: If, as an eligible employee, you need family leave to care for a covered service member who is your spouse, son, daughter, parent, or next of kin and who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness incurred in the line of duty while on active duty, you may take up to 26 weeks of unpaid leave during a single 12-month period under this policy.

Non-continuous leave. Service member family leave may be taken all at once or, when medically necessary, intermittently (see below).

Certification process. The need for leave must be documented by the family member's treating healthcare provider through our medical certification process (see below).

Notifying the Company of the Need for Family or Medical Leave

Generally, an Application for Leave must be completed for all leave taken under this policy. The need to take non-emergency leave should generally be requested from HR to our third-party vendor for FMLA administration, FMLA Matters. Leave requests can be made by calling 866-784- 9266. Eligibility determination will be made, and documentation mailed to your home within five days.

For leaves planned in advance, a 30-day notice is expected. For leaves in an emergency, verbal notice should be given as soon as practicable by you or a representative if you are unable (within two business days when possible).

Medical information will be requested to determine protections under FMLA, and information regarding such will be present in your eligibility letter. Medical information is due no sooner than 15 days from the date of the request; please contact FMLA Matters if unable to return this form prior to the due date provided.

Within two business days of the absence, the employee must provide employer with verbal or written notice of a potential FMLA qualified absence. Please contact your manager/supervisor and Human Resources to report that you may have experienced an FMLA qualified event. Failure to provide adequate notice may result in a delay or denial of the leave. To ensure protected status, employee must notify manager/supervisor and Human Resources of absence that may be covered by FMLA.

You must provide sufficient information regarding the reason for an absence for the Company to know that protection may exist under this policy. Failure to provide this information will result in delay and/or forfeiture of rights under this policy. This means the absence may then be counted against your record for purposes of discipline for attendance, etc. If you are under an approved FMLA leave you should be referencing this by name when calling in to ensure protection.

Medical Certification Process

In addition to an Application for Leave, you must complete a Medical Certification form when leave is for a family member's or your own serious health condition. The certification form must be signed by the healthcare provider. While the Short-term Disability Certification form may suffice for situations in which the information required is duplicative, FMLA does not require the detail of information; therefore, separate forms will be mailed to you.

If you wish to provide disability paperwork in lieu of completing the FMLA Medical Certification, please fax or mail the Short-term Disability form to the FMLA Matters' address provided. Second or third certifications from healthcare providers and periodic re-certification at the Company's and/or your expense may be required under certain circumstances.

We may also require periodic reports during federal FMLA leave regarding your status and intent to return to work.

Certification for Active Duty Because of Any Qualifying Exigency

In addition to an Application for Leave, you must complete a Certification of Qualifying Exigency for Military Family Leave form and must furnish to the Company in a timely manner any certification that your family member is issued regarding his/her active duty or call to active duty in the Armed Forces.

Substituting Paid Leave for Unpaid Leave

FMLA leave is unpaid. If you have paid time off available, you may substitute paid leave as part of your FMLA leave. During such substitution, any paid leave will be included as part of-and not in addition to-the FMLA leave period.

You may be paid for all or part of a medical leave to the extent you are eligible for benefits such as short-term disability.

Non-Continuous Leave

Intermittent and/or reduced leave will be permitted only when medically necessary or for a qualifying exigency/call to active duty as explained above. In all cases, the total amount of leave taken in a 12-month period may not exceed your total allotment as defined earlier in this Policy. Intermittent and reduced schedule leave must be scheduled with minimal disruption to an employee's job. To the extent an employee or family member has control, medical appointments and treatments related to an employee's or family member's serious health condition should be scheduled outside of working hours or at such times that allow for a minimal amount of time away from work.

If you request non-continuous federal FMLA leave which is foreseeable based on planned medical treatment for purposes of providing care to a child, spouse, or parent with a serious health condition, for your own serious health condition, or for service member family leave, you may be required to transfer temporarily to an available alternative position offered by the Company for which you are qualified and which better accommodates recurring periods of leave than your regular employment position. You will be entitled to equivalent pay and benefits, but will not necessarily be assigned the same duties in the alternative position.

Employer's calculations for determining the time taken on intermittent leave will be the same as used to calculate other forms of leave such as vacation or paid time off, and in no case will incorporate more than one-hour increments.

Benefit Continuation During Leave

The Company will maintain group health insurance coverage and other employment benefits (such as group life insurance, AD&D, health and dependent flexible spending accounts, etc.) for you while on FMLA leave whenever such insurance was provided to you before the leave was taken and on the same terms as if you had continued to work. You will be required to pay your regular portion of insurance premiums. Contact Human Resources for an explanation of your options.

Benefits that accumulate based upon hours worked shall not accumulate during the period of FMLA leave.

In some instances, the employer may recover premiums it paid to maintain health insurance coverage for an employee who fails to return to work from FMLA leave.

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Returning to Work

If the reason for FMLA leave is for your own serious health condition, you will be required to present a Fitness-For-Duty Certification immediately upon return to work.

If you wish to return to work before the scheduled expiration of an FMLA leave, you must notify the Company of the changing circumstances as soon as possible but no later than two working days prior to your desired return date.

As with other employees, if you fail to return to work immediately after the expiration of the leave period, you will be considered to have voluntarily terminated your employment.

Rights Upon Return from Leave

Upon return from Family or Medical Leave, you will be returned to the position you held immediately prior to the leave if the position is vacant. Certain exceptions exist for key employees as defined by law.

If the position is not vacant, you will be placed in an equivalent employment position with equivalent pay, benefits, and other terms and conditions of employment. If you exhaust all leave under this Policy and are still unable to return to work, your situation will be reviewed to determine what rights and protections might exist under other Company policies.

The law provides that an employee's rights are no greater upon a return from leave than in effect if the employee had continued to work. Therefore, you may be affected by a layoff, termination, or other job change if the action would have occurred had you remained actively at work.

If you do not qualify for the types of leave described in this policy, we may approve a personal leave of absence, depending on your circumstances. Except where mandated by law, we cannot guarantee that benefits will continue or that your position will remain open in your absence.

This policy provides an introduction to the rights and provisions of the federal FMLA. Department of Labor form WHO Publication 1420 is attached to this policy (<http://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf>) and further explains the FMLA's provisions and procedures for filing complaints of FMLA violations with the U.S. Wage and Hour Division. Questions you may have about this law should be directed to Human Resources.

Definitions**Spouse**

A husband or wife as defined or recognized under state law for purposes of marriage in the state where the employee resides.

Parent

A biological parent or an individual who provides or provided day-to-day care and financial support to the employee when the employee was a child. This includes foster parent, adoptive parent, step-parent, and legal guardian. Parent does not mean a parent-in-law.

Child

A biological, adopted or foster child, stepchild, legal ward, or under the federal FMLA, the child of a person having day-to-day care and financial responsibility for the child who is under age 18. Child includes a person 18 years of age or older who is incapable of self-care because of a mental or physical disability. For Qualifying Exigency Leave or Servicemember Family Leave, the child does not have to be a minor (under the age of 18) and can be any age.

