



capitol auto
group

TOYOTA SUBARU
CHEVROLET CADILLAC

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EMPLOYEE HANDBOOK

2023

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WELCOME

Welcome to Capitol Auto Group! Whether you have just joined our staff or have been at Capitol Auto Group for a while, we are confident you will find our company a dynamic and rewarding place to work. We look forward to a productive and successful association as we consider the employees of Capitol Auto Group its **most** valuable resource. This Handbook has been written to serve as the guide for the employer/employee relationship.

USING THIS HANDBOOK

This Handbook becomes effective January 1, 2023 and is designed to provide a summary of Capitol Auto Group's ("CAG" or "Company") current employment policies, practices, and benefit programs. This Handbook covers all employees of Capitol Auto Group, including all of its divisions and subsidiaries; therefore, we ask that you read the Handbook carefully.

It is important you understand this Handbook is not intended to serve as a contract for employment or benefits and does not create a promise of specific treatment in specific situations. Because our ability to serve customers and provide employment to employees depends upon our ability to remain competitive, we reserve the right to make changes to, or discontinue any policy, practice or benefit on a prospective basis that we believe are necessary to ensure an efficient and profitable operation of business.

We want to avoid misunderstandings with our employees. Consequently, it is important that you understand that the policies contained in the Handbook supersede all previously issued employment policies, as well as any past written or verbal statements that are contrary to the policies outlined in this Handbook.

If you have any questions about matters covered in this Handbook, please contact your Supervisor or the Human Resource Manager.

AT-WILL EMPLOYMENT

Nothing in this Handbook should be construed as a guarantee of continued employment but rather, employment with the Company is on an At-Will basis. This means that the employment relationship may be terminated with or without cause and with or without notice at any time by you or by the Company for any reason not prohibited by law.

CHAIRMAN'S MESSAGE

Congratulations and welcome to Capitol Auto Group! You have been asked to join Capitol Auto Group because of your abilities, experience and the quality of your past performance. We hope your skills and positive attitude will contribute to our mutual success, results, and fun.

While there is no single rule that can ensure success in any business, there are certain fundamental things that largely determine an individual's progress. Most important is how well you do your job. Employees who use their working hours to the best advantage, pay attention to detail, see a job through with a minimum of supervision, and are ready and willing to accept greater responsibilities are more likely to succeed. Such qualities as initiative, teamwork, cooperation, and professionalism are important.

We urge you to do your best so that you will be a credit to our operation and gain for yourself the true sense of well-being and satisfaction that comes from the knowledge of a job well done. If you haven't already done so, please read our Vision, Values and Standards. Share it with your family or anyone else who it may affect. It is a living document that we *all* take to heart and live by, and we consider it the foundation of our success.

Let your Supervisor know when you have been successful at your job or when you need help solving a problem. We believe in you and are glad you are on our team – at Capitol Auto Group, you are Number ONE! Again, welcome to Capitol Auto Group!

Scott Casebeer

Chairman of the Board

Capitol Auto Group's Vision, Values, and Standards

Vision:

To be the best at providing a unique, customer-driven automotive experience that includes respect, integrity and innovation.

Capitol Values:

- Committed to our customers and each other beyond expectations.
- Create a fun and profitable atmosphere.
- Committed to being a respectful corporate citizen through personal service or financial contributions.

Operating Standards:

- The Vision of Capitol Auto Group is the driving force of our Company. It must be known, owned and energized by all.
- Company standards and goals are clearly communicated to all employees. It's everyone's responsibility to support and advocate the information.
- Protecting the assets of CAG is the responsibility of every employee.
- It is the responsibility of each employee to create a teamwork environment and lateral support so that the needs of our customers and each other are met. "It's not my job" is not in our vocabulary.
- Never lose a customer. Whoever receives a complaint will own it. For example, when a customer has a concern or needs something special, you should break away from your regular duties, address and resolve the issue.
- Uncompromising levels of cleanliness at CAG are the responsibility of every employee.
- We are always on stage. Always maintain positive eye contact and a smile. Use proper vocabulary such as, "Good Morning," "I'll be happy to." Do not use words such as, "My bad," "Folks," "Okay," "Sure," "No problem," and "Ma'am."
- Be an ambassador of CAG in and outside of the workplace. Always speak positively.
- 10-foot-Rule - Escort customers rather than pointing out directions to another part of the dealership and do a proper introduction.
- Use proper telephone etiquette and use social media appropriately.
- Take pride and care of your personal appearance.
- A safe environment is essential to our success...Safety First!
- Keep Capitol Green. Conserve energy, recycle, and protect the environment.
- Treat customers and fellow employees with courtesy and respect.
- Strive to be innovative on a daily basis. Look for opportunities to create loyal customers... "To see is to sell."

HISTORY OF CAPITOL AUTO GROUP

Capitol Auto Group was founded in 1927 as a Chevrolet dealership by Douglas McKay, former Mayor of Salem, Governor of Oregon and Secretary of the Interior to President Eisenhower. The name was changed to Capitol Chevrolet in 1955. The Toyota franchise was added in 1971 and Subaru in 1993. We recently entered into our fourth generation of family ownership and we have been in our current location on the Salem Parkway since 2012.

We currently sell over 7,500 new and used retail vehicles annually from all our locations. The Company employs over 350 people.

We live by our Vision, Values, and Standards and will always operate on principles and ethical business practices that will sustain the highest level of respect and confidence in the industry and in our community.

EQUAL EMPLOYMENT OPPORTUNITY POLICIES

POLICY AGAINST DISCRIMINATION

We believe that equal opportunity for employees is central to the growth and success of the Company. It is our policy to provide equal opportunities to all qualified persons without regard to race, religion, color, sex, sexual orientation, gender identity, national origin, mental or physical disability, genetic information or screening, age, marital status, veteran's status or any other protected status or activity in accordance with applicable state or federal law. We make employment decisions based on our evaluation of an individual's qualifications, ability and contribution to the success of our Company.

POLICY AGAINST HARASSMENT

We also believe that all employees have a right to work in an environment where the dignity of each individual is respected. We prohibit any conduct that could reasonably be viewed as harassment of employees, regardless of working relationships and supervisory status. Likewise, any conduct that could reasonably be viewed as harassment of our customers, vendors, suppliers, or other business visitors by our employees is also strictly prohibited. Such conduct directed at our employees by customers, vendors, suppliers and other non-employees that creates an offensive work environment or interferes with your ability to perform your job is also a violation of this policy.

Specifically forbidden is conduct related to an individual's race, religion, color, sex, sexual orientation, gender identity, national origin, marital status, citizenship status, age, veteran status, physical or mental disability or other legally protected basis. For these purposes, the term "harassment" includes unwelcome verbal, graphic, or physical conduct of such a nature which has the purpose or effect of creating an offensive work environment or unreasonably interfering with an employee's work performance.

Prohibited **sexual and gender-based** conduct includes but is not limited to the following types of on or off-duty conduct:

- Sexual advances, propositions or requests for dates
- Sexual innuendoes or sexually suggestive comments
- Visual conduct, such as leering or making sexual gestures
- Displaying sexually suggestive objects, pictures, cartoons or posters
- Making verbal comments about an individual's body or sexual orientation
- Using sexually degrading words to describe an individual
- Touching (other than handshakes), impeding or blocking movements
- Telling jokes of sexual nature
- Making comments about a person's gender, gender identity, or sexual orientation
- Talking about your sex life
- Using Company computers, fax machines or other communication systems to access, send, store or receive material of a sexual nature
- Swearing or profane language
- Making derogatory comments about members of the LGBT community
- Spreading rumors or discussing a co-worker's sex life

- Engaging in any other verbal, graphic or physical conduct of a sexual or gender-based nature that creates an offensive work environment or interferes with another employee’s work performance

Prohibited conduct directed at a person or related or on the basis of a person’s **race, color, religion, sex, sexual orientation, national origin, age or other legally protected status or characteristic** includes but is not limited to the following types of on or off-duty conduct:

- Making racial slurs or ethnic comments
- Telling racial or ethnic jokes
- Making derogatory comments about a person’s physical or mental limitations
- Mimicking someone with physical or mental limitations
- Pushing your religious beliefs on others
- Making derogatory age-based comments
- Displaying racist symbols
- Using Company communication systems to send, receive, store or access racially or ethnically offensive material
- Displaying cartoons, printed material or other objects which are racially or ethnically offensive
- Criticizing or making fun of another person’s religious beliefs
- Engaging in any other verbal, graphic or physical conduct of a racial, ethnic, religious, age, disability or other prohibited nature that creates an offensive work environment or interferes with another employee’s work

Also, you should assume that conduct of this nature is unwelcome and will offend other employees. Therefore, you are expected to refrain from engaging in such conduct, regardless of the circumstances. It will not be an acceptable excuse that others participated in the conduct or did not appear to be offended.

In addition, no one should suggest or threaten that an employee’s cooperation, tolerance or objections to conduct of this nature will have any effect on that employee’s employment. Capitol Auto Group strictly prohibits supervisors or managers from conditioning employment or making employment decisions based on an employee tolerance of or resistance to harassment. This type of conduct is considered a serious violation of our policy.

POLICY AGAINST RETALIATION

It is also important for you to remember that Capitol Auto Group respects the rights of its employees to raise harassment and discrimination concerns in good faith and to participate in investigations. We do not allow supervisors, managers, employees or others to retaliate against employees who report harassment or discrimination, cooperate with investigations, testify in harassment proceedings or assist in enforcement of our harassment policy.

“Retaliation” is broadly construed and means any adverse action against an employee for opposing harassment or discrimination or for participating or cooperating in an investigation or hearing. It may include any on-duty or off-duty conduct, whether related to employment or not, that could discourage an employee from making a complaint of discrimination or harassment or testifying, assisting or participating in an investigation proceeding or hearing. It could also include conduct such as “cold shoulder” treatment, changing job duties, failing to cooperate, or treating an employee rudely, because someone has engaged in these types of activities.

Employees should bring complaints of retaliation to the attention of their Supervisor or the Human Resource Manager.

If we find that an employee has violated our policy, appropriate disciplinary action up to and including immediate discharge will be taken. In addition, other corrective action, such as individualized training and other steps, may be taken as we determine appropriate.

COMPLAINT REPORTING PROCEDURE

If you believe you have been subjected to:

1. Discrimination in violation of this Policy or equal employment opportunity laws;
2. Unwelcome conduct or statements prohibited by the Policy Against Harassment by any other employee regardless of supervisory status, a customer, or anyone else you come into contact with through your job;
3. Retaliation for reporting discrimination or harassment; opposing discrimination or harassment or cooperating with investigations; or
4. If you have observed behavior or overheard comments directed at others that raise concerns regarding compliance with this policy:

You should promptly report your concerns to your Supervisor or the Human Resource Manager. We encourage employees to report complaints and work with us to informally resolve problems involving harassment. The Company's ability to resolve these kinds of problems is dependent on your cooperation in reporting incidents which create an offensive work environment for you. We believe that all our employees have an affirmative obligation to promptly report harassment.

In the event an incident or complaint is reported, an appropriate investigation will be undertaken immediately. Investigations will be kept confidential to the extent we determine confidentiality can be maintained while allowing us to comply with our obligations. Violators will be subject to appropriate disciplinary or other corrective action, up to and including immediate discharge. In addition, other corrective action, such as individualized training and other steps, may be taken as we determine appropriate.

WORKPLACE FAIRNESS NOTICE

Capitol Auto Group will not enter into an agreement (nondisclosure and/or nondisparagement¹) with an employee or prospective employee, as a condition of employment, continued employment, promotion, compensation, or the receipt of benefits, that contains a nondisclosure provision, a nondisparagement provision or any other provision that has the purpose or effect of preventing the employee from disclosing or discussing workplace harassment that occurred between Capitol Auto Group employees or between a Capitol Auto Group employee and Capitol Auto Group, in the workplace or at work-related event that is off Capitol Auto Group premises and coordinated by or through Capitol Auto Group, or between a Capitol Auto Group employee and employer off Capitol Auto Group premises.

¹ A "nondisclosure" agreement or provision prevents either party from disclosing the contents of or circumstances surrounding the agreement. A "nondisparagement" agreement or provision prevents either party from making disparaging statements about the other party.

Capitol Auto Group may enter into a settlement agreement, separation or severance agreement that includes one or more of the following provisions **only when a Capitol Auto Group employee claiming to be aggrieved by workplace harassment requests to enter into the agreement**: 1) a nondisclosure or nondisparagement provision; 2) a provision that prevents disclosure of factual information relating to the claim of workplace harassment; or 3) a no-rehire provision that prohibits the employee from seeking reemployment with Capitol Auto Group as a term or condition of the agreement. **The agreement must provide the Capitol Auto Group employee at least seven days after signing the agreement to revoke it.**

A complaint alleging an unlawful employment practice as described above in our policies against discrimination, harassment, and/or retaliation must be filed no later than five years after the occurrence of the alleged unlawful employment practice. Employees and employers are advised to document any incidents of prohibited discrimination.

DISABILITY AND PREGNANCY ACCOMMODATION

Capitol Auto Group abides by applicable disability and pregnancy non-discrimination laws. This means that we prohibit discrimination against qualified individuals with disabilities, including pregnancy and pregnancy-related conditions, and comply with reasonable accommodation obligations as required by law; however, we cannot respond to workplace obstacles if we don't know they exist. Consequently, if you believe that workplace modifications or other assistance is necessary to accommodate your disability, including limitations related to pregnancy, childbirth or a related medical condition, you must contact the Human Resource Manager to discuss it. Accommodations are generally made to enable qualified individuals to perform their job duties absent undue hardship. This may also include offering temporary modified work to an employee who has a pending workers' compensation claim to return to productive employment. (For more information regarding assistance for employees who have a pending workers' compensation claim, see our Light Duty Policy on page 72 of this Handbook.)

If you advise us of a condition you believe requires accommodation, we will evaluate your request in accordance with applicable law. This may include discussing your specific limitations with you and/or your medical provider to determine what, if any, accommodations can be made to enable you to perform your job duties in a safe and satisfactory manner. All employees are expected to cooperate with any requests for additional information or discussion.

If an employee is still unable to perform their essential job duties after any required reasonable accommodation has been made, we may explore opportunities to place the employees in other available positions that are, with or without reasonable accommodation, suited to their skills and abilities.

If, for any reason, an accommodation is made that you feel is not effective or are unsure whether an accommodation is needed, you should promptly notify the Human Resource Manager.

EMPLOYEE CLASSIFICATIONS

All employees are classified as introductory, regular full-time, regular part-time, or temporary/seasonal, as explained below. Employee classifications are used to determine compensation, benefit eligibility and other employment conditions. Employee classifications are not used to change any employee's at-will employment status. If you have any questions about your position or classification, please contact your Supervisor or the Human Resource Manager.

REGULAR EMPLOYEES

Regular Full-time: A regular full-time employee is one who has been hired for on-going, year-round employment and who is regularly and consistently scheduled to work 30 or more hours per week on behalf of the Company. Regular full-time employees are eligible for all benefits outlined in this Handbook provided they meet the specific eligibility criteria for that benefit.

Regular Part-time: A regular part-time employee is one who has been hired for on-going, year-round employment and who is regularly and consistently scheduled to work less than 30 hours per week on behalf of the Company. Regular part-time employees are not eligible for employment benefits except as specifically provided in this Handbook and as required by law.

TEMPORARY/SEASONAL EMPLOYEES

Those employees whose service is intended to be of limited duration (usually six months or fewer), such as during summer/holiday months only, to complete a specific job, or for a specific project are considered temporary or seasonal employees. Temporary/seasonal employees are not eligible for any employment benefits except as required by law.

CHANGES IN EMPLOYMENT STATUS

In order to avoid misunderstandings, all changes in employee classifications (including changes to/from part-time to full-time classifications and changes to/from temporary to ongoing employment status) must be confirmed in writing and approved by your Supervisor.

WORK SCHEDULES AND HOURS

WORK SCHEDULES

Employee work schedules and hours vary, and may include evenings and weekends depending on your position and work location. Your Supervisor will inform you of the hours that you are required to work.

You are expected to be on time and prepared to begin work at your scheduled starting times each day. Likewise, you are expected to work until your scheduled finish time and to limit your lunch and rest breaks to your designated times. If you have to leave work during your regular working time, you must notify your Supervisor before leaving.

We reserve the right to change the schedules and/or hours of all or any employee(s) to provide for efficient and uninterrupted service to our customers. We also want you to understand that although we are interested in providing our employees with a stable work schedule, our ability to do so depends on our assessment of work needs and revenue. Nothing in this Handbook is intended to be a guarantee of employment on a certain schedule, for certain days of the week or for a specified number of hours per week or day. Employee schedules and hours may be changed, reduced, or they may be laid off if management believes it is necessary due to lack of work, interruptions in workflow or other business reasons.

LUNCH AND REST BREAKS

Lunch Breaks: Employees who work six (6) continuous hours or more are scheduled for a lunch break of at least 30 minutes each day. Your Supervisor will schedule lunch breaks so that they will not disrupt work or interfere with service to our customers. Lunch breaks are not considered as time worked. Non-exempt employees are relieved of all active responsibilities and restrictions during meal periods and are not paid for the lunch period.