Incapable of self-care

The child requires active assistance or supervision to provide daily self-care in three or more "activities of daily living," or "instrumental activities of daily living," including adaptive activities such as caring appropriately for one's grooming and hygiene, bathing, dressing, eating, or instrumental activities such as shopping, taking public transportation, maintaining a residence, etc.

Physical or mental disability

A physical or mental impairment that substantially limits one or more major life activities of the individual.

Next of Kin

Used with respect to an individual, means the nearest blood relative of that individual, other than the spouse, parent, or child. See Human Resources for more details.

Serious Health Condition

Illness, injury, impairment, or physical or mental condition that involves the following

- Inpatient care in a hospital, hospice, or residential medical care facility.

A period of incapacity of more than three consecutive calendar days (including any subsequent treatment or period of incapacity relating to the same condition) that also involves: (1) treatment two or more times within 30 days of the first day of incapacity, unless extenuating circumstances exist, by or under the orders of a healthcare provider; or (2) treatment by a healthcare provider on at least one occasion which results in a regimen of continuing treatment under the supervision of a healthcare provider. The first (or only) visit must occur in person within seven days of the first day of incapacity.

- Any incapacity due to pregnancy or for prenatal care.
- Chronic conditions requiring periodic treatment by or under the supervision of a healthcare provider which continue over an extended period of time and may cause an episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.).

- Permanent/long-term conditions requiring supervision for which treatment may not be effective (e.g., Alzheimer's, a severe stroke, or the terminal stages of a disease).
- Multiple treatments by or under the supervision of a healthcare provider either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy), severe arthritis (physical therapy), or kidney disease (dialysis).

Serious Injury or Illness

The final rule defines a serious injury or illness for a covered veteran as an injury or illness that was incurred by the veteran in the line of duty on active duty in the Armed Forces or that existed before the veteran's active duty and was aggravated by service in the line of duty while on active duty, and that manifested before or after becoming a veteran, and that is any of the following:

1. a continuation of a serious injury or illness that was incurred or aggravated when the veteran was a member of the Armed Forces and rendered the service member unable to perform the duties of the service member's office, grade, rank, or rating; or
2. a physical or mental condition for which the veteran has received a U.S. Department of Veterans Affairs Service-Related Disability Rating (VASRD) of 50 percent or greater, and the need for military caregiver leave is related to that condition; or
3. a physical or mental condition that substantially impairs the veteran's ability to work because of a disability or disabilities related to military service, or would do so absent treatment; or
4. an injury, including a psychological injury, on the basis of which the veteran is enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

To establish that the veteran has a serious injury or illness, the family member of a veteran need only show that the veteran meets one of these definitions.

Veteran

The Final Rule limits FMLA military caregiver leave to family members of certain covered veterans. A veteran who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness is a covered veteran if he or she: (1) was a member of the Armed Forces (including a member of the National Guard or Reserves); (2) was discharged or released under conditions other than dishonorable; and (3) was discharged within the five-year period before the eligible employee first takes FMLA military caregiver leave to care for the veteran.

NEW YORK PAID FAMILY LEAVE

New York Paid Family Leave (PFL) is a paid employee benefit available to eligible New York employees. PFL is in addition to federal FMLA or other leave benefits for which employees may

be eligible. PFL is entirely employee-funded, which means pursuant to the law payroll deductions will be made to fund this leave. The maximum employee contribution in 2021 will be 0.511% of each employee's weekly wage until reaching the annualized New York State Average Weekly Wage. The maximum wage is subject to change. Any change in this rate will be communicated to employees prior to any change in payroll deductions.

Employees who are regularly scheduled to work twenty (20) hours or more per week and have been employed for twenty-six (26) weeks are eligible for PFL. Employees whose regular employment schedule is less than twenty (20) hours per week are eligible after working 175 days. PFL is appropriate for the following circumstances:

- To care for the employee's child after birth, during the first year of life;
- To care for the employee's child after adopted or foster care of a child, during the first year after the child's placement, or the first day of leave if taken before the placement;
- To care for the employee's spouse, domestic partner, child, parent, parent-in-law, grandparent, or grandchild, who has a serious health condition; or
- For exigent circumstances arising from the service of a family member in the U.S. armed forces, as interpreted under federal FMLA.

A serious health condition is defined as an illness, injury, impairment, or physical or mental condition that involves in-patient care in hospital, hospice, or residential medical facility or that requires continuing treatment by a health care provider. A serious health condition will also include preparation for and recovery from surgery related to organ and tissue donation.

On January 1, 2021, eligible employee may take up to 12 weeks of paid family leave. Employees on leave will be paid at 67% of their average weekly wage or 67% of the state average weekly wage, whichever is lower.

Leave may be taken in daily or weekly increments. The maximum leave period for an employee taking leave in daily increments is calculated based on the average numbers of days worked per week up to 60 days.

If an employee's reason for PFL also qualifies for federal FMLA or other unpaid leave, these benefits will run concurrently. Please note, an employee may not receive disability leave benefits and PFL benefits concurrently. An employee's total combined disability and PFL benefits cannot exceed twenty-six (26) weeks in a consecutive fifty-two (52) week period.

If the need for leave is foreseeable, an employee must provide thirty (30) days' advance notice. Failure to provide thirty (30) days' advance notice may result in a partial denial of the PFL claim for up to thirty (30) days from the date of notice. If the need for leave is unforeseeable, then the employee must provide notice as soon as practicable.

An eligible employee's request for leave must be made to the Employer's insurance carrier. A claim for PFL is complete when an eligible employee submits a Request for Paid Family Leave and Certification to Human Resources. Please contact the Director of Human Resources in Human Resources for more information and the necessary forms.

An employee who receives group health insurance coverage is entitled to continue that coverage during the PFL period. An employee continues to be responsible for his or her portion of health insurance premiums during the PFL period. If the Dealership provides a new health benefit or changes the current plan during an employee's PFL period, the employee is eligible to participate in the new benefit to the same extent as if the employee was not on leave.

Upon return from leave, the employee shall be reinstated to his or her employment. The employee shall be restored to the same or comparable position with comparable benefits, pay and other terms and conditions of employment. If an employee fails to return to work on the agreed upon return date, the Dealership may assume that the employee has resigned.

The Dealership will not discriminate or retaliate against an employee because an employee has exercised his or her rights to take PFL leave.

DISABILITY INSURANCE

The Dealership provides a program at its own expense, supplemented by a nominal contribution from our employees to reduce the financial impact of an off the job injury and/or illness suffered by an employee. The program provides the employee a percentage of their base weekly income. Forms are available in Personnel.

BEREAVEMENT LEAVE

In the event of a death in the immediate family (spouse, parents, brother, sister, child, step-parents, and step-children, employee's same-sex committed partner, or parents, brother, sister, child, step-parents, and step-children of the spouse or same-sex committed partner) the Dealership provides up to three consecutive work days off with pay to all full-time employees.

LEAVE FOR BLOOD DONATION

Employees who work on average at least 20 hours per week are entitled to paid leave time of:
A-) up to 3 hours of leave in any 12-month period to donate blood; or
B-) allow employees without use of their own accumulated leave, twice a year, to donate blood at a convenient time and place established by the Dealership.

LEAVE FOR BONE MARROW DONATION

Employees who elect to have a medical procedure for the donation of bone marrow may receive as much time needed (determined by the employee's physician) not to exceed 24 total hours of leave, unless the Dealership consents.

LEAVE OF ABSENCE FOR MILITARY SPOUSES

The spouse of a member of the armed forces of the United States, national guard or reserves, that has been deployed during a period of military conflict, to a combat theater or combat zone of operations may take up to 10 days of unpaid leave. The leave can only be used by the Security Dodge Chrysler Jeep Ram employee when his or her spouse is on leave from the military while deployed during a period of military conflict to a combat theater or zone of operations.

NURSING MOTHERS

A nursing mother may take reasonable unpaid break time or paid break or meal time to express breast milk in the workplace for up to three years after the birth of a child. Nursing mothers are provided leave of 20/30 minutes of paid/unpaid leave every three hours to express breast milk. In certain situations, the Dealership may determine that appropriate employee coverage is unavailable, in which case the Dealership may require the employee to delay her leave for a period of up to 30 minutes until coverage is available. The Dealership will make reasonable efforts to provide a private area or room that the employee can use for this purpose. An employee wishing to take this leave must provide the Dealership with advance notice.

SECTION 9: AMERICANS WITH DISABILITIES ACT (ADA)

The Dealership is committed to providing equal opportunities to otherwise qualified individuals with known disabilities, which may include providing a reasonable accommodation. In general, it is your responsibility to notify your supervisor and/or the Human Resources Department of the need for an accommodation. Upon doing so, your supervisor and/or the Human Resources Department may ask you for your input about the type of accommodation you believe may be necessary or the functional limitations caused by your disability. Also, when appropriate, the Dealership may need your permission to obtain additional information from your physician or other medical rehabilitation professionals. Any questions or concerns regarding this policy should be directed to the Human Resources Department.

SECTION 10: EMPLOYMENT STANDARDS

Management has the right to hire, terminate, promote, transfer or demote any employee, as it deems appropriate, in its sole discretion, for the effective and efficient operation of the Dealership. Management expressly reserves the right to make and implement all decisions concerning the effective and efficient operation of the Dealership.

SECTION 11: CONFIDENTIALITY OF EMPLOYEE RECORDS

It is the policy and practice of the Dealership to ensure the confidentiality of an employee's personnel file.

OUTSIDE REQUESTS FOR REFERENCE VERIFICATION, EMPLOYMENT AND/OR SALARY**Procedure**

- a) All requests shall be in writing accompanied by written authorization from the affected employee.
- b) The Dealership will provide a neutral reference for former employees which will disclose name, position, date of hire, last day of employment, and, if required, salary.

SECTION 12: SOCIAL SECURITY PRIVACY PROTECTION POLICY

The Dealership is committed to maintaining the confidentiality of Social Security numbers that it collects during the regular course of business. Accordingly, the Dealership has established this policy to restrict access, disclosure, use and disposal of Social Security numbers that have been collected by the Dealership. The purpose of this policy is to comply with Federal, state and local law protecting the confidentiality of Social Security numbers.

Procedures to Protect the Confidentiality of Social Security Numbers*Authorized Collection and Access to Social Security Numbers*

The Dealership collects the Social Security numbers of employees, applicants, independent contractors, interns and other individuals only for legitimate business reasons. Examples of such reasons may include:

- Background checks for applicants for employment;
- Determining eligibility for employment;
- Enrollment in employee benefits programs;
- Reporting that is required by law, such as for tax purposes.

The Dealership restricts access to the Social Security numbers that it collects only to the Dealership's employees and certain third parties authorized to access this information.

Authorized employees are those whom the Dealership has determined have a legitimate business need to access this information and owe a duty to maintain its confidentiality (e.g., vendors who are provided Social Security numbers to run background checks).

The Dealership will not make any of the following disclosures relating to Social Security numbers:

- Intentionally communicate or make available an employee's Social Security number to the general public;
- Print an employee's Social Security number on any card or tag required for access to the Dealership's facilities;
- Require an employee to transmit his or her Social Security number to access an internet web site, unless a password or unique personal identification number or another authentication device is also required to access the internet website.
- Print an individual's Social Security number on any materials that are mailed to the individual unless otherwise required by local, state or federal law.
- Encode or embed a Social Security number in or on a card or document, including, but not limited to, using a bar code, chip, magnetic strip or other technology.

Disclosure And Use of Social Security Numbers

The Dealership prohibits the disclosure and use of Social Security numbers unless such disclosure and use complies with this policy and with Federal, state and local law. Social Security numbers shall not be displayed on identification cards or badges, bulletin boards, or any similar materials that are publicly displayed. Documents, materials or computer screens that display Social Security shall be shown only to authorized employees and third parties and shall be kept out of public view at all times.

Social Security numbers may only be used by authorized Dealership employees for legitimate business reasons, including but not limited to those reasons described above.

Storage And Disposal of Personal Information Including Social Security Numbers

The Dealership shall take reasonable steps so that all documents and files (both electronic and in hard copy) that contain personal information such as Social Security numbers shall be stored in a

physically secure manner. Examples of personal information include a person's Social Security number, driver's license number, passport number, credit or debit card numbers and health insurance identification numbers.

The Dealership requires that personal information be stored in a way that prevents unauthorized access. For example, hard copy documents that contain personal information should be stored in files that can only be accessed by authorized Dealership employees or third parties, and computers or other electronic devices that contain personal information should be secured against unauthorized access, such as through password. The Dealership requires that any authorized personnel who maintains personal information must take appropriate steps consistent with this policy to safeguard such information.

Documents or other materials (both electronic and in hard copy) that contain personal information shall be disposed in a manner such that the personal information is erased or made unreadable at the time of disposal. It may be necessary to consult with the Dealership's IT department to ensure proper disposal of personal that is stored electronically.

Non-Compliance With This Policy and the Law

Failure to comply with this policy may result in disciplinary action up to and including termination. Furthermore, the law provides civil and criminal penalties for individuals who violate laws protecting the confidentiality of Social Security numbers.

If you have any questions about this policy, including about how to dispose of personal information, please contact your manager or Human Resources.

SECTION 13: NEW HIRES, REHIRES, PROMOTIONS AND TRANSFERS

It is Dealership policy that the selection of applicants for hire, promotion or transfer will be based on merit, ability, competence, satisfactory reference checks and operational needs. It is the procedure of the Dealership to carefully consider internal applicants for promotion or transfer prior to the recruitment of outside candidates.