Rest Breaks: In addition, the Company generally provides non-exempt employees with a paid 15-minute rest break for every 4 hours worked, during which you must remain on site. The Company will schedule your rest breaks so that they will not disrupt work or interfere with service to our customers; however, rest breaks are usually provided as nearly as possible to the middle of each four (4) hours of work. Note: The Company does not provide additional breaks for employees who are smokers/tobacco products users. All employees are required to limit their breaks to the times allotted in this policy.

Employees on rest breaks are not permitted to interfere with fellow employees who are continuing to work.

Breastfeeding Breaks: Employees who have given birth and are breastfeeding a child aged eighteen (18) months or younger should also be aware that the Company provides such employees with reasonable rest breaks as needed to express breast milk in accordance with applicable law. Generally, employees who need to express breast milk are expected to do so during their regularly scheduled meal and rest breaks; however, if it is not feasible to utilize your regularly scheduled meal and rest breaks, you will be provided unpaid rest periods each time you have a need to express milk. The Company also makes an effort to provide employees with a private location within close proximity to the employee's work area (other than a public restroom or toilet stall) to express milk.

If you need or have additional questions about breastfeeding breaks or locations, please contact your Supervisor or the Human Resource Manager.

ATTENDANCE AND PUNCTUALITY

Capitol Auto Group expects employees to be reliable and punctual in reporting for work. Unexcused absenteeism and tardiness place a burden on other employees and the team; therefore, good attendance and promptness are important factors in determining whether your performance is satisfactory. *Habitual or excessive unexcused absenteeism or tardiness, as determined by the Company, is subject to disciplinary action up to and including termination.*

Your punctuality and regular attendance are essential for efficient operations. If you know in advance that you are going to be unavoidably late or absent on a particular day, you must obtain approval from your Supervisor in advance so that substitute arrangements can be made to cover your work. If you are unexpectedly unable to report on time or are unable to work on a day that you are scheduled to work, regardless of what the reason may be, you are required to contact your Supervisor as soon as possible, and generally no later than **1 hour before** the beginning of your shift. It is your responsibility to notify us of your need to be absent or tardy **each day**. If you are ill and unable to call on your own, it is your responsibility to have someone contact your Supervisor on your behalf. The reporting policy for employees who are on an approved leave of absence including employees off work on workers compensation, is addressed under the Leaves of Absence section of this Handbook.

Employees who are absent for three (3) or more consecutive scheduled workdays may be required to provide a doctor's note upon returning to work.

Employees who fail to report to work or call in (no-call-no-show) for two (2) consecutive workdays will be considered to have voluntarily resigned their employment, unless we determine special circumstances existed to justify the lack of notice or are otherwise required by law.

In the event that the Company has a suspicion that an employee has falsified the reasons for an absence, it may require medical or other verification of the need for the absence, and take other appropriate disciplinary measures up to and including termination.

TIMEKEEPING

We want to be sure our employees are paid for all the work they perform and in accordance with applicable law. To accomplish this, we must have an accurate record of your time worked. This means that non-exempt employees must record the time they start working and the time they stop working each day. Employees are also required to record the beginning and end times of their lunch break each day. Do not clock in or out for any other employee and do not permit any other person to clock in/out for you.

If you believe that an error has been made, immediately contact your Supervisor or the Human Resource Manager. You are expected to review your time records and verify that they are accurate each pay period. Clocking in/out for any other employee, misreporting your hours worked or otherwise falsifying time records may result in immediate termination of employment.

PAY DAYS AND WAGE MATTERS

PAY DAYS AND PAYCHECKS

Capitol Auto Group maintains semi-monthly pay periods, which run from the 1st through the 15th and the 16th through the last day of each month. Payday is on the 20th for the pay period that ends on the 15th, and on the 5th of the following month for the pay period that ends on the last day of the month.

If a regularly scheduled payday falls on a Saturday, paychecks will be issued on the Friday before. If a regularly scheduled payday falls on a Sunday or holiday, paychecks will be issued on Monday, or the next business day after the holiday.

If you want your paycheck released to your spouse or another person, you must first sign a form authorizing the release.

DIRECT DEPOSIT

Direct deposit is a convenient and efficient way to receive your paycheck. We offer this benefit to employees and encourage you to participate. If you would like your paycheck directly deposited to your bank account, please see the Human Resource Manager for more information.

DEDUCTIONS FROM PAYCHECKS

Deductions from your paycheck fall into two categories: Legally required deductions and voluntary deductions. Legally required deductions, such as FICA, federal and state taxes, Oregon's Paid Family and Medical Leave Insurance (PFMLI), etc., are automatically deducted. Other items you wish to have deducted from your paycheck, such as insurance contributions, 401(k) contributions, etc., will be deducted only upon written authorization from you.

The amount of the deductions may depend on your earnings and on the information you furnish on your W-4 form regarding the number of dependent/exemptions you claim as required by law. Any change in your name, marital status or number of exemptions must be reported to Payroll immediately, to ensure proper withholdings for tax purposes.

You will be notified of any other mandatory deductions to be made from your paycheck, such as court-ordered wage garnishments, whenever the Company is ordered to make such deductions.

CORRECTIONS TO PAY

If you have questions or feel your paycheck is not accurate, promptly notify your Supervisor. We do not want to make mistakes in paying our employees. By bringing mistakes in payment of your wages to our attention as soon as possible, you will help us make sure you are properly paid for all the work you perform.

LOANS AND PAY ADVANCES

Experience in business teaches that loans to employees or advances in pay do little in the long run to help an employee meet his/her financial obligations. At the same time, the Company may be placed in a difficult and unpleasant position if collection is required on a past due loan. For these reasons, it is our policy not to make loans to our employees.

GENERAL WAGE POLICY

In order to attract, retain and reward qualified people, Capitol Auto Group pays wages that we feel are fair and competitive based on each employee's experience and performance. Capitol Auto Group strictly prohibits discrimination in compensation based on any legally protected classification including, but not limited to, race, color, religion, sex, sexual orientation, national origin, marital status, veteran status, disability and age.

Generally, employees performing comparable work receive comparable compensation. From time to time, employees performing work of comparable character may have different compensation levels. Any such difference will be based on bona fide factors related to the position in question such as seniority, merit, quantity or quality of work, workplace location, necessary travel, education, training, experience, or any combination of those factors.

If you have questions about your wage rate, please contact your Supervisor.

REFERRAL BONUSES

Employees are often our best source of identifying qualified individuals to join Capitol Auto Group. Employees know the qualities our organization looks for and the skills and personalities that make Capitol Auto Group a success. In appreciation for helping recruit the very best candidates, employees who refer someone who is hired into a regular on-going, full or part-time position is eligible to earn a referral bonus. The amount and payout of the bonus will be at the Company's discretion.

In order to earn a referral bonus, the newly hired employee must fill out the employee referral form and you must sign the form as well.

Please note: Employees who refer someone for a position that will report directly to them, employees who refer an existing employee for another position at Capitol Auto Group, and employees who refer former CAG employees for rehire are not eligible to receive a referral bonus.

SPIFFS AND OTHER INCENTIVES

Many employees with Capitol Auto Group have the opportunity to earn spiffs, bonuses, gifts, trips, prizes and other incentives through our suppliers. These employees should recognize that the values of these incentives are generally considered wages. Taxes will be withheld as required by law, and the value of such incentives will be reported to the IRS on your annual W-2 form. If you have any questions, please contact the Human Resource Manager.

EMPLOYEE RECOGNITION PROGRAM

Capitol Auto Group

Capitol Auto Group recognizes its employees who perform beyond expectations. We have established a Remarkable Employee Award for exceptional employees. Remarkable Employee Awards are granted at the Company's discretion to employees who are nominated and selected by management. In order to be considered for employee recognition awards, you must:

- Exemplify CAG's Vision, Values and Standards
- Meet or exceed goals and responsibilities assigned
- Demonstrate a willingness to take on additional responsibilities
- Foster increased productivity and efficiency
- Demonstrate cost containment measures
- Meet or exceed our teamwork and cooperation standards
- Demonstrate superior hospitality and customer service, and
- Be a regular full-time employee who is nominated by management

For more information on our Employee Recognition Program, contact the Human Resource Manager.

OVERTIME

Capitol Auto Group classifies employees as exempt or non-exempt for overtime pay purposes in accordance with state and federal overtime laws. Employees who we have classified as exempt are paid compensation that is intended to cover all of their hours worked and are not eligible to earn overtime.

Employees who we have classified as non-exempt will be paid overtime as required by law. Generally, this means that employees will receive a total of time and one-half (1.5) their regular rate of pay for hours worked in excess of 40 hours in a workweek. For the purposes of this policy, the Company's workweek begins at 12:01 a.m. on Sunday and ends at 12:00 midnight on Saturday. Employees who are absent due to illness, vacation, holiday or any other reason during a workweek will receive straight time pay until they have worked a total of 40 hours that week. Pay received for hours not worked is not counted toward the computation of overtime. All overtime must be authorized before it is worked, unless emergency circumstances prevent prior approval. Unauthorized overtime may result in a discipline as the Company determines is appropriate, up to and including termination.

The Company may periodically schedule overtime or weekend work in order to meet operational needs. We will attempt to give as much notice as possible. Employees are expected to perform overtime work when it is required. If the assignment of overtime work presents a hardship for you, discuss your concern with your Supervisor or the Human Resource Manager. The Company will consider particular employee needs and desires to the extent we feel it is practical and fair to your co-workers.

TRAVEL AND EXPENSE REIMBURSEMENTS

Capitol Auto Group desires to provide equitable standards and effective procedures are in place to provide reimbursements to employees who travel for their jobs and to control travel costs for the Company; therefore, all employees must receive written permission from their Supervisor before any business travel is undertaken. Travel requests should generally be submitted at least ten (10) days in advance and must contain: 1) your name; 2) the destination and purpose of the trip; 3) date of departure and return; and 4) the type of transportation requested. It is the employee's responsibility to obtain written approval for travel before the travel/expense is incurred. To avoid

misunderstandings and unreimbursed expenses, all travel arrangements for approved travel should generally be made through the Executive Assistant to the Chairman of the Board. In addition, a company credit card should be used whenever possible to book major travel expenses such as airfare and lodging.

Employees who incur reimbursable expenses such as meals, lodging and mileage on approved travel, must submit itemized receipts and a reimbursement request to the Control Department within 7 days of completing the travel in order to receive reimbursement. Mileage for approved travel in a personal vehicle will be reimbursed at current company approved rates. Employees will not be reimbursed for ordinary home to work travel in their personal vehicle. For information on our current rates, contact the Control Department. Expenses that the Company considers unreasonable or excessive will not be reimbursed.

EMPLOYMENT BENEFITS

Capitol Auto Group provides generous benefits for its eligible employees, including paid time off benefits, paid holidays, health insurance, a 401(k) retirement savings plan, paid time off to volunteer in the community, educational assistance benefits, employee discounts, gym membership contributions and many others. While we hope to be able to continue to provide generous benefit packages in the future, the Company reserves the right to change or discontinue any benefit plan at any time as we determine appropriate for the management of our business. Employees will be notified of changes.

PAID SICK LEAVE AND PAID TIME OFF

Purpose: Capitol Auto Group recognizes that employees have diverse needs for time off from work. We have established these Paid Sick Leave (PSL) and Paid Time Off (PTO) policies to meet those needs in a flexible manner. Employees are accountable and responsible for managing their own PSL or PTO time to allow adequate reserves if there is a need to cover vacation, illness or disability, appointments, emergencies, or other situations that require time away. Questions about PSL and PTO should be referred to your Supervisor. If your Supervisor cannot answer your question, please contact the Human Resources Manager.

Eligibility: PSL is available to all regular part-time, temporary, and seasonal employees. PTO is available to all regular full-time employees.

Paid Sick Leave (for regular part-time, temporary, and seasonal employees):

The primary purpose of PSL is to help reduce the impact to an employee's income when he or she requires time off from work for a doctor's appointment or to care for their own illness or the illness of a family member. For purposes of this policy, a family member includes the employee's spouse, domestic partner, parent, child, grandparent, grandchild, parent-in-law, and a person with whom the employee was or is in a relationship of *in loco parentis*.

All employees who are eligible for PSL will accrue 1 hour for every 30 hours worked, up to a maximum of 40 hours per calendar year. Accrual begins on the employee's date of hire. Up to 40 hours of accrued, unused PSL time may be rolled over from one calendar year to the next.

Accrued PSL hours may be used in hourly increments for any of the following reasons:

1. To care for the employee's own mental or physical illness, injury, or health condition (including for diagnosis, care, treatment, or preventative care).
2. To care for a family member's mental or physical illness, injury, or health condition (including for diagnosis, care, treatment, or preventative care).
3. For any OFLA-qualifying absence.
4. For time off related to Domestic Violence leave.
5. For time off in the event of a public health emergency. This includes, but is not limited to:
 - a. Closure of CAG, or the school or place of care of the employee's child, by order of a public official due to a public health emergency.
 - b. A determination by a lawful public health authority or by a health care provider that the presence of the employee or their family member in the community would jeopardize the health of others, such that the employee must provide self-care or care for their family member.

- c. CAG is required by law or rule to exclude the employee from the workplace for health reasons.

Accrued, unused PSL will not be paid out upon termination of employment. However, if the employee is rehired within 180 days of separation, they will be restored the number of PSL hours that were lost at termination. Additionally, employees will not lose seniority if they are rehired within 180 days.

Paid Time Off (for regular full-time employees):

The primary purpose of PTO is to recognize that employees need time away from work for planned vacations, personal or family illness, volunteer activities, personal or family obligations, and other personal matters.

All regular full-time employees will be frontloaded up to 80 hours of PTO on their dates of hire. The amount of PTO time awarded to new employees is prorated as shown in the table below:

Hire Date Range	Frontloaded PTO Hours
January 1 – January 31	80.00
February 1 – February 29	73.34
March 1 – March 31	66.66
April 1 – April 30	60.00
May 1 – May 31	53.34
June 1 – June 30	46.66
July 1 – July 31	40.00
August 1 – August 31	33.34
September 1 – September 30	26.66
October 1 – October 31	20.00
November 1 – November 30	13.34
December 1 – December 31	6.66

PTO may be used for vacation, personal reasons, and any reason permitted under state or federal law, such as if you miss work because you or a family member has a mental or physical illness, injury, or other health condition, or because of the need for diagnosis, care or treatment for such an illness, injury or health condition, and for preventative care and appointments. PTO may also be used to take leave for reasons covered by Oregon’s Family Leave Act, and if you miss work for care, treatment, legal assistance, law enforcement or relocation needs arising because you or your minor child or dependent, was a victim of domestic violence, harassment, sexual assault or stalking. If you have questions regarding whether PTO may be used for a particular reason, please contact the Human Resources Manager.

Unused PTO time expires at the end of each calendar year and cannot be carried forward. On January 1st of each year thereafter, eligible employees will receive additional frontloaded PTO time as shown in the table below:

Completed Months of Regular, Full-Time Service as of January 1st	PTO Hours Awarded on January 1st
Less than 12 continuous months	80 hours
12 months – 59 months	120 hours
60 months – 119 months	160 hours
120+ months	200 hours

Unused PTO will not be paid out upon termination of employment. Employees who are rehired within 180 days of separation will be restored the number of PTO hours that were lost at termination. Additionally, will not lose seniority if they are rehired within 180 days.

Status Changes: From time to time, employees may switch statuses from regular part-time/temporary/seasonal to full-time and vice versa. In the event of a status change, the employee will remain on their original PSL or PTO system until the end of the calendar year. Beginning January 1 of the year following the status change, the employee will switch to the new system. Below are examples to illustrate the effect of status changes:

- Employee A is hired as a seasonal employee on May 1, 2021. She begins to accrue PSL on her hire date at a rate of 1 hour for every 30 hours worked. Later that year, she applies and is selected for a regular full-time position effective October 1, 2021. She will remain on the PSL system through the end of the 2021 calendar year. On January 1, 2022, she will switch over to the PTO system and receive the higher of 40 PTO hours or the equivalent number of accrued, unused PSL hours she had available as of December 31, 2021.
- Employee B is hired as a regular, full-time employee on February 15, 2021. Upon completing 90 days of employment, he is front-loaded 36.67 hours of PTO. He requests and receives authorization to switch to part-time status beginning September 16, 2021. There is no change to his PTO balance, and he will remain on the PTO system through the end of the 2021 calendar year. Any unused PTO time expires December 31, 2021 and he will switch over to the PSL system beginning January 1, 2022.

Notice and Scheduling: When the need for PSL or PTO is foreseeable, employees must make a reasonable attempt to schedule the time off in a manner that does not unduly disrupt CAG’s operations. Employees should provide 10 days’ advance notice to their supervisors and include: (1) the reason for time off; and (2) the anticipated duration (if known). Unless otherwise required by law, foreseeable PSL and PTO requests will be approved and scheduled so long as the scheduling does not cause a hardship for the company. PTO requests for vacation are subject to supervisory approval based on departmental staffing needs and established departmental procedures. It is important to plan ahead for vacation time.

When the need for PSL or PTO is not foreseeable, employees must personally call their supervisors at least 1 hour prior to the start of their scheduled shifts, or as soon as reasonably practicable. Employees who know they will be late to work must also call in as soon as they realize they will be tardy. CAG expects employees to personally notify their supervisors of the reason(s) for an unforeseeable absence or tardy and when they expect to report or return to work. A call from an employee’s friend or relative is not acceptable unless the employee’s personal call is impossible.

Additionally, an employee who is absent or tardy for unforeseeable reasons must call his or her supervisor on a daily basis to keep the manager informed of the employee's situation and anticipated return to work date. This allows CAG to make appropriate staffing arrangements.

Failure to follow this notice requirements above may result in disciplinary action. In addition, employees who do not call in or report to work for two consecutive workdays will be considered to have voluntarily resigned except when extenuating circumstances (i.e. hospitalization or incarceration) justifies the lack of notice.

CAG reserves the right to request verification from a health care provider if an employee takes three (3) or more consecutive scheduled workdays of PSL or PTO or if abuse of these time off policies is suspected. CAG will pay all reasonable costs for providing any required verification (including lost wages) that are not paid under a health benefit plan. All health information received by CAG will be treated as confidential and will not be released without the employee's permission.

PSL or PTO will be applied if an employee calls out sick. Employees are not permitted to request unpaid time off if PSL or PTO is available. Absences covered by accrued PSL or approved PTO are excused and will not be treated as a negative mark on the employee's attendance record. Absences in excess of the employee's accrued PSL or approved PTO may not be excused and could be subject to disciplinary action, even if such absences occur for reasons identified in this policy. Employees may not borrow PSL or PTO time from a future calendar year.

Rate of PSL or PTO Payment: PSL and PTO is paid at the employee's regular rate of pay, as described below:

- *Hourly employees* – the employee's regular hourly rate
- *Salaried employees* – the total wages earned during the pay period covered by the employee's salary divided by the number of hours agreed to be worked in the pay period which the salary is intended to compensate. For example, if an employee is paid a weekly salary of \$700.00 and it is understood that the salary is compensation for a regular work week of 40 hours, the employee's regular rate of pay is \$17.50 per hour ($\$700.00 / 40$ hours)
- *Commission-based employees not paid out of a pool* – the equivalent of the prior three months average rate of pay, divided by 516 hours, but not less than Oregon's then applicable minimum wage.
- *Commission-based employees paid out of a pool* – the same rate as if they were at work minus the hours from their PTO bank, but not less than Oregon's then applicable minimum wage.

PAID HOLIDAYS

The Company recognizes New Year's Day, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day as paid holidays for eligible employees. Employees who meet the following criteria are eligible to receive holiday pay:

1. You must work your last scheduled work day before the holiday and first scheduled work day after the holiday, as well as the holiday itself if they are scheduled, unless the Company has approved a PTO day for you in advance of the holiday; and
2. You must be actively employed on the day the holiday is observed. Employees on layoff or on any type of leave of absence are not eligible for holiday pay.
3. Holiday pay is only incurred when the employee is scheduled to work the date of the holiday. If the holiday falls on a regularly scheduled day off it is considered a day off. There will be

no holiday pay for that date.

Amount of Holiday Pay: Eligible salaried employees and commissioned pool employees will receive a continuation of salary without deduction for recognized holidays. Eligible full time hourly and flat-rate employees will receive eight (8) hours of pay at the rate described in the “Rate of PTO Payment” section above, while part time employees shall receive four (4) hours of holiday pay. Eligible commissioned employees will receive one day (8 hours) of pay based on the average hourly rate earned during the last three months of earnings as follows: Three (3) months gross earnings ÷ 516 hours = hourly rate. *Note:* Holiday pay is not counted toward the computation of overtime.

Working on a Recognized Holiday: Eligible non-exempt employees who are required to work on a recognized holiday will receive their regular pay for the day, plus holiday pay as outlined above.

Holidays Occurring During Vacations: Holidays that occur during an approved vacation will be paid as a Holiday and not as vacation.

VETERANS DAY

Employees who are Eligible Veterans may also take Veteran’s day off (or another day in lieu of Veteran’s Day) as an unpaid holiday, so long as they follow the appropriate notification procedures.

An Eligible Veteran is someone who:

- A. Served on active duty with the Armed Forces of the U.S
 - a. For more than 178 consecutive days and was discharged or released under honorable conditions; or
 - b. For 178 consecutive days or less and was discharged or released from active duty under honorable conditions and has a disability rating from the U.S. Dept. of Veterans Affairs; or
 - c. For at least one day in a combat zone and was discharged or released from active duty under honorable conditions.
- B. Received a combat or campaign ribbon or an expeditionary medal for service in the Armed Forces of the U.S. and was discharged or released from active duty under honorable conditions; or
- C. Is receiving a no service-connected pension from the U.S. Dept. of Veterans Affairs.

Eligible Veterans must provide at least 10 calendar days’ notice to the Company of their intent to take Veteran’s Day off. The notice must be accompanied by documents showing that the employee is an Eligible Veteran. If an Eligible Veteran does not provide notice in time, the Company may deny his/her time off request.

The Company will approve an Eligible Veteran’s request unless doing so would cause an undue hardship. In that case, the Company will allow the Eligible Veteran to choose another day off after Veteran’s Day (but within the same year) as a replacement for Veteran’s Day.

HEALTH INSURANCE BENEFITS

Capitol Auto Group currently offers group medical, prescription and dental insurance benefits to
Capitol Auto Group

full-time employees beginning on the first day of the month following completion of 60 days of continuous employment. A regular full-time employee is one who has been hired for on-going, year round employment, and who is regularly and consistently working 30 or more hours per week on behalf of the company. Regular part-time and temporary/seasonal employees are not eligible to participate in our plans.

Eligible employees must submit an enrollment form in order to secure coverage. It is your responsibility to submit the enrollment form on a timely basis. Additional information, including a summary plan description, is available from the Human Resource Manager.

Contributions to Premiums: The Company currently contributes a portion of the cost of insurance premiums for coverage for eligible employees (and family members if so elected) who wish to participate in our plan. Employees will be required to authorize deductions from their paychecks for their portion of the cost of the premium.

Termination of Coverage: Covered employees continue to be eligible for the Company's contribution to premiums while they continue to work as an eligible employee. Coverage through Company paid contributions will end on the last day of the month in which an employee resigns, is terminated, laid off or otherwise stops working as an eligible employee. The Company will, however, continue to pay its portion of the premium for employees who are on Family Leave as required by law. Employees who lose their coverage may elect to self-pay the premium for continued coverage in accordance with state and federal law.

Changes in Coverage and Benefits: Employees should note that it may become necessary to discontinue benefits entirely, or to change premium contribution levels, insurance carriers or plans at any time. You will be notified prior to any such change. Disputes regarding coverage and scope of benefits, etc. should be directed to the respective provider of the benefit.

SUPPLEMENTAL INSURANCE BENEFITS

Capitol Auto Group currently makes supplemental insurance benefits available for full-time employees to purchase at their own cost. Full-time employees may begin participating in our supplemental plans on the first day of the month following completion of 60 days of continuous employment, and will be required to authorize deductions from their paychecks for premium payments. For more information about the supplemental plans, please contact the Human Resource Manager.

401(k) RETIREMENT PLAN

Capitol Auto Group maintains a 401(k) Retirement Plan for eligible employees, which provides an excellent tool for you to save for retirement. The plan allows employees to save for retirement through pre-tax employee elective deferrals. In addition, Capitol Auto Group may make discretionary contributions to participating employees' accounts each year. Employees are always 100% vested in their own contributions. Currently, Capitol Auto Group's contributions begin vesting after two (2) years and are fully vested after six (6) years as outlined in our current plan.

Employees are eligible to participate in our 401(k) plan if they have worked for Capitol Auto Group for at least ninety (90) days, and are at least 18 years old. Once you meet the eligible requirements, you may enter the plan during an open enrollment period in January or July. For additional information, and a copy of our 401(k) Summary Plan Description, contact the Human

Resource Manager.

EMPLOYEE DISCOUNTS

Parts and Service Discounts: Capitol Auto Group allows a discount on parts and service for all employees. **The discount rate is available only for your own or an immediate family member's vehicle,** as follows:

Parts	Cost + 10%
Accessories and Sublet	Cost + 10%
Service Labor	50% of retail rate
Body Shop Labor	75% of retail rate

Please Note: Discount values are subject to change at any time. Employees will be notified of changes.

In order to avoid misunderstandings, the following rules apply to employee parts and service discount purchases:

1. All parts and accessories purchased must be for the employee or their immediate family member's personal use.
2. Employee purchases must be paid with cash, check, credit/debit card, etc., at the time of purchase.
3. All transactions must be processed by someone other than the purchasing employee. Employees are strictly prohibited from ringing up their own transactions.
4. For the purposes of this policy, immediate family members include: the employee's spouse, parents, children, and siblings.

Vehicle Purchase Discounts: In an effort to make it as easy as possible for you to purchase a new or used vehicle from Capitol Auto Group, we offer regular employees who have at least six (6) months of continuous service the opportunity to purchase a new or used vehicle at a discount. Certain models (named below) are excluded from this discount; however, if any of these models are on the ground in stock for 30 days or more, they are no longer excluded and can be purchased at the employee discount.

There is a maximum of 2 employee purchases per year. Any additional purchases must be approved by the General Manager. If an employee-purchased vehicle is sold in the first year of ownership to any entity outside of Capitol Auto Group, no vehicles will be sold to that employee for 1 year. Salespeople will earn a unit count but will not be paid commission on vehicles sold to themselves.

All employee purchases should be initiated by Arthur Lyter (CAG Variable Director), Rashelle Robinson (CAG Finance Director), Jeff Shutt (Subaru General Sales Manager), or Brice Jackson (Chevrolet Cadillac General Sales Manager).

New Vehicle Purchase Program:

All new GM vehicles

- Employee pricing follows GM employee purchase program detailed in GM Global Connect. Employee must work at CAG for a minimum of 1 year to qualify for this program.
- If advertised below GM employee purchase program, you get the lower sale price.
- You will incur any expenses in the case of a Dealer Trade.
- The following vehicle models/trim levels are excluded from employee pricing and will be sold at MSRP: Corvette, ZL1 Camaro, Silverado EV, Equinox EV, Blazer EV, Lyriq, and Escalade.

All new Toyota vehicles

- You get to purchase new Toyota vehicles at Invoice, minus all applicable incentives.
- You will incur any expenses in the case of a Dealer Trade.
- If advertised below purchase program pricing, you get the lower sale price.
- The following vehicle models/trim levels are excluded from employee pricing and will be sold at MSRP: RAV4 Prime, RAV4 Hybrid, Highlander Hybrid, Prius, Prius Prime, Corolla Hybrid, Corolla Cross Hybrid, Venza, GR Corolla, Sequoia, Tundra Hybrid, Crown, Land Cruiser, Supra MT, Sienna AWD, 4Runner (MY24), all TRD Pro models, and bZ4X.

All new Subaru vehicles

- You get to purchase new Subaru vehicles at Invoice, minus all applicable incentives.
- You will incur any expenses in the case of a Dealer Trade.
- If advertised below purchase program pricing, you get the lower sale price.
- The following vehicle models/trim levels are excluded from employee pricing and will be sold at MSRP: Solterra.

Used Vehicle Purchase Program:

Retail used vehicle:

- All retail used vehicles are sold at the posted price for the first 30 days.
- After 30 days, you get to purchase all used/certified vehicles at sales department cost plus \$500.
- Sales department cost includes cost of vehicle, shop bill(s), vendor expense and a pack of \$600.
- If advertised below purchase program pricing, you get the lower sale price.

Wholesale used vehicles:

- Can be purchased for exact same amount as we have a wholesale bid for, and all purchases must go through the Variable Director.

Finance options and products:

- Maximum mark up on finance rate .50 bps.
- Discounted employee pricing on all aftermarket products including Service Contract, GAP, 15% over cost.
- Multi-shield, maintenance packages and more, 15% over cost.

BIRD DOG REFERRAL PROGRAM

All employees are encouraged to refer friends and family to Capitol Auto Group for their vehicle purchases. All employees (except sales people, who are excluded) are eligible to receive cash bonuses if your “referral” purchases a vehicle from any of our dealerships or locations. In order to be eligible, the person must register on www.capitolauto.com.

CAPITOL TRAINING AND OTHER EDUCATIONAL ASSISTANCE BENEFITS

Capitol Auto Group periodically offers classes on a wide variety of subjects that are designed to enhance our employee’s personal and professional life. All employees are welcome to attend classes held at Capitol Auto Group outside their regular work hours at no charge. Generally, participation is voluntary. However, for employees whose participation is required, the time will be considered hours worked and paid in accordance with applicable law.

In the event that Capitol Auto Group requires you to attend off-site training, such as factory training

schools related to your job, the Company will pay the full cost of transportation to and from the training. Other travel related expenses, such as meals, will be reimbursed per the Travel and Expense Policy (page 20). All reimbursements require itemized receipts. In addition, time spent at required on or off-site training, as well as travel time, will be considered hours worked and should be recorded on your time records.

The Company also offers regular full-time employees with assistance to participate in voluntary self-improvement training or education. Assistance benefits are limited to \$1,000 per year. Benefits in excess of \$1,000 must be approved by your Supervisor in advance. In order to receive this benefit, you must submit a copy of your receipt verifying the cost of the training or educational course, as well as proof of successful completion of the course. Reimbursement will occur at the time of completion.

GET FIT! BENEFITS

Capitol Auto Group encourages health and fitness for our employees. Accordingly, we have negotiated favorable pricing with various local fitness facilities. Please check with the Human Resource Manager. Temporary/seasonal employees are not eligible for this benefit.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Capitol Auto Group provides you and your family with an Employee Assistance Program through Providence Health & Services that can help you live the life you want. Anytime, any day, you have free, confidential access to professional consultants and online resources to assist you with the following topics:

*24/7 Crisis support, Child & Elder care, work and career growth, Face 2 Face sessions with licensed clinicians, referrals to consultants and resources to meet specific work and life needs.

See the Human Resource Manager for more information or access the following website: www.providence.org/eap and *click on the resources icon*.

STOP SMOKING BENEFIT

Capitol Auto Group encourages healthy choices. Therefore, we will pay employees \$500 after successfully foregoing smoking for (6) six months. **Note: E-Cigarettes do not qualify for the “stop smoking” benefit.** In order to be eligible for the bonus, you must fill out a “Stop Smoking Agreement” with your Supervisor when you initially plan to quit smoking and turn the form into the Human Resource Manager. Temporary/seasonal employees are not eligible for this benefit.

COMMUNITY INVOLVEMENT BENEFITS

Capitol Auto Group is a proud citizen of our local community. We participate in numerous community events such as Hoopla, Boys & Girls Club, United Way, etc. We also encourage our employees to be involved in our community. We recognize that employees’ lives are busy; therefore, all community organization involvement is completely voluntary. Your choice to participate will have no impact on your job at Capitol Auto Group, but the Company takes pride in giving back to our community and is committed to being a respectful corporate citizen through personal service or financial contributions. We do, however, want to make it easier for those employees who want to participate in community organizations such as the Rotary Club, Chamber Capitol Auto Group

of Commerce, YWCA/YMCA, Kiwanis, etc. The Company will reimburse any regular employee for 50% of the annual dues to join one of these community organizations, up to a maximum of \$100 per year. The Company reserves the right to decline reimbursement for organizations it deems inappropriate. In order to receive reimbursement, the organization must be approved by your Supervisor and you must bring a receipt for the payment of dues to the Human Resource Manager. Introductory and temporary/seasonal employees are not eligible for this benefit.

DAY OF GIVING

With the response over the past years for our United Way Campaign, Capitol Auto Group has had numerous employee requests to have the ability to volunteer in our community. Because of our Value “Committed to being a respectful corporate citizen through personal service or financial contributions,” Capitol has created a program called Day of Giving.

Each employee has the opportunity to volunteer up to 8 hours per calendar year during their normal work week and continue to receive regular wages from Capitol. We encourage all employees to seek out 501(c)(3) non-profit organizations that give back to our community. In return, we ask that you complete the correct paperwork and provide a brief description of the activity performed.

Volunteer hours can be used in increments of 2 hours or more. There is no rollover or compensation for volunteer hours not utilized. The organization and activity date must be cleared with your Supervisor and the Human Resource Manager at least two weeks prior to the activity date.

CONFIDENTIALITY AND INFORMATION SECURITY

CONFIDENTIAL PROPRIETARY BUSINESS INFORMATION

Capitol Auto Group has developed proprietary products and processes that are unique to our business and an important part of our success. In your work, you may have access to this and other confidential business information. Confidential information includes all information acquired by an employee during the course of employment which is of economic value to Capitol Auto Group and not generally available to the public. Customer lists, financial data, and unannounced business development and marketing plans are typical examples of information that we consider confidential. Confidential information does not include your wages, benefits or other terms and conditions of employment, which you are permitted *but not required* to discuss with your colleagues for purposes of addressing work-related concerns or issues. Likewise, you are expected to treat any such information shared with you by a co-worker as confidential and not disclose it without their consent.

Since many times it is difficult to distinguish between common and confidential information, the best rule to follow is not to discuss business information with persons outside the Company unless you have received prior approval from your Supervisor. If you have a question about whether information should be disclosed to someone outside the Company, discuss the matter with your Supervisor before you make the disclosure.

All information acquired by an employee during the course of employment at Capitol Auto Group is to be used solely for the benefit of the Company. The use of such information for personal advantage or disclosure to others is strictly prohibited. Capitol Auto Group's right to protect our proprietary and other confidential information exists both during and after employment ends. Likewise, written material, computer disks and other material developed by our employees are the property of Capitol Auto Group. Employees may not take this material with them when they leave our employment, remove it from our offices for non-work related reasons, or copy or distribute it to persons or companies, other than as required in the course of business.