RE-HIRE POLICY

Purpose: It is the policy of Security Auto Sales (the "Company") to consider the rehiring of former employees who voluntarily left employment in good standing or were laid off due to business needs. This policy outlines the rules regarding eligibility for re-employment and bridging of service (service recognition), where appropriate. Offers of re-employment will not be made on the basis of race, sex, religion, color, national origin, disability, age or any other protected classification.

Eligibility for Rehire: Employees who were part of an involuntary reduction in force, as well as those employees who voluntarily resigned, will be eligible for rehire if they had a satisfactory work record while employed by the Company. Positions will be offered to former employees on the basis of the employee's skill sets and knowledge and the needs of the Company. The re-hiring of employees who are part of a union will be subject to the terms of the Collective Bargaining Agreement.

Ineligibility for Rehire: Employees who were involuntarily terminated by the Company and former employees who has less-than-satisfactory work record will not be considered for rehire.

Service Restoration Rules for Eligible Employees: If a former employee with less than one year's prior service is rehired, the employee will be considered a new employee and will not be eligible for prior service recognition for seniority or benefit plan participation purposes.

Example: Robert is hired, on June 3, 2019, and voluntarily resigns on January 5, 2020. Robert is rehired on April 1, 2020. Because Robert did not complete one full year of service prior to rehire, he is treated as a new employee and will not be credited with any prior service.

If a former employee with more than one year's prior service is rehired, the employee's seniority and eligibility to participate in company benefits plans will be bridged if the employee is rehired and the period of prior company service exceeded the duration of the period of absence. Service recognition will include prior service recognition for accrued leave plans.

Example; Linda is hired on September 3, 2010 and is involuntarily laid off on March 12, 2020. Linda is rehired on May 1, 2020. Because Linda's prior service is longer than her period of absence, Linda is credited with her previous nine years and six months of service.

If a former employee with more than one year's prior service is rehired and the duration of the period of absence exceeded the period of prior company service, the employee will be considered a new employee and will not be eligible for prior service recognition for seniority or benefits plan participation purposes. When recognition of prior service is granted, a rehired employee's company service date will be adjusted in accordance with the service restoration rule.

SECTION 14: PAYROLL PROCEDURES

The Dealership operates on a weekly pay period. The normal payday for regular employees occurs every Friday unless otherwise directed or discussed in this handbook.

The Dealership is required by law to honor wage assignments and income executions. Personnel will advise you before any deductions are made.

RECORDING YOUR TIME

You are required to maintain an accurate record of all time worked. All employees must record their hours worked. Your time record should be entered at the beginning and end of your shift. Time records should also be recorded at the beginning and end of your lunch break. Time records should not be punched more than five minutes before the beginning, or after the end, of your shift. Under no circumstances should you record the hours worked of another employee.

Those employees working on a commission basis, including salespersons, must also record and report their hours of work on a regular basis.

SECTION 15: COMMISSION AGREEMENTS

Any employee, who is to be paid a commission, is required to enter into a written commission agreement to be signed by both the employee and the employer.

- At a minimum, the commission agreement shall contain the following terms:
- Description of how wages, salary, draw on commissions, commissions and all other amounts earned are to be calculated;
- Frequency of reconciliation between draw and earned commissions, where the writing provides for a recoverable draw; and
- Details relevant to payment of wages, salary, draw, commissions and all other monies earned and payable in the case of termination of employment by either party.

COMMISSIONS

Every employee who is paid a commission must sign a written commission agreement setting forth the terms of their compensation.

SECTION 16: MEDICAL BENEFITS

At the Dealership's discretion, full-time employees are eligible to participate in our medical insurance plan. An employee who wishes to participate should contact the Personnel Department so he or she can complete all enrollment forms and receive all benefit booklets and cost information.

The Dealership reserves the right to change, amend, rescind or cancel such coverage and reserves the right to increase the employee's contribution toward the insurance at any time.

SECTION 17: PENSION BENEFITS

The Dealership has established a 401k plan. All full-time employees are eligible and encouraged to participate in this plan. You will receive all necessary booklets and other information concerning this Plan when you are eligible to participate.

SECTION 18: VACATION AND OTHER BENEFITS VACATION

Vacation leave is a fringe benefit for regular full-time employees subject to the scheduling and operational needs of the affected department. Must request One Month in Advance

The amount of annual vacation is based on your years with the Dealership and is calculated from the anniversary date of hire. Union Members vacation period shall be between January 1st and December 31st. For Union Members see Union Contract for specific vacation entitlement.

Years of Service Weeks of Vacation (NON-UNION)

1 year 1 week

3 years 2 weeks

Vacation pay for hourly and salaried employees shall be computed at the regular weekly or hourly rate the employee earns at the time of the vacation.

Vacation leave may not be carried past your anniversary date of hire. Employees may not take vacation for two or more consecutive weeks. Only single vacation weeks will be approved. No time may be taken during month end. You must contact your manager and an owner through a Vacation Form. The Vacation Form must be approved by Manager and Owner. Text form and Voicemail form will NOT be acceptable.

Employees may not receive pay for accrued vacation leave upon resignation, retirement or termination.

WORKERS' COMPENSATION

The Dealership provides a program at its own expense to reduce the financial impact of an on-the-job injury suffered by an employee. This program covers medical expenses and a percentage of an employee's base income.

An employee who is injured on the job must report such accident to his or her immediate supervisor in writing immediately, but no later than 24 hours from the time of occurrence. Both the employee and his/her supervisor must complete an accident report form. Forms are available in Personnel.

UNEMPLOYMENT COMPENSATION

The Dealership provides at its own expense an unemployment insurance program to compensate (percentage of base income) an employee who had their employment terminated and is eligible for benefits under the law.

SECTION 19: TERMINATION & EXIT INTERVIEW

There are two types of terminations, voluntary and involuntary. An employee who resigns (voluntary termination) is expected to provide two (2) weeks' notices.

EXIT INTERVIEW

It is Dealership policy to conduct an exit interview with an employee on or prior to his or her final day of work.

The purpose of this interview is threefold. First, it allows the Dealership to advise an employee of his/her benefit privileges upon separation from service. Second, it provides the Dealership an opportunity to solicit feedback from the employee as to his/her work experience with the Dealership, constructive criticism, positive impressions, etc. Finally, it provides the Dealership an opportunity to discuss, if necessary, the reasons for an involuntary separation.

At the conclusion of the exit interview, an employee's keys and any other dealership property (i.e., demo) must be surrendered to Personnel.

COMMISSIONS

Salespeople who resign or are terminated will receive full commissions for vehicles they have delivered as of their last day of employment. Salespeople will only receive 50% of the scheduled commission for any vehicles delivered after their last day of employment. The remaining 50% will go to the salesperson who actually completes the delivery.

If the employee handbook and the commission agreement differ, the individual commission agreement will control.

SECTION 20: Health Insurance Upon Resignation, Termination or Disability

At the Dealership we understand your concern for continuity of health insurance coverage should you leave the Dealership or go out on disability. Therefore, in appropriate circumstances, upon resignation, termination, disability or leave of absence, you may elect for COBRA continuation health insurance coverage for up to 18 months (in some cases up to 36 months) at your own expense. Please contact Human Resources to obtain a COBRA Continuation Coverage Election Notice form and for further information.

SECTION 21: SMOKING

The Dealership has established a smoking policy designed to meet applicable legal requirements and the needs of our employee-smokers and non-smokers alike consistent with government regulations.

The Dealership has adopted the following policy on smoking:

1. Smoking is absolutely prohibited in the place of employment. The place of employment includes any indoor and outdoor enclosed areas of the dealership. Employees who choose to smoke must do so only during designated work breaks, and only outside, in the rear of the facility.
2. It is the responsibility of those who smoke to keep the rear of the facility clean and free from trash or cigarette butts. All cigarettes must be completely extinguished and disposed of in an appropriate container.
3. Smoking is prohibited in all Dealership and customer vehicles.
4. Employees who violate this policy are subject to disciplinary action.
5. Any non-smoking employee who feels that his/her right to a smoke-free work area is being violated should contact Lauren Tortorella. No employee will be retaliated against in any way for requesting a smoke-free work environment.
6. Employees who have questions about the Dealership's smoking policy should direct them to Lauren Tortorella.

SECTION 22: JURY DUTY

Jury Duty is a leave with pay in which a regular full-time employee may attend jury duty in accordance with his/her legal obligation to do so. Regular employees will be granted a leave of absence with pay for this purpose provided they give the Dealership reasonable advance notice of their obligation to serve.

A) Benefit - All regular full-time employees are entitled to their full salary for the first three days spent as jurors. Thereafter, employees are not entitled to pay while serving on a jury.

B) Administration & Procedure

1. Administration - It is the responsibility of each employee to provide the Company with reasonable advance notice of his/her obligation to serve on a jury. Furthermore, it is the

responsibility of the employee to bring their subpoena to their immediate supervisor immediately upon receipt. The employee will deliver to the Company a copy of the Certificate of Jury Service. This information will be forwarded to Personnel, making them aware of the employee on jury duty.

2. Procedure - An employee who is assigned to jury duty should report to work on those days or parts of days when excused from jury duty. It is the employee's responsibility to report to work at the end of an approved jury leave. Failure to do so may constitute a voluntary separation.

SECTION 23: VOTING

Employees may be entitled to two hours of paid time to vote in any election, if the employee does not have sufficient time outside of work hours to do so. The law defines "sufficient time" as four consecutive hours either between the opening of the polls and the beginning of the employee's work shift or between the end of the employee's work shift and the closing of the polls. Employees must notify his or her manager or Human Resources of the need to take time to vote, not more than 10 days from the election nor less than 2 days before the election. Time off for voting is only allowed at the beginning or end of a work shift, as designated by the Dealership.

SECTION 24: DRESS CODE

All employees are expected to wear clothing and observe personal hygiene habits appropriate to their position and the nature of the work performed. These standards are especially important for those employees in direct contact with customer and other members of the business community. It is important an employee's appearance projects a positive and appropriate image for the Company.

The following are some examples of clothing that is NOT appropriate under any circumstances at work: **Jeans, cargo pants, sneakers, flip-flops sweat pants/ sweat shirts I sweat suits or fleeces, gym shorts or cutoffs, body-hugging or skin tight clothing, leggings/spandex, sleeveless shirts; halters/tank tops/tube tops, see-through or sheer clothing, skirts and dresses must be to the knee (or an inch above). Clothing is to be free from holes (sewn shut) and should fit properly (loose-fitting clothing is a safety hazard); no bra straps or cleavage showing, and clothing must have a neat & clean appearance. Security does not request Employees to change their hairstyle pursuant to this section. Furthermore, Security neither imposes restrictions nor bans on hairstyles.**

Any employee who reports for work attired in a manner unacceptable to company standards may be subject to disciplinary actions or required to return home to correct the situation. The period of absence will be treated as unpaid leave.

Security Dodge Chrysler Jeep may require certain employees to conform to a more conservative dress code. Generally, these would include employees with a high degree of visibility and/or contact with customers.

SALES & OFFICE EMPLOYEES

All employees should be well groomed and dressed in a business-like manner, appropriate to their function and interaction with customers.

SERVICE

If your job requires overalls, work shoes or any other special items, including personal protective equipment, they must be worn during all appropriate duty hours. Please see our attached dress code policy that will outline what is required dress attire for each position.

Personal Hygiene:

Hair should be clean, combed, and neatly trimmed or arranged. Shaggy, unkempt hair is not permissible regardless of length.

- (1) Sideburns, moustaches, and beards should be neatly trimmed.
- (2) Tattoos and body piercings (other than earrings) should not be visible.
- (3) Employees who do not regularly meet the public should follow basic requirements of safety and comfort, but should still be as neat and businesslike as working conditions permit.
- (4) Certain employees may be required to meet special dress, grooming, and hygiene standards, such as wearing uniforms, depending on the nature of their job.

All employees are required to maintain the highest standards personal hygiene including, regular bathing, clean hands and fingernails. A neat and clean appearance is required. All employees must wash their hands after going to the restroom and before going back to work.

A neat, tasteful appearance contributes to the positive impression you make on our customers. You are expected to be suitably attired and appropriately groomed during working hours or when representing Security Dodge Chrysler Jeep Ram Gem. A good, clean appearance bolsters your own poise and self-confidence and greatly enhances our Company image.

SECTION 25: DRUG & ALCOHOL POLICY

The Dealership recognizes that its future is dependent upon the physical and psychological health of all of its employees. The misuse and abuse of drugs and alcohol poses a serious threat to the Dealership, its customers and its employees. Commonly abused or improperly used drugs or substances include among others, alcohol, painkillers, sedatives, stimulants and tranquilizers as well as marijuana, cocaine, heroin, etc. It is the responsibility of both employees and the Dealership to maintain a safe, healthful and efficient working environment. Therefore, the Dealership has adopted the following policy:

1. The possession, use or sale of unauthorized or illegal drugs or the misuse of any legal drugs on Dealership premises or while on Dealership business or in Dealership or customer vehicles, continues to be prohibited and will constitute grounds for termination.
2. An employee who is found to have consumed alcohol on Dealership premises will be subject to discipline up to and including termination.

3. Any employee under the influence of drugs or alcohol which impairs judgment or performance or negatively affects behavior while on Dealership premises or while on Dealership business will be subject to discipline up to and including termination.

4. The Dealership has a number of jobs that pose special safety considerations to all employees. The Dealership will require those employees whose jobs involve special safety considerations to be periodically tested for use of drugs. Positive test results may result in the withdrawal of qualification to work on specific jobs.

5. It is the responsibility of each employee to report promptly to Lauren Tortorella, the use of any prescribed medication that may affect judgment, performance or behavior.