Lastly, in order to assist in maintaining the confidentiality of business records, customer information, and employee information, certain designated areas are off limits to all employees, except management staff. If you require information from a designated confidential area, you will need to go through your Supervisor to obtain that information.

SAFEGUARDING CUSTOMER INFORMATION

Capitol Auto Group takes the obligation to protect the privacy and security of our customer information very seriously. These obligations are mandated by law and Company policy. As a result, we have developed the following guidelines, which all employees are expected to follow.

What is "Customer Information"? Customer information includes any record containing non-public personal information about a customer of a financial institution, whether in paper, electronic, or other form, that is handled or maintained by or on behalf of you or your affiliates. This includes but is not limited to:

- Information contained in a consumer's credit report or credit application (Social Security number, driver's license number, etc.)
- Account numbers

- Bank balances
- Information you receive about the customers of other financial institutions (banks, finance companies, other dealerships, etc.)

How do we safeguard this information?: In addition to conducting criminal background and reference checks, Capitol Auto Group provides all employees who may have access to customer information with information security training. We have also developed various security measures to protect customer information.

In addition, all employees are required to:

- Keep rooms and file cabinets where paper records are located locked at all times.
- Maintain strong passwords, which must be changed at least every 6 months. You are also required to strictly protect the security of your confidential computer log-on and other passwords, and to log off your computer workstation any time you leave.
- You must advise customers against transmitting sensitive data, like account numbers, via electronic mail.
- Paper and other records containing customer information should never be left in plain sight on desks, counters, computer screens or other locations. They must be properly stored, secured and protected at all times.
- Properly and securely dispose of customer information.
 - Paper-based customer information must be shredded and stored in a secure area until a disposal or recycling service picks it up.
 - All electronic media containing customer information must be erased and/or destroyed prior to disposing of computers or other hardware.
 - All customer information must be disposed of in a secure manner after any applicable retention period.

Violations: Violations of the confidentiality obligations with regard to customer information are considered serious infractions and will result in discipline, up to and including immediate termination of employment. Theft or other misuse of customer information may also result in criminal prosecution.

COMPUTERS AND ELECTRONIC EQUIPMENT

Value #10: Use proper telephone etiquette and use social media appropriately.

OWNERSHIP OF EQUIPMENT AND INFORMATION

All electronic and telephonic communication systems, equipment, and all communications and information transmitted by, received from, or stored in these systems, including but not limited to Internet access, software, e-mail, text messages on Company devices, fax machines, telephones, computers, and voicemails, are the property of the Company. These systems are provided to employees at Company expense to assist them in carrying out business activities. Consequently, all information transmitted through or stored in the systems and machines, including e-mail messages, is considered Company information.

ACCESS AND MONITORING

Use of Capitol Auto Group's electronic communication systems and machines is limited to employees and others solely authorized by the Company. To ensure that the use of our electronic communication systems is consistent with this and other Company policies and business interests, Capitol Auto Group monitors the use of our equipment, and may access, review, copy, modify, delete or disclose information transmitted through or stored in our systems (including but not limited to email and voicemail messages and internet use logs) at any time as we deem appropriate. Consequently, employees and other individuals using the Company's Internet, e-mail, voicemail, and other electronic communication systems should recognize that they have no expectation of privacy in connection with the use of this equipment or with transmission, use or storage of information in the equipment, including but not limited to stored e-mail or voicemail messages.

Telephone Monitoring: In order to ensure that our employees maintain the highest standards of customer service, and treat our customers in a courteous and respectful manner at all times, Capitol Auto Group conducts periodic and random monitoring of telephone conversations conducted on our phone lines. Again, employees using the Company's telephone systems have no expectation of privacy in connection with the use of this equipment or with transmission, use or storage of information in the equipment, including but not limited to stored e-mail or voicemail messages.

PROPER USE AND SECURITY RULES

All employees are required to restrict their use of our electronic communications systems to legitimate business activities as assigned by your Supervisor and incidental personal use as outlined below.

To help ensure the security of Capitol Auto Group's electronic systems, we have established the following rules, which all employees are required to follow:

1. Each authorized employee must maintain an individual login and password.
2. Passwords and logins must be changed at least every 6 months.
3. You must log out whenever you leave your computer work station.
4. If you believe your login or password has been compromised, you must immediately report your suspicions to the IT Department.
5. Employees are not permitted to load any software (including shareware, free ware, using their own personal thumb drives/hard drives or copies of software or data) in Company

computers, unless you have obtained advance approval from the IT Department and the software is loaded with assistance from the IT Department.

6. Employees are not permitted to download any data or materials from the Internet without prior approval from the IT Department.
7. No electronic data or equipment may be removed from our systems or premises without prior approval from the IT Department.
8. Employees who unintentionally receive or accidentally access any materials prohibited by this policy (such as inappropriate spam, messages or graphics containing sexually explicit or other offensive materials, etc.), must immediately close the site/message and notify the IT Department of the occurrence.

PROHIBITED USES AND CONDUCT

Employees are strictly prohibited from using Capitol Auto Group's computers, e-mail systems, Internet accounts, and other electronic communications systems for improper reasons. Examples of prohibited usage and conduct include, but are not limited to the following:

- Disclosure of your password or log-on
- Creating or using any unauthorized passwords or logins
- Use or access of another person's log-on, password, e-mail account, or other account or computer, including but not limited to intercepting communications intended for another person
- Bypassing or disabling any firewalls, security systems (including accessing blocked sites) is strictly prohibited. Employees will be held personally liable for any damage or cost caused by violating this policy to the maximum extent permitted by law
- Modifying or attempting to modify the configuration of any Capitol Auto Group computer
- Even when authorized, no company information may be downloaded or transferred to any personal device
- Transmitting, retrieving, downloading or storing messages or images that are offensive, derogatory, off-color, sexual in content or otherwise inappropriate in a business environment. This includes but is not limited to: nude photographs; pornography; racial, ethnic or gender-related jokes; or any other offensive material of a racial, sexual, ethnic, gender, disability or age-related nature, or related to any other status prohibited under federal, state or local laws, or Company policy
- Convey or knowingly receive messages that are threatening, disruptive or disparaging, or are otherwise unlawful or illicit
- Creating or distributing chain letters, or other materials (such as computer viruses or other harmful programs) that slow or disrupt network and business resources
- Vandalizing or corrupting the data of another user
- Sending or receiving confidential or copyrighted material without prior authorization, or revealing or publicizing proprietary or other confidential information
- Gambling, monitoring sports scores, playing electronic games or conducting any type of illegal activity
- Soliciting personal business opportunities or personal advertising for commercial ventures, religious or political causes, outside organizations or other non-business purposes, including charitable purposes
- Any other conduct on or involving our computers, Internet, e-mail, voicemail or other electronic communications equipment or systems that violates any other directive in this policy or another Company policy

PERSONAL USE

All employees are required to restrict their use of our electronic communications systems to business activities; however, as a narrow exception to this rule, the Company allows very limited personal use of our Internet and telephone systems only (not Company e-mail or other communications systems), as outlined in this policy. The following rules apply to personal use of our Internet and telephone systems:

- Personal use must be limited to infrequent, incidental, occasional use conducted only during lunch, breaks or before/after work. Personal use is strictly prohibited during work hours.
- Personal use of the Internet or telephone must never interfere with an employee's duties, or the Company's operations. For example, if the computer or connection or telephone line you are using is needed for Company business, the Company business takes priority.
- Employees are prohibited from participating in chat groups on Company computers and using the Company's Internet connection.
- Personal use of the Company's Internet or telephone systems must comply with all other workplace policies and security procedures established to protect our systems. Bypassing or disabling any firewalls, security systems (including accessing blocked sites) is strictly prohibited. Employees will be held personally liable for any damage or cost caused by violating this policy to the maximum extent permitted by law.
- The Company's Internet or telephone systems cannot be used at any time to convey or knowingly receive messages that are threatening, disruptive or disparaging. Likewise, the Company strictly prohibits the use of its Internet and telephone systems to convey or knowingly receive messages or graphics that contain offensive material of a sexual, racial, religious, etc., nature or that otherwise violates our Non-Discrimination and Anti-Harassment Policy.

Individuals who use the Company's Internet or telephone systems for personal use are reminded that this policy does not change the Company's practice of monitoring the use of such equipment and to access, review, copy, modify, delete, or disclose information transmitted through or stored in the system, including personal e-mail and voicemail messages, to ensure compliance with our policies as we deem appropriate. Our security system is able to, and may at any time, track and store all individual employee activities on the Internet, email, etc. Therefore, you should not access personal email, or otherwise conduct any personal business using our Internet systems that you would not want others to see or disclose. Please conduct yourself accordingly.

EMPLOYEE CELL PHONE POLICY

Our employee cell phone policy outlines our guidelines for using cell phones at work. We recognize that cell phones/smart phones have become an integral part of everyday life. They may be a great asset if used correctly. This policy applies to all our employees.

Despite their benefits, personal cell phones may cause problems in the workplace. Employees who use their cell phones excessively may:

- Get distracted from their work
- Disturb colleagues by speaking on their phones.
- Cause security issues from inappropriate use of company-issued equipment or misuse of our Company's Internet connection
- Cause accidents when they illegally use their phones inside Company vehicles or near areas where using phones is prohibited.

Our Company expects employees to use their cell phones prudently during working hours.

We advise our employees to:

- Use Company-issued phones for business purposes only and preserve them in perfect condition.
- Surf the Internet, text and talk on the phone only for a few minutes per day.
- Turn off or silence their phones when asked.

We won't allow our employees to:

- Play games on the cell phone during working hours.
- Use their cell phone's camera or microphone to record confidential information.
- Use their phones in areas where cell use is explicitly prohibited.
- Speak on their phones within earshot of colleagues' working space during working hours.
- Download or upload inappropriate, illegal or obscene material on a company cell phone using a corporate Internet connection.

Employees are allowed to use their phones:

To make business calls.

To use productivity apps.

To check important messages.

To make brief personal calls away from the working space of colleagues.

Employees can use their phones during breaks or at lunch hour and while in a stationary vehicle.

Our Company retains the right to monitor employees for excessive or inappropriate use of their cell phones. If an employee's phone usage causes a decline in productivity or interferes with our operations, we will ban that employee from using their cell phones.

Employees may face severe disciplinary action up to and including termination, in cases when they:

- Cause a security break
- Violate our confidentiality policy
- Cause an accident by recklessly using their phone

CELL PHONE USE WHILE DRIVING

Recent studies suggest the use of a cell phone while driving increases the potential for an accident by 400%. Because CAG is concerned with the safety of its employees, passengers and the public at large, we have instituted a policy to promote safe mobile usage. This policy applies to:

- All business phone calls at any time
- All personal phone calls during business hours
- All business or personal phone calls while using a company-provided cell phone at any time
- All business or personal phone calls while driving a company-provided vehicle at any time

All employees, including authorized drivers of company owned vehicles, will acknowledge and abide by the following safety operating guidelines:

- Personal phone calls will be limited to emergency situations only.
- Driving safety will always take precedence over talking on the phone.
- Suspend conversations during hazardous situations, including but not limited to, congested traffic, construction poor lighting, or bad weather.
- Keep any necessary conversation brief. Allow voice mail to answer the phone until you pull over to a safe location to dial or complete a conversation.
- If you must make or take a call, use the autodial and hands-free option on your mobile phone. Be sure the phone is positioned within easy reach so you may grasp it without removing your eyes from the road.
- Never take notes or look up information while driving. If you drop the phone, do not attempt to pick it up until you can pull over and stop safely.
- Advise the person you are speaking to that you are driving. Keep all conversations as brief as possible.
- Do not engage in stressful or emotional conversations that may divert your attention from the road.
- In precarious traffic situations, hand up without warning. You can always explain later why you had to disconnect the call.

Violation of this policy will be subject to corrective action, up to and including immediate termination.

SOCIAL MEDIA POLICY

At Capitol Auto Group, we understand that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world; however, use of social media also presents certain risks and carries with it certain responsibilities. To assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use of social media.

This policy applies to all associates who work for Capitol Auto Group.

Guidelines

In the rapidly expanding world of electronic communication, *social media* can mean many things. *Social media* includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's personal web site, social networking web site, web bulletin board or a chat room, whether or not associated or affiliated with Capitol Auto Group, as well as any other form of electronic communication.

The same principles and guidelines found in Capitol Auto Group's policies and Vision, Values and Standards also apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow associates or otherwise adversely affects members, customers, suppliers, people who work on behalf of Capitol Auto Group or Capitol Auto Group's business interests, and which does not constitute otherwise legally protected activity or communication, may result in disciplinary action up to and including termination.

Know and follow the rules

Carefully read these guidelines, the Capitol Auto Group *Standard of Service, Ethical Practices and Honesty* and the policies regarding *Discrimination, Harassment and Retaliation*, to ensure your postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

Be respectful

Always be fair and courteous to fellow associates, customers, members, suppliers or people who work on behalf of Capitol Auto Group. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage customers, members, associates or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, sexual orientation, gender identity, religion or any other status protected by law or company policy.

Be honest and accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about Capitol Auto Group, fellow associates, members, customers, suppliers, or people working on behalf of Capitol Auto Group or competitors.

Post only appropriate and respectful content, and be sure to always:

- Maintain the confidentiality of Capitol Auto Group trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures or other internal business-related confidential communications.
- Respect financial disclosure laws. It is illegal to communicate or give a “tip” on inside information to others so that they may buy or sell stocks or securities. Such online conduct may also violate the Insider Trading Policy.
- Do not create a link from your blog, website or other social networking site to a Capitol Auto Group website.
- In addition, posting pictures of yourself or others involved in inappropriate behavior or in inappropriate settings is prohibited while wearing clothing with Capitol logos of any kind.
- Express only your personal opinions. Never represent yourself as a spokesperson for Capitol Auto Group. If Capitol Auto Group is a subject of the content you are creating, be clear and open about the fact that you are an associate and make it clear that your views do not represent those of Capitol Auto Group, fellow associates, members, customers, suppliers or people working on behalf of Capitol Auto Group. If you do publish a blog or post online related to the work you do or subjects associated with Capitol Auto Group, make it clear that you are not speaking on behalf of Capitol Auto Group. It is best to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of Capitol Auto Group.”

Using social media at work

Refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by your Supervisor or consistent with the Company Equipment Policy. Do not use Capitol Auto Group email addresses to register on social networks, blogs or other online tools utilized for personal use.

Retaliation is prohibited

Capitol Auto Group prohibits taking negative action against any associate for reporting a possible deviation from this policy or for cooperating in an investigation. Any associate who retaliates against another associate for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Media contacts

Associates should not speak to the media on Capitol Auto Group’s behalf without contacting the Director of Marketing.

VIOLATIONS AND DISCIPLINE

The use of a computer, the Internet, or other electronic communication system to engage in any communications that are in violation of this or any other Company policy, or in violation of any federal, state or local law, including but not limited to the transmission of defamatory, obscene, offensive or harassing messages, is strictly prohibited. We consider misuse of our electronic communications systems and equipment to be a serious matter. Failure to follow this policy may be grounds for disciplinary action, up to and including immediate termination of employment. If you have any questions regarding this policy or your obligations under this policy, please contact your Supervisor or the IT Department.

TEXT AND ELECTRONIC MESSAGING POLICY

Sending text and/or electronic messages to customers of Capitol Auto Group from your personal cell phone number or social media accounts that relate, expressly or impliedly, to Company business is strictly prohibited. All text/email communication must go through our Customer Relationship Management (CRM). Texting a customer from your personal cell phone number or sending electronic messages through your personal social media accounts, applications, and/or websites is an intentional violation of Company policy that may expose the Company to fines of up to \$1,500 per violation under the Telephone Consumer Protection Act (TCPA) and the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM Act).

Understand that all electronic communications with customers must be sent using a software application explicitly approved by the Company. All violations of this policy are a serious offense that may result in disciplinary actions in accordance with the Company's discipline policies.

DRIVING AND USE OF VEHICLES

Many positions with Capitol Auto Group require the employee to drive for their jobs. As a result, we have developed the following rules that all employees are required to follow.

DRIVING POLICY

The purpose of this policy is to promote a safe and productive environment for customers, employees, vendors, or others coming upon Company property and to prevent accidents, injuries and property damage that may result from excessive speed and/or reckless driving of any vehicle on Company property.

As used in this policy, “any vehicle” includes any new or used vehicle owned by the Company, any customer vehicle that an employee may be driving for any purpose, any golf cart used in the business, or any employee’s personal vehicle. "Excessive speed and/or reckless driving" includes driving at a speed in excess of 9 mph., deliberate fast acceleration or stopping, steering in such a manner as to cause the vehicle to swerve or skid on the roadway, failing to keep a proper lookout for other persons or property on the premises, and any other driving that management, in its sole discretion, deems inappropriate or is otherwise prohibited by law.

Any employee who engages in any of the above conduct will be in violation of Company policy and will be subject to discipline up to and including immediate termination of employment.

VEHICLE SAFETY: COMPANY VEHICLE USAGE POLICY

The Company provides vehicles for business use to allow employees to drive on Company-designated business and to reimburse employees for business use of personal vehicles according to the guidelines below. The Company retains the right to amend or terminate this policy at any time.