The Dealership will institute such procedures as are required to effectively enforce this policy. This may include the requirement that employees cooperate in personal or facility searches when the presence of drugs or alcohol is indicated and employee medical screening where judgment or performance is impaired or behavior is erratic. Refusal to cooperate with these procedures may subject employees to discipline and/or termination.

SECTION 26: DEMONSTRATOR VEHICLES

This is an agreement ("Agreement") between the Dealer and employee listed below for the use of the vehicle listed below by the employee (hereafter referred to as "you"). The employee acknowledges that this Agreement consists solely of all the terms written or printed on these pages. Please refer to the demonstrator / dealer plate agreement located in your new hire paper work example:

Dealer: Security Dodge Chrysler Jeep Ram

Employee:

Address:

Vehicle:

1. Nature of This Agreement

This Agreement is solely for the purpose of setting forth the terms and conditions under which you may use the Vehicle. You acknowledge that the Dealer owns the Vehicle. No one other than the Dealer may transfer the Vehicle or any rights or obligations under this Agreement. Any attempted transfer of the Vehicle by anyone other than Dealer is void. No one may service or repair the Vehicle without Dealer's prior express approval. Dealer reserves the absolute right to cancel this Agreement or to substitute another Vehicle at any time without notice to the employee. DEALER MAKES NO EXPRESS OR IMPLIED WARRANTIES; INCLUDING ANY WARRANTY OF MERCHANTABILITY OR THAT THE CAR IS FIT FOR ANY PARTICULAR PURPOSE.

2. Who May Operate the Vehicle

You and the following persons, with your permission ("Authorized Operators"), may operate the Vehicle: Customers of the Dealer, or fellow employees employed by the Dealer incidental to their business duties. No other persons are permitted to operate the Vehicle unless you have

express written permission for such from the Dealer. All Authorized Operators, including employee, must have a valid driver's license.

3. Your Responsibilities

Ordinary wear is expected; however, you must return the Vehicle to Dealer in the same condition it is in when you receive it. The Vehicle must be returned to Dealer when you receive notice of such. The notice can be oral or written. If you do not return the Vehicle by the due date given in the notice, then after Dealer sends you a written demand to return it, sent to your address above, Dealer may, at your expense, recover the Vehicle where and when it is found. If the Vehicle is found illegally parked, apparently abandoned, or is used as prohibited under paragraph 5 of this Agreement, Dealer may recover the Vehicle without demand.

You waive any right to any hearing or to receive any notice or legal process, as a precondition for Dealer recovering the Vehicle.

Our insurance carrier requires that your driving record be reviewed annually. An unacceptable driving record may result in disciplinary action, including the loss of demo privileges. You will be asked to consent to a search of DMV records as a condition of being permitted to operate a demo vehicle.

Your form W-2 will reflect the lease value of the use of the demonstrator vehicle in accordance with IRS guidelines.

4. Responsibility for Loss of/Damage to the Vehicle

Dealer is responsible for maintaining insurance on the Vehicle. If the Vehicle is used as permitted by the terms and conditions of this Agreement, you are not responsible for the loss of or damage to the Vehicle. However, you will be responsible for paying the Collision and Comprehensive Deductible in the Dealer's insurance policy.

5. Prohibited Uses of the Vehicle

Any use of the Vehicle as prohibited below resulting in the Vehicle being damaged will breach this Agreement, will void the limitation of your responsibility under paragraph 4 and make you fully responsible for actual and consequential damages, costs and attorney's fees resulting from that breach, to the extent permitted by law, and all liability protection will also be void.

UNDER THIS AGREEMENT YOU AND/OR ANY AUTHORIZED DRIVER MAY NOT:

- A) Engage in any willful, wanton or grossly negligent conduct, which among other things, may include reckless conduct such as:
 - 1) Use when overloaded;
 - 2) Use on unpaved roads or roads that are not regularly maintained and such use causes damage to or loss of the Vehicle directly resulting from such roads or driving conditions on such roads;
 - 3) Leaving the Vehicle and failing to remove the keys or close and lock all doors, close all windows and trunk, and the Vehicle is stolen or vandalized;
 - 4) Intentionally destroy, damage, or aid in the theft of the Vehicle,

- 5) Permit the use of the Vehicle by anyone other than an authorized operator;
- 6) Take or attempt to take the Vehicle anywhere outside New York, New Jersey or Connecticut;
- 7) To tow or push anything;
- 8) Use of a cell phone while driving.
- B) Use or permit the use of the Vehicle by anyone:
 - 1) While intoxicated by alcohol or under the influence of drugs;
 - 2) For any purpose that could properly be charged as a crime, such as the illegal transportation of person, drugs or contraband;
 - 3) In a speed contest or race; or
 - 4) To carry persons or property for hire.

6. Other Provisions

A. It is expressly understood and agreed that this Agreement is not a contract of employment. Employee understands that his/her employment with the Dealer is terminable at will and that he/she may be discharged at any time, for any reason, or for no reason.

B. It is understood that the purpose of this Agreement is to increase the sales of automobiles by the employee demonstrating the Vehicle to customers.

C. The vehicle must be kept clean, polished and ready for customers' inspection and demonstration rides. Smoking is prohibited in any demonstration vehicles. There shall be no personal gadgets or devices attached to or installed in the vehicles.

D. Any and all tickets or summons issued on the Vehicle while this Agreement is in effect must be paid by the employee.

E. Demonstration rides may only be allowed with the employee present at all times. A copy of the customer's driver's license must be deposited with the sales manager prior to the demonstration drive.

F. All accidents and damages must be reported to the Dealer by the employee in writing immediately. Employees are responsible for the \$1,000 deductible.

SECTION 27: DEALERSHIP SYSTEMS AND DEVICES

Acknowledgment and receipt of this employee handbook authorizes the Dealership to monitor your use of Dealership systems and devices (i.e., Dealership-owned PCs, laptops, PDAs, and phones) and your electronic communications* utilizing any such Dealership-owned systems. Dealership systems and devices are the property of the Dealership and there is no expectation of privacy regarding the usage of such systems and devices. The Dealership reserves the right to monitor, access, retrieve, read and disclose all electronic communications transmitted or received using Dealership systems and devices. The Dealership is not assuming the duty or obligation to monitor the activities of any employee, but reserves the right to take appropriate action in accordance with this policy.

Usage of Dealership systems and devices to transmit or receive electronic communications should generally be restricted to business use, but limited reasonable personal use may be permitted. Nonetheless, the Dealership expressly prohibits certain personal uses of its systems and devices. Such prohibited personal uses include, but are not limited to, transmitting chain letters; searching for another job; disseminating or accessing any harassing, vulgar, obscene, threatening or intimidating materials; and soliciting or advertising for purposes not related to the Dealership. As the Dealership seeks to ensure a consistent company message and avoid misinformation, the Dealership also prohibits disseminating personal views as representing those of the Dealership.