1. Employees may not drive any business vehicles without prior approval of their Supervisor. Employees approved to drive on Company business are required to inform their Supervisor of any changes that may affect either their legal or physical ability to drive or their continued insurability.
2. Employees holding jobs requiring regular driving for business as an essential job function must, as a condition of employment, be able to meet the driver approval standards of this policy at all times.
3. If possible, Company vehicles will be permanently assigned to departments that have demonstrated a continued need for them.
4. Employees needing transportation for Company business may use vehicles assigned to their department after approval from their Supervisor. As a last alternative, when no Company vehicles are available, employees may use their own vehicles for business purposes with prior approval of their Supervisor.
5. Employees who drive a vehicle on Company business must, in addition to meeting the approval requirements above, exercise due diligence to drive safely and to maintain the security of the vehicle and its contents. Use of handheld cell phones (including texting) while behind the wheel of a moving vehicle being used on Company business is strictly prohibited.
6. Employees are responsible for any driving infractions or fines as a result of their driving.

7. Nonemployees and non-business passengers (i.e., family and friends) are prohibited from riding in Company vehicles.
8. Employees who use their personal vehicles for approved business purposes will receive a mileage allowance equal to the Internal Revenue Service optional mileage allowance for such usage. This allowance is to compensate for the cost of gasoline, oil, depreciation and insurance.
9. Employees must report any accident, theft or malicious damage involving a Company vehicle to their Supervisor and the Human Resource Manager, regardless of the extent of damage or lack of injuries. Such reports must be made as soon as possible but no later than 24 hours after the incident. Employees are expected to cooperate fully with authorities in the event of an accident; however, employees should make no voluntary statement other than in reply to questions of investigating officers.
10. Employees are not permitted, under any circumstances, to operate a Company vehicle or a personal vehicle for Company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any Company vehicle at any time or operate any personal vehicle while on Company business while using or consuming alcohol, marijuana, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of impairment, illness, medication or intoxication.

DRIVER'S LICENSE AND INSURABILITY

Employees whose job requires the use of a Company vehicle, their own vehicle, or a customer vehicle must be at least 18 years of age, maintain an acceptable driving record, insurability and a current valid driver's license. Individuals who have any of the following types of violations on their records will not be qualified or permitted to drive any vehicle on behalf of Capitol Auto Group:

- Driving a motor vehicle under the influence of alcohol, a controlled substance, or any drug that impairs driving ability.
- Refusing to submit to a test to determine alcohol concentration while driving a motor vehicle.
- Using a motor vehicle in the commission of any felony.
- Leaving the scene of an accident unlawfully.
- Committing more than one (1) major traffic offense over the past twenty-four (24) months, including reckless driving, careless driving, or a major moving traffic infraction.
- Receiving a felony revocation of driving privileges or felony or misdemeanor driver license suspension within the last twenty-four (24) months; or transporting a controlled substance unlawfully.

Please note however, that this list is not exclusive and the Company will evaluate an employee's overall driving record as well as the circumstances of any driving violations to determine whether the individual will be prohibited from driving on behalf of the Company. If your position requires you to drive and you receive one of the above types of violations, or you have any driving restrictions, you must let your Supervisor know immediately.

Only employees who are properly licensed, insured and have been authorized by their Supervisor are permitted to drive Company vehicles. Also, employees are prohibited from transporting any

unauthorized passengers in Company vehicles or while on Company business. This includes employee friends, family members, etc.

DRIVING AND PARKING ON COMPANY PREMISES

All employees are required to drive slowly and carefully in all areas of the Capitol Auto Group property and to use the designated drive areas.

Also, it is important to always have parking spaces available for customers and for efficient handling of the cars being serviced; therefore, employees are required to park only in designated employee parking areas. Please note however, that regardless of whether you park on site or off-site, Capitol Auto Group is not responsible for loss, theft or damage to your vehicle or items in your vehicle. Do not bring valuable items to work.

COMPLIANCE WITH THE LAW, TRAFFIC VIOLATIONS, AND GOOD JUDGMENT

All employees who drive on behalf of Capitol Auto Group are expected to use good judgment and caution in the operation of the vehicle at all times. You are expected to drive defensively and anticipate driving hazards, such as bad weather and bad drivers. All employees who drive on behalf of Capitol Auto Group are also expected to be aware of and comply with all applicable traffic laws and regulations at all times. This includes complying with speed limits and using safety belts for drivers and passengers at all times. The Company does not pay for employee traffic violations or parking fines. If you receive a traffic citation or parking fine while using any automobile on Company business, you are responsible for all fines, court costs, etc.

REPORTING ACCIDENTS AND TRAFFIC CITATIONS

All accidents, traffic citations and damage, however small, must be reported *immediately* to your Supervisor and the Human Resource Manager. Traffic accidents should also generally be reported immediately to the local police. Your report must include: 1) the time and place of the incident; 2) the name, address and phone number of all other drivers involved; 3) the license plate numbers and driver's license numbers of all other parties involved; 4) a description of the incident and damage done; 5) the policy number and name, address and phone number of the insurance company for all other parties involved. This applies to all types of accidents and damage, including damage to the property of others as well as Company property and equipment.

Employees are required to cooperate fully with Company accident and damage investigations; however, employees are prohibited from signing or making any statements regarding their responsibility or fault for a traffic accident that occurs while driving on behalf of Capitol Auto Group. Employees should avoid explaining or describing the accident to anyone except public safety personnel, the Human Resource Manager and their Supervisor.

Employees who are determined to be at fault for damage to a Company owned or customer vehicle or other Company property will be held responsible for ten percent (10%) of the cost of repairs, up to \$1,000.

REPORTING CHANGES IN DRIVING RECORDS

Any employee whose duties include the operation of a Company, personal, or customer vehicles on the job, who is cited for a DUI or for any other moving violation may be considered to have an

unacceptable driving record and his or her continued employment will be subject to review. All employees must notify their Supervisor immediately of any change in the status of their driving record. Any employee whose duties include the operation of Company, personal or customer vehicles who becomes uninsurable under Capitol Auto Group's liability policy will be considered to have an unacceptable driving record and his or her employment may be terminated. Employees who receive tickets for any moving violation must immediately report the ticket to the Human Resources Manager, regardless of whether the moving violation was received on or off the job. This is essential for compliance with insurance obligations.

OPERATION OF CUSTOMER VEHICLES

While a customer's vehicle remains on Company property, all employees are required to treat that vehicle with care and caution. There are a few common sense rules that keep us from upsetting our customers:

- Do not play the radio except to repair it
- Do not change the radio station(s)
- Never smoke or eat in a customer's vehicle
- Do not drive the vehicle for personal use of any kind
- Employees who drive customer vehicles are prohibited from carrying passengers
- Do not remove any customer property from the vehicle

Since customer satisfaction is essential to the continued success of Capitol Auto Group, these rules must be strictly followed.

DEMONSTRATION DRIVES

Salespersons must accompany customers on demonstration drives. Allowing a customer to drive a new or used automobile without being accompanied by a salesperson must be approved by a Supervisor. The customer's drivers' license and proof of insurance should always be photocopied before beginning a demonstration drive.

VEHICLE DISCLOSURES

The following are the most frequent disclosures that our employees are required to make by law. All employees must comply with these legal requirements in addition to all other applicable federal, state and local laws, rules and regulations. Violations are considered serious infractions and will result in termination of employment.

- Window Stickers and FTC Stickers must be intact on all new, demo, or used cars at time of presentation and delivery. No employee is authorized to remove them for a customer.
- The odometer disclosure form must be signed for all customer trade-ins and for any dealership vehicle sold.
- All contracts must be signed on the Company property. Anyone signing a contract must show proof of identity. Also, the truth-in-lending laws require that certain disclosures be made. Failure to make these disclosures can result in voiding of the deal and other consequences.
- All damage whether occurring in transit, on the lot, or in a collision must be disclosed to the customer *in writing* in accordance with applicable law.

DRESS CODE AND PROFESSIONAL APPEARANCE

Value #11: Take pride and care of your personal appearance at all times.

The image that our employees present to customers, vendors, and other visitors plays an important role in maintaining the professional image of our Company. Generally, we expect all employees to be well groomed and dressed appropriately for their positions. If employees are in doubt of the appropriate attire, they should consult their Supervisor and choose to dress more formally rather than casually.

However, in order to avoid misunderstandings, we have developed the guidelines below, which all employees are expected follow.

DRESS AND HYGIENE STANDARDS FOR ALL EMPLOYEES

All employees must be clean and neatly groomed at all times. This includes facial hair, which must be clean, groomed, and neatly trimmed. All employees should also be free from excessive fragrance. Earrings must be safe and appropriate to the attire and professionalism of the position. Tattoos are permitted as long as they are in good taste. Tattoos above the neckline must be covered. The company reserves the right to determine if a tattoo is inappropriate in nature and must be covered. The Company will reasonably accommodate an employee's religious beliefs or practices unless doing so would cause more than a minimal burden on our operations. If you would like to request a reasonable accommodation, please contact the Human Resource Manager.

All clothing must be professional and appropriate to your position. Provocative clothing is not permitted. Clothing must also be clean and in good condition. Torn, ripped, visibly worn, or stained clothing is not acceptable. Uniforms will be provided for those employees whose job requires them to wear a uniform. Uniformed employees must wear neat and clean uniforms at all times. Clean shoes should be worn at all times. Nametags are required to be worn unless your name is on your uniform. You may only wear hats with the Capitol or manufacturer logo displayed on them. No other hats are allowed.

Shorts are allowed between Memorial Day and Labor Day. Shorts must be mid-thigh dress shorts (no athletic shorts, cargo shorts or denim shorts).

OFFICE, RECEPTION, CASHIERS, ASM, FRONT COUNTER PARTS, AND BDC

Employees working in office, reception, cashiers, ASMs, front counter parts, and BDC areas should dress professionally.

The following attire is not permitted:

- Skirts and dresses shorter than mid-thigh
- Jeans and sweatpants
- Leggings may be worn as long as they are covered by a dress or tunic that is at least mid-thigh in length
- T-shirts, tank-tops, spaghetti strap tops/dresses or halter tops (unless worn under a blouse, sweater or jacket tops), midriff-bare or other cropped tops, sheer or revealing tops, low-cut shirts or blouses
- Visibly skin-tight, backless clothing, or clothing with cut-outs
- Flip flops or bare feet

Management reserves the right to change, amend, modify or revoke this policy with or without notice.

SALES AND FINANCE EMPLOYEES

In addition to the standards applicable to all employees, additional appropriate attire for sales and finance staff employees includes: slacks, chinos, knee-length skirts, leggings (as long as they are covered by a dress or tunic that is at least mid-thigh in length), dress or professional appearing shoes, professional appearing blouses/tops, collared-buttoned up dress shirts (with or without a tie), sports coats, tucked-in Polos (CAG or manufacturer logo only). All jackets and outerwear should have a CAG or manufacturer logo, no logo, or a small basic brand logo. No large graphic designs are permitted.

SERVICE, VALETS, PARTS, MAINTENANCE AND LOT EMPLOYEES

In addition to the standards applicable to all employees, the following guidelines apply to service, parts, maintenance, and lot employees. Employees working in service, parts, maintenance, and lot areas may wear jeans and t-shirts with the CAG or manufacturer logo. All clothing must be clean, neat, and fit properly, and shirts must be tucked in. Long hair must be tied back to ensure employee safety.

The following attire is prohibited for service, parts, maintenance, and lot employees

- Loose clothing or dangling jewelry that could pose a safety hazard
- Open-toe shoes, flip flops, or bare feet
- Leggings may be worn as long as they are covered by a dress or tunic that is at least mid-thigh in length
- T-shirts, tank-tops, spaghetti strap tops/dresses or halter tops (unless worn under a blouse, sweater or jacket tops), midriff-bare or other cropped tops, sheer or revealing tops, low cut shirts or blouses
- Visibly skin-tight, backless clothing, or clothing with cut-outs

VIOLATIONS

All employees should use good judgment when deciding on what to wear on the job. In the event a concern arises, the Company will make the final determination regarding what is appropriate dress for our workplace. Employees arriving for work with an appearance that significantly disregards our standards may be asked to return home for immediate correction. A loss of pay may result for the time absent from work to correct the deficiency. If you have any questions regarding the specific standards for your job, please contact your Supervisor or the Human Resource Manager.

WORKPLACE SECURITY

After-hours security ensures that our valuable inventory, equipment, and information are safe from fire or theft. Common sense should be used when securing the areas for which we are responsible. Here are some guidelines that all employees are required to follow:

NEW AND USED VEHICLE DEPARTMENT SECURITY

- Sales Department employees must lock all new and used vehicles.
- Store keys as instructed.
- Lock the showroom doors.
- Set the alarm system.
- Make sure the used vehicles taken in trade are locked, properly tagged, and parked in the proper location.

SERVICE DEPARTMENT, PARTS DEPARTMENT, AND BODY SHOP SECURITY

- All Company and customer vehicles locked.
- All service cars locked.
- Keys for all of the above cars and trucks will be placed in the designated area provided for them and properly secured.
- Shop lights should be turned off, except for designated security lights.
- Air compressors shut off.
- Exhaust system turned off.
- Body and paint shop properly locked.
- A check should be made for any equipment that has been left outside the building.
- All cars left for customer pickup after 6:00 p.m. must be locked. The keys must be left with a stipulated employee who has a repair order or written notation of what disposition is to be made for release to the owner.

BUSINESS OFFICE SECURITY

- Place all cash drawers in the vault.
- Lock the vaults.
- File service documents as appropriate.
- Lock file cabinets.
- Turn off the lights in the Business Office, except for designated security lights.

DATA SECURITY

Information is one of our Company's most valuable assets. Our Company relies on information and information processing to conduct business and make important decisions. It is vital to our success that this information be accurate, reliable, confidential, and secure. All employees use information in their daily work. We have developed numerous policies, including our Confidentiality and Information Security policies and our Computers and Electronic Equipment policies to protect company data and information. All employees are expected to become familiar with and comply with these and other workplace policies. Violation of our data security policies and procedures will result in disciplinary action up to and including immediate termination of employment.

DRUG AND ALCOHOL POLICY

The purpose of this policy is to promote a safe and productive working environment and prevent accidents, injuries and property damage that may result from inappropriate drug or alcohol use.

As used in this policy, "drugs" includes all controlled substances regulated under the federal Controlled Substances Act, and medication containing controlled substances, including "designer drugs" not approved for use by the U.S. Food and Drug Administration.

PROHIBITED CONDUCT

Any employee who engages in any of the following conduct will be in violation of Company policy, and will be subject to discipline up to and including termination of employment:

- Working, reporting to work, or returning to work following breaks or meal periods with any amount of illegal drugs, marijuana or alcohol in your system, or testing positive under this policy. "Testing positive" means a confirmed test result of any detectable level of alcohol, marijuana or illegal drugs. For purposes of this policy, "illegal drugs" includes legal drugs and other controlled substances used without, in excess of, or contrary to a lawfully obtained prescription.
- Consuming, manufacturing, buying, selling, distributing or possessing illegal drugs, marijuana or alcohol on Company premises, or while off the premises doing Company work or operating a motor vehicle on behalf of the Company. This rule applies regardless of whether you are on paid time. "Company premises" includes all property rented, leased, owned or controlled by the Company, including parking lots and adjacent areas. It also includes Company equipment and vehicles on or off our property.
- Failing to fully cooperate with any aspect of the Company's enforcement of this policy, including but not limited to refusing to promptly submit to testing; giving false, diluted or altered urine samples, and failure to comply with rehabilitation conditions imposed by the Company or rehabilitation counselors.
- Failure to promptly report conviction, arrest or plea bargaining for an alcohol or drug related criminal offense. All drug and alcohol related convictions, arrests and plea bargaining arrangements must be promptly reported to your Supervisor. This obligation to disclose applies to all convictions, arrests or plea bargains that occur after the effective date of this policy.

In addition to the above, employees must comply at all times with all federal and state statutes and regulations regarding alcohol and the illegal use of drugs. It is important to note that marijuana is an illegal drug under the federal Controlled Substances Act, which means that it has no acceptable medical use under federal law. Therefore, any on or off-duty use of marijuana which is inconsistent with the "prohibited conduct" listed above will be considered a violation of this policy, even if an employee has a prescription for the use of marijuana under your state's medical marijuana law.

MANDATORY TESTING OF EMPLOYEES

- **Pre-Employment Testing**

Applicants offered a job will be required to submit to testing for drugs as a condition of employment as determined appropriate by the Company. All applicants who are required to undergo testing must report to the collection site and submit to such testing within a specified time from the time they are notified of their obligation to be tested. A positive test result will eliminate an applicant from consideration for current employment.

- **Random Testing**

The Company reserves the right to require randomly selected employees, or all employees in a department, job position, or location as a group to submit to suspicion-less testing for drugs without advance notice. The company will use a random selection process so that all employees within the pool have an equal chance to be selected for testing. Employees whose names are randomly drawn will be required to immediately submit to such testing as instructed and without any delay or detour.

- **Reasonable Suspicion Testing**

All employees will be required to immediately submit to testing for drugs whenever the Company has reasonable suspicion to believe that the employee has reported to work, returned to duty or is working with drugs in their system. Likewise, all employees will be required to immediately submit to testing for alcohol whenever the Company has reasonable suspicion to believe that the employee has reported to work, returned to duty or is working with alcohol in their system. Drug testing will generally be conducted using urine. Alcohol testing will be conducted using blood or a breathalyzer.

“Reasonable suspicion” will be based on observations of an employee’s speech, appearance, behavior, breath odor, body symptoms, performance or other reliable indicators that an employee has reported to work or returned to duty with alcohol or drugs in his/her system.

Employees who are required to submit to reasonable suspicion testing are prohibited from transporting themselves to the collection site. A Supervisor or management employee will provide transportation.

- **Post-Accident Testing**

Any employee who is involved in a work-related accident which results in death or serious bodily injury to anyone, or in significant property damage will be required to immediately submit to testing for the detection of drugs, unless we conclude at the onset that there is no reasonable possibility that drug or alcohol use by the employee was a contributing factor to the reported injury. Where reasonable suspicion exists to believe the employee had drugs/alcohol in their system at the time the accident occurred, testing to detect drugs/alcohol may also be conducted. The Company will determine what constitutes significant property damage in its discretion.

For employees who are incapacitated, our first concern will, of course, be medical treatment; however, all such employees will be required to authorize the release of medical records to reveal whether drugs or alcohol were in their system upon our request.

- **Individualized Suspicion-less Testing:**

The Company may also require an employee who has requested assistance to address a drug and/or alcohol dependency or who has been placed on a “Last Chance” or “Rehabilitation and Return to Work Agreement” to submit to individualized, suspicion-less testing.

All sample collection and testing must be done at facilities designated by the Company and the Company will pay for the cost of required testing. The time an employee spends undergoing required testing will also be paid and, consequently, should be reported as hours worked.

Refusal to submit to any of the above tests or otherwise cooperate in Company investigations and enforcement of this policy will subject an employee to immediate discharge, except as provided in the Rehabilitation and Return to Work section below.

SEARCHES

When the Company has reasonable suspicion that an employee is in possession of drugs or alcohol on company premises, as defined above, or during working time, all personal items including packages, bags, and lunch boxes brought onto Company premises, are subject to search. The right to search extends to personal vehicles parked on Company premises including parking lots. Furthermore, all desks, lockers, equipment, and Company vehicles remain the property of the Company and will be subject to search at the company's discretion.

No one shall be forcibly searched or detained. Furthermore, the Company will not search an employee's person, only his/her property as described above. All drugs or drug paraphernalia found in or on Company property will be released to a law enforcement agency.

SAFEGUARDS

Capitol Auto Group recognizes the sensitivity of enforcement of this policy. We will use qualified supervisory personnel and make arrangements with a certified laboratory to administer this policy. As stated above, the detectable presence of any drug or alcohol in the system will constitute a "positive" test result.

Test results and other information concerning drug and alcohol investigations will be treated confidentially and released only when there is a legitimate business need to know, or as required by law.

MEDICATION

Any employee who uses a prescription or over-the-counter medication is responsible for consulting with his or her doctor to determine whether there are any side effects that could affect the employee's ability to safely and competently perform the job duties. If there are any such side effects, the employee must notify his or her Supervisor of the side effects *prior to* reporting for work with the prescription or over-the-counter medication in his or her system. Medical verification of the ability to safely perform job duties may be required before the employee is allowed to continue his/her work assignment. The employee need not disclose the medical condition for which the medication is being taken. **As stated above, the prescription use of marijuana under Oregon's medical marijuana law is unlawful under federal law, and is considered to be a violation of this policy. Employees who fall under this category should contact their Supervisor or Human Resource Manager to discuss available options.**

Although the lawful use of prescription or over-the-counter medications is not grounds for disciplinary action by itself, failure to follow the reporting procedure discussed above will subject an employee to disciplinary action. Employees may also be disciplined for using medication that is unlawfully obtained, or for use that is inconsistent with the prescription or label.

REHABILITATION AND RETURN TO WORK

Employees who believe they may have a substance abuse problem are encouraged to discuss the problem with your Supervisor or the Human Resource Manager. Although the Company will generally support treatment efforts for employees with substance abuse problems who voluntarily seek assistance, it is up to each employee to pursue treatment before the substance abuse results in unsatisfactory performance or attendance, safety violations, or being selected for testing or tested under this policy.

When an employee voluntarily reports a current substance abuse problem and seeks assistance, that employee may be placed on a leave of absence to allow for evaluation by a qualified substance abuse professional and/or rehabilitation treatment. The employee will generally not be permitted to work until such time as a qualified medical professional verifies that the employee is fit for duty. The employee will also be required to comply with any additional requirements imposed on the employee by the Company consistent with applicable law. The time an employee is off work for evaluation and/or treatment is unpaid, unless the employee has accrued paid leave available, which must be used before unpaid leave is taken. In all cases, this policy will be interpreted and enforced consistent with applicable law.

WORKPLACE SAFETY

Value #12: A safe environment is essential to our success... safety first!

The health and well-being of our employees is important to us, and it is Capitol Auto Group's policy to provide safe working conditions for all employees. We consider safety conditions and practices on our premises to be the mutual obligation and responsibility of both the Company and its employees. We rely on our employees to work in a manner that does not produce injury to them, persons working with them, customers or the public.

All employees will be instructed regarding the Company's injury prevention program. Familiarize yourself with the rules of safety and form the habit of being safety-minded for yourself and your co-workers. Safety is a state of mind and requires constant vigilance and common sense. The best safety measure is a thoughtful, safety-minded employee. Remember: SAFETY FIRST.

REPORTING INJURIES AND ACCIDENTS

Work related injuries, accidents or illnesses must be reported to your Supervisor and the Human Resource Manager promptly and accurately. This is essential. Even though a work-related injury or accident may appear to be of little consequence, it is important that it be reported in sufficient detail to establish a claim should complications follow. All employees are likewise required to report any accident involving other persons or their property or injuries to customers immediately. These accidents should be reported in sufficient detail to allow the Company to respond. All employees are required to cooperate fully and provide truthful information in all accident investigations.

REPORTING UNSAFE WORKING CONDITIONS AND PRACTICES

It is the responsibility of all employees to report any unsafe working condition promptly. Reports should be made to your Supervisor. We encourage our employees to work with us to maintain safety by alerting us to potentially unsafe conditions. If you see an unsafe or dangerous working condition that you can easily correct (such as a cord lying across a walk way), you should fix the problem immediately. There is also a method of communication through CagComm.com to make a facility repair request.

We also encourage employees to bring general concerns and recommendations for improving workplace safety to our attention. General concerns and recommendations can be made to your Supervisor or any member of the Safety Committee. Your concerns and recommendations will be welcomed and carefully considered by our Safety Committee.

ANTI-RETALIATION POLICY

It is important for all employees to understand the Company expects its employees to report all workplace accidents, injuries and unsafe working conditions and to participate in investigations. We do not allow employees to retaliate against employees who comply with our safety reporting policies. Employees should bring complaints of retaliation to their Supervisor or the Human Resource Manager. These types of complaints will be promptly investigated and violators will be subject to appropriate disciplinary action, up to and including termination of employment.

PRANKS AND HORSEPLAY

All employees are prohibited from engaging in pranks, practical jokes or other horseplay on Company premises. Violation of this policy will result in discipline up to and including immediate termination of employment.

WEAPONS

Capitol Auto Group prohibits employees and all others on our property (except police officers, authorized security guards, etc.) from carrying weapons of any kind. This policy includes all property owned, leased or controlled by the Company, including parking lots, Company vehicles and any vehicle brought onto our premises. Weapons include guns, knives, explosives, or any other object that could be reasonably perceived as a weapon. If you have a question about whether an item will be considered a prohibited weapon under this policy, you should contact your Supervisor before bringing the item to work.

THREAT ASSESSMENT TEAM

Threat Assessment

Violence prevention on the Capitol Auto Group campus depends on you, our employees and surrounding community, to notice and refer potentially worrisome behaviors or situations before they escalate and result in harm. A person that receives help sooner, rather than later, may be less likely to experience more severe symptoms or cause harm to self or others. Threat assessment is a supportive process, not a disciplinary or punitive one.

Mission Statement

The mission of the Threat Assessment Team (TAT) is to determine if an individual poses, or may reasonably pose, a threat of violence to self, others, or the Capitol Auto Group campus and to intervene to avert the threat and maintain the safety of the situation. The team responds to behaviors exhibited by employees, visitors, and non-affiliated persons prior to a critical incident in an attempt to prevent violence so that the Capitol Auto Group campus remains a safe and secure working environment. The team meets on a regular basis to evaluate threat referrals develop case management plans and, if necessary, intervene in a manner appropriate to the situation.

What we do

The Threat Assessment Team (TAT) depends on referrals from management, employees, and visitors – to keep Capitol Auto Group a safe and enriching campus for all who visit and work here. Behaviors do not necessarily have to be law violations to be worrisome. In addition to illegal conduct such as threats, assault and harassment, the TAT may also evaluate changing circumstances or behaviors that may singularly or in combination generate concern. The TAT evaluates all referrals seriously, though not all behaviors warrant further case management at that time.

WORKPLACE VIOLENCE AND INTIMIDATION

Capitol Auto Group is committed to preventing workplace violence and to maintaining a safe work environment for its employees. The Company has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises. This list of behaviors, while not inclusive, provides examples of conduct that is prohibited:

- Provoking, participating in or encouraging fights or other physical altercations.
- Threatening the safety or well-being of another employee, customer, vendor, or others you come into contact with through your job, whether directly or indirectly.
- Vandalizing Company property, customer property, or the property of other employees or others on our premises, including parking lots.
- Screaming, intimidating or other abusive or harassing outbursts of temper, particularly when directed at a customer, business visitor, or another employee.
- Advocating or encouraging acts of violence toward others.
- Being in possession of guns, weapons, explosives, or any other object that could be perceived as a weapon on company property, including parking lots or in company vehicles without authorization.
- Distributing “hate” literature or engaging in other communications that advocate violence.
- Engaging in bullying-type conduct. Bullying conduct generally includes repeated verbal and/or non-verbal conduct that is malicious, vindictive, cruel, or deliberately hurtful, etc. It also has the effect or purpose of threatening, embarrassing, humiliating, intimidating, insulting, offending or sabotaging/undermining another employee; and/or interfering with an employee’s performance. Bullying does not include legitimate workplace disciplinary or other corrective action by your Supervisor, even if repeated.
- Engaging in any other conduct we consider menacing, intimidating, threatening or violent.

All employees, customers, vendors and others you come into contact with through your employment with the Company should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others.

Reporting: Employees should immediately report incidents that involve potential violations of this policy to their Supervisor or the Human Resource Manager. If you are in immediate fear for your safety or the safety of another person, call 911. Likewise, all suspicious individuals or activities should also be reported as soon as possible to your Supervisor or the Human Resource Manager. The Company will promptly investigate all reports of violations of this policy. Investigations will be kept confidential to the extent we determine confidentiality can be maintained while allowing us to comply with our investigation obligations.

The Company encourages employees to bring their disputes or differences with other employees to the attention of their Supervisor or the Human Resource Manager before the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes and will not discipline employees for raising such concerns.

Violations: Violators will be subject to discipline as we determine appropriate, up to and including discharge. Retaliation against those who report incidents or provide information in connection with an investigation will not be tolerated. Employees who engage in retaliation will be subject to immediate discharge.

MATERIAL SAFETY DATA SHEETS (MSDS)

MSDS files are maintained in each service department. All new employees are given MSDS training as part of their safety orientation to the Company. If you don’t understand the information contained in the MSDS sheets, ask your Supervisor for assistance.

FIRST AID KITS/AED MACHINES

Several first aid kits are located throughout Capitol Auto Group. The supplies contained in the first aid kits are intended to be used to provide first aid to employees or others who suffer injuries or need immediate medical treatment. Also, you should notify the Safety Committee Chair of any supplies you use from the first aid kit so the supplies can be promptly replaced. The Company has Automated External Defibrillators (AED) located in each facility.

OTHER GENERAL SAFETY RULES

Capitol Auto Group expects employees to familiarize themselves with the rules of safety and form the habit of being safety-minded for yourself and your co-workers. In addition to the above rules, the following list includes examples of the type of general safety rules that all employees are expected to follow:

1. Capitol Auto Group provides employees with a variety of personal protective safety equipment for use on the job. Employees are required to use good judgment and wear proper safety gear at all times, no exceptions. If you have any concerns about deficiencies in the required protective equipment, you must report it to your Supervisor immediately.
2. Do not use machines and equipment without proper safeguards. Employees are prohibited from using any machines or equipment unless guards or other methods of guarding are in good condition, operative, in working order, and in place.
3. No employee is permitted to operate any power driven machine or equipment unless they know proper operation and safety features of given equipment and have been authorized to do so. Also, in order to ensure that there is someone present to react in the event of an accident, the Company strictly prohibits employees from working alone on a vehicle when there is no one else in the building. This rule applies to all employees, regardless of position.
4. An employee should not, under any circumstances, operate equipment or vehicles that they feel are not in safe operating condition. If an employee feels that such equipment or vehicle is not in a safe operating condition, they should notify their Supervisor, remove it from use and replace as necessary.
5. If your job requires you to use hazardous or toxic materials, you are expected to comply with all laws and regulations concerning their safe handling and disposal. If you have questions about the materials you work with or the proper safety precautions to be followed, please discuss your questions with the Supervisor.
6. Razor blades are an important tool in the cleaning and repair of automobiles. Blade disposal is a safety concern at Capitol Auto Group. All spent blades must be properly disposed of in a "sharps" container. Disposal in the garbage is strictly prohibited. "Sharps" containers can be found throughout the facility for your convenience.
7. Exercise extreme caution for employees and others who might be passing through work areas.
8. When doing repetitive lifting, employees are required to use proper back support methods. Always remember to use your legs, not your back, when picking up and do the same when

putting objects down. Never try to lift excessive loads yourself--always get help or use the proper material handling equipment.

9. All work areas must be kept clean. Each employee is responsible for cleaning up any hazards they may create and correcting any unsafe condition or practice to the extent of their authority. If any employee does not have the authority to correct an unsafe condition or practice, they must report it to their Supervisor to see that it is corrected.

SAFETY COMMITTEE

Capitol Auto Group is committed to providing a safe work environment for our employees. As a result, we have established a centralized Safety Committee, which represents the safety and health concerns for each of our locations. Our Safety Committee works with management to prevent accidents and injuries, and is responsible for making recommendations on improving safety and health in the work place. In particular, the Committee has been charged with the responsibility to identify problems and obstacles to loss prevention; identify hazards and suggest corrective actions; and help identify employee safety training needs and develop accident investigation procedures.

Employee Involvement and Safety Committee Organization: Employee involvement is an integral part of our Safety Committee. Employee members of the Safety Committee may be elected by their coworkers or may volunteer. If you would like to participate in our Safety Committee, please contact the Safety Committee Chair or your Supervisor. In addition, we encourage all employees to provide input and safety suggestions to our Safety Committee at any time. Management also participates in our Safety Committee, and management members are appointed by the Company.

In order to ensure the continuity of membership and projects, each member of our Safety Committee serves a term of at least one year.

Safety Committee Functions

The primary functions of the Safety Committee are as follows:

- To maintain and promote the interest of both management and employees in occupational safety and health matters;
- To provide an opportunity for open discussion of problems that result or could result in injury or illness;
- To assist management in evaluation of recommendations for and improvement of safety in the workplace;
- To improve the cooperative spirit between all employees to provide workplace safety;
- To establish procedures for investigating safety-related incidents including injury accidents, work-related illnesses and deaths for the purpose of recommending corrective action to prevent similar accidents from reoccurring. For more information on our Safety Committee's specific procedures, contact the Safety Committee Chair.
- To study injury and disease statistics and trends so that reports may be made to management on unsafe and unhealthy conditions and/or practices together with recommended corrective action;
- To evaluate employee training practices and recommend procedures to ensure that all employees are trained to perform their work in a safe manner.

Employee members of our Safety Committee are provided with training in hazard identification and accident and incident investigations. In order to carry out our goals, the Safety Committee meets monthly to review safety and health issues and make recommendations for corrective action to improve safety. The Safety Committee also conducts workplace inspections to identify and recommend corrections to safety and health hazards and evaluates all accident and incident investigations and makes recommendations for ways to prevent similar events from occurring in the future.

The Company expects all employees, including management, to be proactive about safety in the workplace. Employees who violate our safety standards or fail to appropriately respond to health and safety hazards in the workplace will be subject to disciplinary action. In addition, the Safety Committee periodically reviews our management accountability system for safety and may make recommendations for improvements to incentivize safety for all employees.

Meeting Records and Suggestions: The Company makes and maintains written records of each Safety Committee meeting. These records include all evaluations and recommendations of the Safety Committee. Each Safety Committee member is provided with a copy of the records. The Safety Committee records are also available for review by any employee by visiting the employee lounge in your building.

Employees who have suggestions for improving workplace safety should write out their suggestion(s) and submit them to any member of the Safety Committee or provide them to the Safety Committee Chair. There is also a suggestion form on CagComm.com.

GENERAL WORKPLACE POLICIES AND EXPECTATIONS

IN GENERAL

It is your responsibility to use common sense, sound judgment, and to conscientiously discharge your work duties while abiding by Capitol Auto Group's policies and management directives in the performance of your job. This means all employees are expected to become familiar with and keep informed of changes in our safety rules, operational policies, etc. In the event you have questions about your position, your employment status, your job requirements, or any other matter, please discuss your questions with your Supervisor.