The Dealership prohibits you from: accessing, uploading, downloading, or otherwise transmitting confidential, private or proprietary information or materials, including trade secrets, customer information, budgets, revenue or expense figures or projections, strategy information, etc., without Dealership authorization; using Dealership systems and devices to gain unauthorized access to or to damage, alter, or disrupt remote computers or other systems; using another employee's password or log-in information without authorization from your supervisor; disclosing any code or password without Dealership authorization; enabling unauthorized third parties to have access to or use of the Dealership's systems; jeopardizing the security of the Dealership's systems; and using Dealership systems and devices for illegal activities.

If you are found to have violated the Dealership's electronic communications policy you may be subject to disciplinary action up to and including termination, and if appropriate the Dealership reserves all rights to pursue all legal remedies with respect thereto. Nothing within this policy shall be construed to improperly restrict the right to discuss wages, hours, and/or other working conditions, or other rights protected by law.

* The term electronic communications include, but is not limited to, e-mail, instant messaging, texting, Internet/World Wide Web, voice mail, and related equipment and services. *

SECTION 28: SOCIAL MEDIA & ONLINE PERSONAL COMMUNICATION POLICY

The use of social media, including but not limited to, blogs, Facebook, Twitter, MySpace, and LinkedIn, has become a popular activity on the internet and you may now or in the future decide to start a blog or participate on social networking websites. The Dealership takes no position on your decision to start or maintain a blog or to participate on a social networking website.

Unless specifically authorized to do so, you are prohibited from engaging in social media or otherwise engaging in online communication of a personal nature, on work time or during work hours and may not use any Dealership systems or devices for these purposes.

While we respect the rights and interests of employees to utilize the internet in their personal time, employees' must not use social media to:

1. Harass or otherwise discriminate against Dealership employees or customers
2. Make defamatory statements about the Dealership or its employees or customers

3. Disclose proprietary, privileged or confidential information, including trade secrets, customer information, budgets, revenue or expense figures or projections, strategy information, etc.
4. Disparage the Dealership's products or services

As the Dealership seeks to ensure a consistent company message and avoid misinformation, you also may not represent your views or opinions as those of the Dealership.

If you are found to have violated the Dealership's social medial and online personal communication policy, you may be subject to discipline up to and including termination. Postings subject to this policy shall not be restricted to written postings but include all content, including but not limited to, photographs or videos that may be placed on the internet. Nothing within this policy shall be construed to improperly restrict the right to engage in lawful recreational activities away from work, the right to discuss wages, hours, and/or other working conditions, or other rights protected by law.

Notwithstanding anything herein to the contrary this policy does not limit any rights, or prohibit any conduct, afforded to employees under Section 7 of the NLRA.

SECTION 29: BACKGROUND CHECK

The Dealership has a right to use consumer reports and/or investigative reports in employment decision-making. A consumer report is any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or part for the purpose of serving as a factor in establishing the consumer's eligibility for employment purposes.

An investigative report is a report (or part thereof) in which information on an applicant's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends or associates.

The Dealership may deny employment to any job applicant or terminate any employee who refuses to consent to credit checks and/or driver's license checks.

The Dealership must post "in a visually conspicuous manner" a copy of Article 23-A of the New York Corrections Law, which encourages and regulates the employment of individuals convicted of a criminal offense.

The Dealership will not procure a consumer report or cause a consumer report to be procured for employment purposes with respect to any job applicant or employee without the job applicant's or employee's written consent. In the event the Dealership elects to procure a consumer report or investigative consumer report, it must pursuant to Section 380-c and 380- g(d) of the New York General Business Law provide the applicant or employee with a copy of Article 23-A of the New York Corrections Law.

After procuring a consumer report, the Dealership may take adverse employment action against the job applicant or employee. Before the Dealership takes any adverse employment action, the job applicant or employee will receive a pre-adverse action disclosure that includes:

- 1) A copy of the report; and
- 2) A description of his/her rights as prescribed by the Federal Trade Commission (i.e. a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act"

In the event the Dealership ultimately decides to take adverse employment action based upon a consumer report (such as a decision not to hire), the job applicant or employee will receive:

- A) Oral, written or electronic notice of the adverse action;
- B) The name, address and telephone number of the consumer-reporting agency that furnished the report;
- C) A statement that the consumer reporting agency did not make the decision to take adverse action against the job applicant or employee, and is unable to provide the consumer with the specific reasons why the adverse employment action was taken;
- D) Notice that the job applicant or employee may obtain a free copy of the consumer report from the consumer reporting agency that made the report within 60 days; and
- E) Notice that the job applicant or employee may dispute the accuracy or completeness of any information contained in the consumer report with the consumer reporting agency which provided the report.

Driver's License Background Check Authorization

By signing the Motor vehicle authorization form, I authorize Security Dodge Chrysler Jeep Ram to obtain a record from the Department of Motor Vehicles for purposes related to the terms of employment. I understand that the report from the Department of Motor Vehicles includes personal information from my driving record concerning driver violations and or accidents.

Should my application for employment be accepted for employment, I further authorize additional requests for a copy of my driving record.

AUTHORIZATION AND DISCLOSURE FOR PROCUREMENT OF CONSUMER REPORT

I understand and agree that the Dealership will verify all or part of the information I have provided in connection with my application. I hereby authorize the Dealership to procure a consumer report, including an investigative consumer report containing information about my character, general reputation, personal characteristics and mode of living for employment purposes as part of the pre-employment background investigation and at any time during my employment. I understand that such report may contain information relating to my motor vehicle driver's license records and/or my motor vehicle driving records.

If I am granted employment, I further authorize the Dealership to subsequently, from time-to-time, request such consumer reports or investigative consumer reports in connection with my

employment. Information from the report(s) will not be used in violation of any federal or state equal opportunity law or regulation.

Before taking any adverse employment action based on a credit report, including denying employment, the Dealership will provide me, without charge, a copy of the report, plus a written summary of my rights under the Fair Credit Reporting Act.

I release and hold harmless from all liability any individual or entity requesting or supplying information with respect to my application for employment. I understand that if a consumer report or investigative consumer report is requested, I will be provided with a copy of Article 23-A of the New York Corrections Law that encourages and regulates the employment of individuals convicted of a criminal offense. If the investigative consumer report reveals criminal conviction information I will be provided with an additional copy of Article 23-A.

I also understand that if an investigative consumer report is requested, I will be informed that an investigative consumer report has been requested. I will be provided with the name and address of the consumer reporting agency to whom the request was made. And I will have the right to demand a complete and accurate disclosure as to the nature and scope of the

investigation requested and a written summary of my rights from the reporting agency as provided under the Fair Credit Reporting Act.

The Dealership will respond to a request for detailed information in a written statement to be mailed or otherwise delivered to you no later than five days after the date it receives your written request for additional information or the date the report was first requested, whichever date is later in time.

I acknowledge that I have received a copy of the above notice and that I authorize a copy of my credit report to be released to the Dealership or an investigative consumer report to be requested by the Dealership.