BULLETIN BOARDS/INTRANET (CagComm.com)

Capitol Auto Group maintains bulletin boards in various locations in our facilities. Bulletin boards are an important source of information. The bulletin boards are to be used solely to post information approved by the Company regarding Company policies, governmental regulations and other matters related to employment with Capitol Auto Group. Please develop the habit of checking the bulletin boards on a regular basis to assure that you are familiar with new postings and matters of interest to you. Also, please note that information cannot be posted on the bulletin boards without approval from the Human Resource Manager. We also have an electronic bulletin board for various types of information and employees are encouraged to stop by CagComm.com on a daily basis.

COMPANY PROPERTY AND EQUIPMENT

Capitol Auto Group property, including our premises, tools, office and automotive materials and equipment, etc., is to be used for the Company's business purposes only. Employees are prohibited from using Company facilities, materials and equipment for personal use unless they have received advance written approval from a Supervisor. This includes Company stationery, postage, fax and copy machines, as well as the shops both during and after business hours. Unapproved personal use of such Company property, materials and equipment will result in disciplinary action up to and including termination of employment.

Search, Inspection and Return of Property: All Company property, including offices, desks, vehicles, and all other Company property, is subject to search and inspection at any time at the Company's discretion. Likewise, items issued to employees are subject to return and inspection at any time at the discretion of the Company. All Company property must be immediately returned when your employment ends or at any time at the request of management. Employees using the Company's equipment and property should understand that they have no expectation of privacy in connection with the use of this equipment.

CONFLICTS OF INTEREST

Employees are expected to use good judgment, adhere to high ethical standards and avoid situations that create an actual or perceived conflict between their personal interests and those of the Company. Conflicts of interest or unethical behavior may take many forms, including but not limited to the acceptance of gifts from competitors, vendors, potential vendors, or customers of

the organization, use of proprietary Company information for personal gain, or other financial participation with competitors, etc. These types of activities are prohibited. While it is impractical to try to create rules to cover every possible situation, employees are expected to use good judgment in all cases to avoid conflicts of interest.

In the event that an employee or someone with whom the employee has a close personal relationship has a financial relationship with a competitor, vendor, potential vendor, or customer of the organization, the employee must disclose this fact to their Supervisor.

Employees are encouraged to seek assistance from their Supervisor with any legal or ethical concerns.

EMPLOYEE RELATIONS

Generally, Capitol Auto Group considers employee personal relationships to be their personal business. However, when personal relationships develop between employees, they have the potential to impact working relationships and business operations. Therefore, we have developed this policy to avoid conflicts of interest, favoritism, special treatment, harassment and retaliation, and to help ensure a positive work environment for all employees and continued excellent customer service.

Management-Subordinate Relationships: Romantic relationships between corporate officers, managers, supervisors and subordinate employees are strictly prohibited. Direct supervisory relations between members of the same family are also strictly prohibited. The Company will make personnel decisions as it determines appropriate to the management of the business, including the transfer, reassignment or termination of the manager or supervisor.

Other Consensual Relationships: Other consensual romantic relationships between individuals who work for the Company, as well as romantic personal relationships between one of our employees and an individual employed by one of our customers or suppliers, are not prohibited. In all cases of consensual romantic relationships in the workplace, the Company reserves the right to make personnel decisions as it determines appropriate to the management of the business, including the transfer, reassignment or termination of one or both employees. *All employees are expected to act professionally in the workplace and during the course of their shift. Sexual or romantic conversations, inappropriate touching (kissing, hugging, massaging, sitting on laps, etc.) is strictly prohibited, even when it is consensual.*

In addition, nothing in this policy changes the Company's policy prohibiting sexual harassment and retaliation. All employees are expected to comply with those policies at all times and to maintain appropriate professional working relationships. In the event a consensual romantic relationship between two employees is discontinued, both parties must respect that decision. Employees who continue to pursue romantic relationships or retaliate after they have been advised that the other employee wishes to end the relationship should be reported pursuant to the Company's Policy against harassment. In such situations, complaints will be investigated and employees who are determined to be in violation of that policy will be subject to disciplinary action up to and including discharge, as we deem appropriate.

Lastly, even where there is no romantic involvement with an employee, managers and supervisors are expected to behave in a manner that does not raise claims of favoritism or create a negative or unprofessional work environment.

ETHICAL PRACTICES AND HONESTY

Capitol Auto Group conducts its business affairs in compliance with the letter and spirit of applicable laws and regulations. We require all our employees to strictly comply with this standard and to refrain from engaging in activities which are unlawful or may bring discredit to the Company. In the event an employee feels that anyone on our staff is engaging in unlawful business activities, immediately report their concerns to their Supervisor or the Human Resource Manager. We respect the right of our employees to raise such matters and will address any concerns reported.

In addition to compliance with all ethical and legal standards, we also require employees to be honest in all aspects of their relationship with Capitol Auto Group. If you have any questions about what is expected of you, consult your Supervisor or the Human Resource Manager before engaging in questionable activity. Violation of our ethical practices and honesty policy will result in disciplinary action up to and including immediate termination of employment.

HOUSEKEEPING

Value #6: Uncompromising levels of cleanliness at CAG are the responsibility of every employee.

Employees are responsible for maintaining their own work areas in a presentable manner. At the close of each business day, ensure that all equipment is cleaned and put away. All stationary and miscellaneous supplies should be removed from benches/furniture tops. No paperwork may be left out overnight and all litter should be picked up. Remember, we want our customers to look at us as a professional, neat organization.

Work areas must also be maintained in a clean, healthy and orderly fashion to prevent unsafe conditions and potential accidents. Tools and equipment should be properly stored when not in use, and all floor areas must be kept free of grease, oil and other substances to prevent falls. If you observe conditions or equipment that is potentially dangerous, report them immediately to your Supervisor. It is each employee's responsibility to make sure the work area is clean and orderly at the completion of their scheduled work shift.

INCLEMENT WEATHER

Capitol Auto Group is generally open during all weather conditions and employees are expected to report to work as scheduled. On rare occasions, the Company will close for extreme weather. Non-exempt employees will not be paid for weather closures. In case of severe weather, employees should check CagComm.com and/or contact their Supervisor for information on the Company's operating hours.

Individuals who feel that their personal safety will be jeopardized by travel to work during inclement weather when the Company is open should contact their immediate Supervisor at least one hour prior to their scheduled start time if possible. You will be required to use any accrued PTO benefits if you choose not to attend work during inclement weather when we are open. Non-exempt employees who do not have any accrued PTO time will not be paid for absences due to inclement weather when the Company is open.

LOST AND FOUND

All merchandise, monies, or personal property found on Company premises must immediately be turned into the designated lost and found area at the Reception Desk. If a customer asks about a lost item, please inform the customer to contact the Reception Desk. Found items will be held thirty (30) days before disposing of them. Employees are prohibited from taking any lost item. Please keep in mind that it is our responsibility to our customers to be respectful of any items they have lost in our stores.

OUTSIDE EMPLOYMENT

Generally, Capitol Auto Group has no objection to employees holding other jobs or being self-employed as long as we feel:

- You are able to meet the performance, attendance, overtime and other requirements of your job at Capitol;
- Your off-duty work activities do not, in our view, interfere with or negatively reflect on the interests and reputation of our Company; and
- Your off-duty work activities do not directly or indirectly compete with the Company or its interests.

In order to avoid misunderstandings, employees are required to obtain advance approval for outside employment or any material changes in previously approved outside employment from their immediate Supervisor or the Human Resource Manager.

PERFORMANCE REVIEWS

Capitol Auto Group believes it is important for employees to receive day-to-day coaching and feedback on how they are performing on an ongoing basis throughout their employment. We expect employees to maintain good communication and utilize constructive feedback to continually improve performance.

Employees will receive a formal annual performance review which occurs during the first quarter each year. This will include a review of your overall job performance, including but not limited to dependability, quality and quantity of work, interpersonal skills, judgment etc., as well as setting goals for the year ahead.

PERSONNEL RECORDS

It is your responsibility to keep your personnel record up to date.

Employee personal information and personnel files are treated confidentially. This information is maintained in locked rooms, cabinets, or secured by passwords and encryption as appropriate, and access is restricted to those who we determine have a legitimate business need to view the

information. Employees who wish to review their own personnel file may contact the Human Resource Manager to arrange for an appointment. No files may be removed from the office, but may be reviewed there with the Human Resource Manager. Requests for copies of your own personnel file must be submitted in writing to the Human Resource Manager.

PROMOTIONS AND TRANSFERS

Capitol Auto Group encourages you to apply for positions within the Company. We encourage internal promotion based on our determination of past work performance, qualifications, etc. In order to obtain the best qualified candidate for every position, our position openings may also be posted to the public. Our policy is to promote, transfer or hire the applicant who we determine is the best qualified for the position.

In addition to posting to fill job openings competitively, all employees should understand that the Company may assign employees job duties, or transfer or promote employees to different positions or work assignments at any time as the Company determines appropriate to the efficient operation of the business. If you are interested in an internal transfer or promotion, you are encouraged to consult with your Supervisor or the Human Resource Manager.

VEHICLE RECALL POLICY

NEW VEHICLES:

Federal Law makes it illegal to sell a new vehicle subject to an open recall. The Federal Motor Vehicle Safety Act (the “Act”) prohibits the sale and delivery of new vehicles subject to “Stop Sales” orders issued by the vehicle manufacturer or the National Highway Traffic Safety Administration (“NHTSA”) unless and until the defect is corrected. This prohibition does not prohibit dealers from offering such vehicles for sale, as long as the dealer does not actually sell or lease them. Accordingly, we will not sell our new franchised vehicles subject to “Stop Sales” until the defect is corrected. We will offer these vehicles for sale but not sell or lease them.

The Act provides for compensation to the dealer when a “Stop Sales” order is issued including an obligation by the manufacturer to repurchase the vehicle subject to defect recalls or to provide a remedy for the dealer to implement immediately. Nevertheless, manufacturers must also compensate dealers with an additional 1% of the price the dealer paid for such vehicles, per month, prorated from the receipt of the “Stop Sales” order notice until the vehicle is repurchased by the manufacturer or the remedy is implemented.

Accordingly, the Sales Management team is responsible for notifying our Control Department of all franchised new vehicles on “Stop Sales” orders so the additional compensation from the manufacturer can be tracked and properly accounted for and if necessary a repurchase of the vehicle by the manufacturer can be initiated.

USED VEHICLES:

Franchise Vehicle Subject to Open Safety Recall: Remedy Available – Capitol will remedy the recall status before selling the vehicle to a retail or wholesale customer.

Franchise Vehicle Subject to Open Safety Recall: Remedy Not Available – Capitol will check the NHTSA recall search portal periodically to determine if a remedy is available. Vehicle will not be sold to a retail or wholesale customer prior to remedying the recall status.

Non-Franchise Vehicle Subject to Open Safety Recall: Remedy Available – Capitol will contact a franchise dealer at the earliest opportunity to arrange to have the recall status remedied. Vehicle will not be sold to a retail customer prior to remedying the recall status. Capitol may however, sell the vehicle to a wholesale customer prior to remedying the recall status.

Non-Franchise Vehicle Subject to Open Safety Recall: Remedy Not Available - Capitol will check the NHTSA recall search portal periodically to determine if a remedy is available. Vehicle will not be sold to a retail customer. Capitol may, however, sell the vehicle to a wholesale customer prior without remedying the recall status.

Safety Recall Status Unavailable – Capitol is unable to determine whether Vehicle is subject to an open NHTSA safety recall. Vehicle may be sold to a retail or wholesale customer.

The recall status of all used vehicles will be disclosed to all retail purchasers on the “Capitol Used Vehicle Recall Status Disclosure” form. A copy of the form signed by the customer and a representative of Capitol acknowledging the recall disclosure will be retained by Capitol.

RELATIVES

We welcome the employment of immediate relatives while providing fair and equitable hiring practices in all cases, and with the overall goal of hiring the best qualified candidate for the job; however, Capitol Auto Group also recognizes that the employment of relatives in the same area of an organization has the potential to cause serious conflicts and problems with favoritism and employee morale. Therefore, immediate relatives will not be allowed to hold a position of supervisory or grievance/complaint adjustment authority over the other, or in positions that would violate our legal obligations. If an individual applies for a position that would conflict with this policy, the individual’s application will be declined. If an employee is mistakenly hired into a situation in violation of this policy, we will take prompt action to correct the circumstances. Immediate relatives include spouse, children, children-in-law, siblings, siblings-in-law, parents, parents-in-law, niece/nephew, aunt/uncle, step parents/children.

With regard to other relatives or any other similar situation that we determine to be damaging to morale or the Company’s best interests, discretion will be used in placement of those individuals.

SMOKING AND USE OF TOBACCO

All Company owned, leased and controlled buildings, Company owned, leased or controlled vehicles are tobacco free. This policy includes cigarettes, e-cigarettes, cigars, and smokeless tobacco. Employees are also strictly prohibited from using tobacco products in customer vehicles.

Employees who use tobacco products and e-cigarettes may do so only during scheduled lunch and break times and only in designated areas behind each building. Employees are expected to use common courtesy when in designated tobacco use areas. Also, tobacco use areas must be kept clean and all trash (including cigarette butts and smokeless tobacco waste) must be safely and properly disposed of in appropriate trash receptacles.

SOLICITATION AND DISTRIBUTION

In order to prevent disruptions and interference with work, we have established the following rules to govern solicitations and distribution of literature on Company premises:

Non-employees: Persons not employed by Capitol Auto Group may not solicit or distribute literature on Company property for any purpose at any time. Exceptions will be made only if solicitation or distribution is work-related and assists the Company in carrying out a community service function.

Employees of the Company: Solicitation by one employee of another employee is prohibited while either person is on working time. This includes solicitations using our computer system. Also, employees may not distribute literature for any purpose during working time or in working areas.

“Solicitation” includes any communication for the purpose of selling items or services, political campaigning, or organizing for civic activities. “Distribution” means handing out or providing printed materials such as handbills, letters or pamphlets for any sale, candidate or cause.

“Solicitation” does not include Capitol Auto Group notifying employees of the Company’s participation in community and charity events; or giving the employees the option to participate. Your participation is completely voluntary and will not be used to evaluate your work performance or commitment to the organization.

THEFT

Internal theft is a significant problem for many businesses and Capitol Auto Group takes the issue very seriously. Although taking a small item of property may seem inconsequential, the cumulative effect can be very large; therefore, we will not tolerate theft of any kind. Workplace theft can include, but is not limited to taking Company, co-worker or customer property for personal use, unauthorized use of Company services or facilities, theft of time, or information, etc. It also includes parts removed from customer or Company vehicles. All parts removed from either customer vehicles or vehicles owned or operated by Capitol Auto Group are the property of Capitol Auto Group. Violation of our policy against theft of this rule will result in disciplinary action, up to and including immediate termination, as well as prosecution as we determine appropriate. If you have any question about your obligations, contact your Supervisor.

LEAVES OF ABSENCE

Capitol Auto Group asks that all employees keep in mind that the Company's business depends on the reliable day-to-day attendance of employees. We do, however, recognize that uncontrollable conditions do arise which require employees to take temporary leaves of absence from employment.

During a period of leave of absence, no wages or benefits are earned or paid, unless specifically stated in this Handbook or required by law; however, except as prohibited by law, employees will be required to use any accrued and unused paid vacation benefits before any unpaid time off is granted. Employees who wish to continue their health insurance benefit during the period of a leave of absence are referred to the Health Insurance section of this Handbook for an explanation of how long the Company will continue to pay its portion of the insurance contribution.

Unless otherwise required by law, leaves of absence must be requested by the employee in writing and approved by a member of the management team in order to allow us to make arrangements for proper staffing during your absence. Employees who do not notify the Company or who fail to obtain approval for leaves of absence will be considered absent without authorization.

FAMILY MEDICAL LEAVE, PARENTAL OR PREGNANCY LEAVE (FMLA)

Capitol Auto Group is covered by the Federal Family Medical Leave Act (FMLA). Please note that an employee may be entitled to more than one type of leave for the same absence. If so, the leaves will run concurrently except when prohibited by law. For information on these leave of absence policies, contact the Human Resource Manager.

Eligibility and Amount of Leave: To be eligible for FMLA benefits, you must have worked for the Company for a total of at least 12 months and have worked at least 1,250 hours over the previous 12 months. You must also work at a location where the Company employs 50 or more employees within 75 miles. An eligible employee is entitled to a total of 12 workweeks of unpaid leave in a calendar year, for one or more of the following reasons:

1. For the birth or placement of a child for adoption or foster care;
2. To care for an immediate family member (spouse, child or parent), with a serious health condition;
3. To care for a covered service member with a serious injury or illness, if the employee is the spouse, son, daughter, parent or next-of-kin of the service member. [Note: An eligible employee is entitled to a total of 26 workweeks of leave for this purpose during a single 12-month period, measured forward from the first date the employee uses covered service member leave as required by law];
4. To take medical leave when the employee is unable to work because of a serious health condition; or
5. Because of qualifying exigencies arising out of the fact that the employee's spouse, son, daughter or parent is on active duty under a federal call (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation, as outlined below and required by law.