Applicant's signature:

Date:

Address:

Social Security Number:

Driver's License Number and State of Issue:

SECTION 30: NONDISCLOSURE AGREEMENT

The Dealership strictly prohibits the unauthorized use or disclosure of proprietary information. Employees who fail to abide by the following policy will be disciplined up to and including termination. The Dealership reserves the right to pursue civil and/or criminal penalties against employees or former employees who disclose confidential information without authorization.

Nondisclosure of Confidential Information

1. **Dealership Information:** Employees are required to hold in strictest confidence, and not to use, except for the benefit of the Dealership, or to disclose to any person, firm or corporation without written authorization from Lauren Tortorella any Confidential Information of the Dealership. "Confidential Information" means any Dealership proprietary information, technical

data, trade secrets or know-how, including but not limited to: research, product plans, products, services, customer lists and customers (including but not limited to: any and all customers of the Dealership with whom an employee may have had contact during the term of his or her employment), logos, letterhead, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances and other business information disclosed to me by the Dealership either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. Confidential information does not include any of the foregoing items which have become publicly known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved.

2. **Former Employer Information:** Employees may not improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer (including any business owned or operated by the employee) or other person or entity and will not bring onto the premises of the Dealership any unpublished document or proprietary information belonging to any such employer, person, or entity.

3. **Third Party Information:** The Dealership has received and, in the future, will receive from third parties their confidential or proprietary information subject to a duty on the Dealership's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Employees are required to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm, or corporation or to use it except as necessary in carrying out my work for the Dealership consistent with the Dealership's agreement with such third party. All inside or outside personnel may not take or use any customer list of the dealerships.

Returning Dealership Documents

Upon termination, resignation or retirement all employees must deliver to the Dealership (and will not possess, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings blueprints, sketches, materials, equipment, other documents, property, or reproductions of any aforementioned

items developed during employment with the Dealership or otherwise belonging to the Dealership.

SECTION 31: INFORMATION SAFEGUARDING AGREEMENT

I acknowledge that I have read, and agree to comply with the policies and procedures regarding the safeguarding of customer information, as outlined in the Dealership's Information Security Program. I agree to comply with the Dealership's Information Safeguarding Policies and Procedures, and any amendments or additions to these policies and procedures that the Dealership may make.

This Dealership collects and utilizes confidential and nonpublic personal information (NPI) from customers during the ordinary course of its business. The Dealership is committed to the protection of this information from unauthorized access, use, or disclosure. The Dealership has

adopted an Information Safeguards Program to address dealer and employee responsibilities for handling and protecting NPI.

I understand the following responsibilities:

- 1) I agree to comply with the Dealership's written Information Safeguards Program and any amendments or additions to these policies and procedures.
- 2) I agree to access NPI only when necessary to accomplish the responsibilities of my employment.
- 3) I agree to disclose NPI only to persons who have been authorized to receive it and have a business purpose for it.
- 4) I agree to maintain all knowledge of NPI gained through my employment duties confidential.
- 5) I agree that if assigned a password, I will maintain the secrecy of the password and not tell or allow others to view or use my password.
- 6) I agree that if I have access to a computer terminal, which may be secured with a locking device, that I will do so when it is not in use.
- 7) I agree to immediately notify the Dealership's Compliance Officer or my immediate supervisor, in the event I observe unauthorized accessing of NPI or suspicious activity by any person.

The Dealership's Compliance Officer is Lauren Tortorella (Controller located in accounting office.)

I understand failure to comply with the above Dealer's Information Safeguards Program, whether my failure is willful or unintentional, may result in disciplinary action, up to and including termination from employment.

SECTION 32: REPORTING OF CASH TRANSACTIONS

Federal law requires that dealers report all cash transactions over \$10,000 utilizing IRS Form 8300. Dealers must also report traveler's checks, money orders, and bank drafts under \$10,000, when the combined total exceeds \$10,000. Traveler's checks, money orders or bank drafts over \$10,000 do not have to be reported since the Bank who issued them is responsible for reporting these transactions.

The dealership is committed to complying with the law. No employee may discuss, inform, relate, advise or confer with any person who requests information as to how to avoid the reporting of cash transaction, nor may any employee assist any person who is attempting to do so. Any employee who is approached by a customer seeking to avoid the cash reporting requirement must immediately inform his/her immediate supervisor.

Any violation of this policy will subject an employee to immediate termination of employment. Here are a few examples to assist you in understanding the law:

Example 1: A customer buys a car for \$12,000 - He gives you \$6,000 in cash and a \$6,000 cashier check.

You would be required to report this transaction because the expanded definition of cash now includes any combination of cash, cashier's checks, money orders and bank drafts over \$10,000.

Example 2: A customer buys a car for \$20,000 -She gives you a \$7,000 cashier's check, a \$7,000 traveler's check and a \$6,000 bank draft.

You would be required to report this transaction because the combined total exceeds \$10,000, even though individually they are in amounts under \$10,000. No actual "cash" is needed in this transaction to make it reportable.

Example 3: A customer buys a car for \$18,000- He gives you a traveler's check for \$11,000, and cash for \$7,000.

You would not be required to report this transaction since the cash is under \$10,000, and the traveler's check is not added to the cash since it is over \$10,000 and would be reported by the Bank.

Anti-Structuring Rule:

- 1) Neither the dealer nor any person involved in the transaction may attempt to "structure" the transaction to avoid the reporting requirement.
- 2) In addition, the salesperson cannot advise customers how to get around the rule (e.g., by paying part cash and part personal check).

Penalties For Violating the Rule

Violations of the reporting rule can result in penalties of \$25,000 - \$100,000 for each violation. Violations of the anti-structuring rule is a felony. This means that if you are convicted, you could do jail time.

If you have any further questions or need clarification, please consult your supervisor.

SECTION 33: ACKNOWLEDGMENT OF RECEIPT OF HANDBOOK

I acknowledge that I have received a copy of the Dealership's Employee Handbook, and that I have read the Handbook. I understand that the Handbook is intended to give me information about the main features of the Dealership's employment policies, benefits, and certain other general information, and that it does not, and is not intended to cover these matters in detail or serve as a contract between me and the Dealership. I understand that my employment with the Dealership is terminable at will. Accordingly, I may be discharged at any time, for any reason or for no reason. Similarly, I may resign at any time upon two weeks' notice. I understand that no representative of the Dealership has any authority to modify the employment at will relationship except Lauren Tortorella or Michael Vigorito and any such modification must be in the form of a written employment contract signed by Lauren Tortorella. I further understand that all statements in the manual are subject to change by the Dealership unilaterally and without notice to me.

The policies in this manual apply to both unionized and non-unionized employees. However, where the collective bargaining agreement (CBA) differs from, and/or conflicts with, the policies listed in this manual, the CBA shall control.

_____ Date _____ Employee Signature

_____ Employee Name - Print

_____ Date _____ Department Manager/Witness