Please note: In the event that an employee utilizes both covered service member and one or more other types of FMLA leave during the same leave year, the employee will be granted a maximum combined total of 26 workweeks of leave. However, no more than 12 workweeks can be used for any purpose other than covered service member leave and additional restrictions apply to qualified exigency leave as outlined below. Also, spouses employed by the Company are jointly entitled to a

combined total of 12 workweeks of family leave for the birth or placement of a child for adoption or foster care, and to care for a parent who has a serious health condition. Leave for birth or placement for adoption or foster care must conclude within twelve (12) months of the birth or placement. Likewise, spouses employed by the Company taking leave for a covered service-member are jointly entitled to a combined total of 26 weeks of leave during the single 12-month period, in accordance with applicable law.

Under some circumstances, employees may take leave intermittently, which means taking leave in blocks of time or by reducing their normal weekly or daily work schedule. If leave is for a birth or placement for adoption or foster care, use of intermittent leave is subject to the Company's approval.; however, FMLA leave may be taken intermittently whenever medically necessary to care for a seriously ill family member or covered service member, because the employee is seriously ill and unable to work, or due to qualifying exigencies.

A “**Covered Service-Member**” is a member of the Armed Forces, including the National guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.

Next-of-Kin: An employee's Next-of-Kin for military caregiver leave, includes the nearest blood relative other than the covered service member's spouse, parent, son, or daughter in the following priority: Blood relatives who have been granted legal custody of the covered service member by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins. The covered service-member may also designate, in writing, another blood relative as their “Next-of-Kin” for FMLA purposes. That designation shall control the determination.

Qualifying Exigency: Qualifying exigencies include:

1. **Short-Notice Deployment**: Up to seven (7) calendar days of leave may be taken to address any issue that arises from the fact that a covered military member is notified of an impending call or order to active duty for a contingency operation seven (7) or fewer calendar days prior to the date of deployment. This leave may be used beginning on the date the military member is notified of the deployment.
2. **Military Events and Related Activities**: Attendance at any official ceremony or program sponsored by the military and related to the active duty of the covered military member, or attendance at family support or other assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross that are related to the active duty or call to active duty of the covered military member.
3. **Childcare and School Activities**: To arrange for alternative childcare, to provide childcare on an urgent, immediate need basis (not regular, ongoing care), to enroll or transfer to a new school or day care facility, or to attend meetings with staff of a school or day care. In all cases, the need must be caused by the active duty or call to active duty status of a covered military member and covered family member.
4. **Financial and Legal Arrangements**: To make or update financial or legal arrangements to address the covered military member's absence (such as preparing financial and healthcare powers of attorney, updating wills, etc.); to act as the covered military member's representative before a federal, state or local agency for obtaining, arranging or appealing military service benefits (while on active duty or within 90 days following termination of active duty only); and attending counseling (provided by someone other than a healthcare provider for yourself) for the covered military member, or their covered child, if that counseling is needed due to the active duty or call to active duty status.

5. Rest and Recuperation: Up to five (5) days of leave may be taken (per instance of rest and recuperation leave) to spend time with a covered military member who is on short-term, temporary, rest and recuperation leave during the period of deployment.
6. Post-Deployment Activities: To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of 90 days following the termination of the covered service member's active duty status; or to address issues arising from the death of a covered service member (such as recovering the body, making funeral arrangements, etc.).
7. Other activities as agreed to by the Company.

Wages and Benefits During FMLA: A FMLA leave is unpaid. You will, however, be required to use accrued paid leave during an FMLA leave (e.g., vacation benefits) in accordance with Company policy and applicable law. Employees who are absent due to on-the-job serious health conditions may be eligible for workers' compensation benefits.

The Company will maintain group health insurance coverage for an employee on FMLA leave whenever such insurance was provided before the leave was taken and on the same terms as if the employee had continued to work. In some instances, the Company may recover premiums they paid to maintain health coverage for an employee who fails to return to work from FMLA leave.

Reinstatement: You will be reinstated to your former position in accordance with applicable law. If you cannot be reinstated to your former position because that position no longer exists, you will be reinstated to an available, equivalent position in accordance with applicable law. The use of FMLA leave will not result in the loss of any employment benefit that the employee earned or was entitled to before using FMLA leave that was not used during leave.

Other Requirements: If you use FMLA leave, you will be required to provide the following:

- Thirty (30) days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, you must provide notice as soon as practicable. You must also generally comply with the Company's normal attendance call-in procedures;
- Employees needing FMLA leave must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform the job functions; the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees must also notify the company if the requested leave is for a reason for which FMLA leave was previously taken or certified.
- Medical certification of the need for leave due to a serious health condition affecting the employee or an immediate family member;
- Medical certification of the need for leave due to the serious injury or illness of a spouse, son, daughter, parent, or next of kin who is a covered service-member;
- Certification of the need for qualifying exigency leaves;
- Second or third medical opinions (at the Company's expense) and periodic re-certifications as the Company determines necessary;
- Weekly reports during FMLA leave regarding your status and intent to return to work; and
- Fitness for duty certification upon return to work.

All employees who are either fully or partially released to return to work must report to the Company immediately upon receipt of the release. When leave is needed to care for an immediate family

member or the employee's own illness and is for planned medical treatment, the employee must try to schedule treatment so as not to unduly disrupt the Company's operation.

When an employee gives notice of the need for an FMLA qualifying leave, the Company will notify you whether you are eligible under FMLA and will give you additional, specific information on your rights and responsibilities. If you are not eligible, you will be given a reason for why you have been determined to be ineligible.

Employees who believe their FMLA rights have been violated are encouraged to contact their Supervisor or the Human Resource Manager to discuss their concerns. In addition, you may contact the US Department of Labor or bring a private action. Also, employees should note that the FMLA does not affect any federal or state law or collective bargaining agreement which provides greater family or medical leave rights.

For more information on these leave of absence policies, contact the Human Resource Manager. In all circumstances, the Company's policy will be interpreted and applied in accordance with applicable state and federal regulations.

OREGON FAMILY LEAVE

If you are an employee who has been employed at least one hundred eighty (180) days immediately preceding the date your family leave would begin and you have worked an average of twenty-five (25) hours per week during that time, you are eligible for Oregon family leave of up to twelve (12) weeks in a calendar year in accordance with applicable law. (Please note that employees are not required to work the 25-hour minimum average in order to qualify to use family leave for some purposes.)

Like federal law, OFLA provides eligible employees with family leave for their own serious health conditions, a family member's serious health conditions and to bond with a newborn, newly adopted, newly placed minor or adult disabled child, etc. In addition, OFLA provides eligible employees with family leave to care for grandparents, grandchildren, parents-in-law, step-children, same-sex domestic partners and their parents or children, as well as to spend time with a spouse who is a member of the Armed Forces of the United States, the National Guard or the military reserve forces of the United States, and has been notified of an impending call or order to active duty or who has been deployed. OFLA also allows eligible employees to take family leave to care for the non-serious illnesses of their minor and adult disabled children and to take extra family leave during pregnancy/childbirth, or to care for a child whose school or child care facility has closed in conjunction with a statewide public health emergency declared by a public health official.

Benefits available under OFLA and FMLA are similar and you may be eligible for leave under one or both of these laws for the same absence. If both laws apply, the leaves will run concurrently except in cases of workers' compensation absences. OFLA leave does not run concurrently with workers' compensation leave. More detailed information about eligibility and benefits is available under OFLA is available from the Human Resource Manager.

OREGON PAID FAMILY AND MEDICAL LEAVE INSURANCE

Effective September 3, 2023, eligible employees can apply for Oregon Paid Family and Medical Leave Insurance ("PFMLI") benefits through the Human Resources Department up to 30 calendar days before, or after, the start of leave. Employees who made \$1,000 or more the year before

applying for PFMLI and are experiencing a qualifying event are eligible. Capitol Auto Group's Human Resources Department will make eligibility determinations in accordance with insurance plan requirements. Benefits include paid leave for up to 12 weeks, and in some situations up to 14 weeks. In some cases, an employee's leave may also qualify for leave under the Oregon Family Leave Act (OFLA) and/or Family Medical Leave Act (FMLA). In such instances, eligible employees are required to take OFLA/FMLA leave concurrent with PFMLI leave.

Eligible employees applying for PFMLI are required to notify Capitol Auto Group through written notice at least 30 days prior to taking leave if leave is foreseeable. If leave is unforeseeable, employees are required to provide oral notice within 24 hours of beginning leave, and written notice within three days of beginning leave. The notice must include the type of leave, an explanation of the need for leave, and anticipated timing and duration of the leave. Failure to provide notice may result in a penalty amounting to a 25 percent reduction in the first weekly benefit amount.

Employees who participate in PFMLI and have been employed for at least ninety (90) consecutive days prior to taking leave will be reinstated to the employee's former position in accordance with applicable law.

Please contact Human Resources if you have any further questions.

PERSONAL LEAVES OF ABSENCE

Regular full-time employees have the option (after exhausting all other paid leave) of an unpaid personal leave of absence of up to two (2) weeks upon a showing of good cause and provided the Company determines the leave can be scheduled without adversely affecting the operation of the business. Additional leave may be approved in certain circumstances and where required by law. Personal leave may be granted for short periods as well as extended absences. Requests for personal leaves of absence must be made in writing as far in advance as possible and must specify a starting and ending date as well as the reason for the requested leave. The Company will determine whether there is a compelling personal reason for the leave at its discretion. A leave will not be granted to work another job or seek employment or career opportunities elsewhere.

Employees returning from a personal leave of absence are not guaranteed reemployment. Re-employment will generally be subject to the availability of a position that the Company determines is suited to an employee's skills, qualifications and experience.

JURY/WITNESS DUTY LEAVE

All employees will be given unpaid leave to comply with a subpoena to appear as a witness in court before a judge, legislative committee, administrative proceeding, or any official board or body authorized to conduct a hearing or inquiry or for jury service, in accordance with applicable law. If you receive a jury duty summons or subpoena, notify your Supervisor right away.

As a limited exception to our unpaid leave policy, regular full-time employees will receive their regular straight time hourly rate of pay for the hours they would have been scheduled to work during required jury service, less any amounts received for the jury service (excluding mileage). Eligible employees will be granted a maximum of five working days (up to 40 hours) of paid jury duty leave per year. Verification of the dates and times of service and the amounts received will be required as a condition of payment. Thereafter, all jury duty leave will be unpaid. Generally, unless you are subpoenaed by Capitol Auto Group, witness duty leave is unpaid.

Jury/witness duty leave will not be counted for attendance and disciplinary purposes. However, if you are excused from jury/witness service before serving three (3) or more hours, you are required to call in to see if you should report to work that day. All employees who serve witness or jury duty must also provide an attendance slip from the court or other appropriate body verifying actual dates and times of service.

MILITARY LEAVE

Employees who serve in the U.S. Armed Forces, National Guard or Reserves are granted leaves of absence for the period of their military service as well as reinstatement in accordance with current, applicable state and federal law. Employees are permitted, but not required, to use any earned and unused vacation benefits during a military leave. Employees who need a military leave of absence should notify the Company as far in advance as reasonably possible under the circumstances. For more information, please contact the Human Resource Manager.

OREGON MILITARY FAMILY LEAVE

Employees, who work an average of 20 hours per week, are eligible for up to 14 days of unpaid leave per deployment of an eligible spouse or domestic partner. If multiple deployments occur in the same OFLA leave year, employees are entitled to use OMFLA leave until their OFLA leave entitlement is exhausted.

OMFLA leave is included in the total amount of leave authorized under the Oregon Family Leave Act (OFLA). Also, to the extent that an employee's need for OMFLA leave is also covered by the Qualifying Exigency entitlements under FMLA Leave, OMFLA leave time will run concurrently to FMLA leave entitlement.

During a period of military conflict, an employee who is a spouse or domestic partner of a member of the Armed Forces of the United States, the National Guard or the military reserve forces of the United States who has been notified of an impending call or order to active duty or who has been deployed, is entitled to a total of 14 days of unpaid leave per deployment that may be taken:

- (a) After the military spouse or domestic partner has been notified of an impending call or order to active duty and before deployment; and/or
- (b) When the military spouse or domestic partner is on leave from deployment.

The 14 days of unpaid leave are individual days on which you are normally scheduled. OMFLA leave need not be taken in one, uninterrupted period, but may be taken intermittently. If you take intermittent OMFLA leave, only the actual number of hours of leave taken will be counted toward the hours of OMFLA leave to which you are entitled.

"Domestic partnership" means two individuals of the same sex who have received a Certificate of Registered Domestic Partnership from the State of Oregon in compliance with ORS 432.405(1) and rules adopted by the State Registrar of the Center for Health Statistics.

"Period of Military Conflict" means a period of war:

- (a) Declared by the United States Congress;
- (b) Declared by executive order of the President of the United States; or
- (c) In which a reserve component of the Armed Forces of the United States is ordered

to active duty.

Requests for military family leave must be made in writing. A photocopy of the service member's orders may be required to verify that the requested leave is for qualifying purposes. An eligible employee seeking OMFLA must provide notice of the intention to take leave:

- (a) Within five business days of receiving official notice of an impending call or order to active duty or of a leave from deployment; or
- (b) As soon as is practicable when official notice is provided fewer than five days before commencement of the leave

OMFLA is an unpaid leave. Employees are, however, entitled but not required to use PTO time during some or all of the period of Oregon Military Family Leave. Eligibility for health insurance continuation shall be in accordance with applicable law.

Upon return from OMFLA leave, the employee will be reinstated to his or her former position in accordance with the law. If the employee cannot be reinstated to his or her former position because that position no longer exists, the employee will be reinstated to an available, equivalent position. Additionally, benefits will be restored in full upon return to work.

If an employee gives unequivocal notice of intent not to return to work from OMFLA leave, they will be entitled to complete any approved OMFLA leave, provided that the original need for OMFLA leave still exists. However, the Company may not hold a position vacant, offer an equivalent position, or restore benefits upon completion of the leave, except as required by federal COBRA laws.

BEREAVEMENT LEAVE

Capitol Auto Group recognizes that when employees suffer a personal loss, they may need time away from work for funeral or other bereavement purposes.

In accordance with Oregon law, eligible employees may take up to a total of two (2) weeks of leave ("Oregon Bereavement Leave") to deal with the death of a family member by:

- (a) Attending the family member's funeral or alternative to a funeral;
- (b) Making arrangements necessitated by the death of the family member; or
- (c) Grieving the death of the family member.

The first 5 days of Oregon Bereavement Leave will be paid without requiring the use of PTO. Thereafter, the leave will be unpaid, but eligible employees may use their accrued, unused PTO.

Oregon employees are eligible for Oregon Bereavement Leave when they have been employed at least 180 days immediately preceding the date the bereavement leave would begin and have worked an average of 25 hours per week during that time period.

Oregon Bereavement Leave must be completed within 60 days of the date the employee receives notice of a family member's death. In the unfortunate event of multiple deaths within the same year, an employee may take up to two weeks of bereavement leave for each family member until his/her OFLA leave entitlement is exhausted.

For the purpose of Oregon Bereavement Leave, "family member" includes an employee's spouse;

same-sex domestic partner; biological, adoptive, step-, or foster child or parent; parent-in-law; grandparents and grandchildren; and any person with whom the employee has an *in loco parentis* (i.e., in place of parents) relationship.

Request for Oregon Bereavement Leave must be made in writing. If the need for the leave is known to you in advance, the employee must give 30 days' advance notice. If the leave is not known in advance, the employee must give verbal notice within 24 hours of the beginning of the leave, followed by confirmation in writing within three workdays after returning to work.

Employees on bereavement leave must keep Company apprised of their anticipated date of return to work, updated contact information, and any other reporting obligation directed by the Company.

Employees who wish to take bereavement leave for an individual other than immediate family or who wish to extend their period of bereavement time off, should request a personal leave of absence. Verification of the need for leave may be required.

DOMESTIC VIOLENCE LEAVE AND ACCOMMODATIONS

If you are the victim of domestic violence, sexual assault or stalking or if you are the parent of a minor child or dependent who is the victim of domestic violence, sexual assault or stalking, you are eligible for reasonable unpaid leaves of absence for the following purposes:

- To seek legal or law enforcement assistance or remedies to ensure the health and safety of you or your minor child or dependent (including preparing for and participating in protective order proceedings or other criminal or civil proceedings) related to domestic violence, sexual assault or stalking of the employee or his/her minor child or dependent;
- To seek medical treatment or recover from injuries caused by domestic violence or sexual assault or stalking of the employee or his/her minor child or dependent;
- To obtain or assist a minor child or dependent in obtaining counseling from a licensed mental health professional related to an experience of domestic violence, sexual assault or stalking;
- To obtain services from a prosecutor or non-profit victim services provider for the employee or his/her minor child or dependent; or
- To relocate or take steps to secure an existing home to ensure the health and safety of the employee or his/her minor child or dependent.

Requesting leave: Eligible employees should contact the Human Resource Manager to request a leave. Verification of the need for leave will be required, and employees will be required to use any accrued paid leave benefits before unpaid time off will be granted. Requests for domestic violence leave and all supporting documentation will be treated confidentially.

Requesting Other Accommodations: Capitol Auto Group will make reasonable accommodation for victims of domestic violence, sexual assault or stalking as required by law. Employees who need workplace accommodations should promptly contact their Supervisor or the Human Resource Manager to discuss reasonable alternatives and options. Verification of the need for accommodation will be required. Requests and all supporting documentation will be treated confidentially.

CRIME VICTIM LEAVE

Employees who are the victim of a crime may be eligible for leave in order to assist in the

prosecution and trial of the accused. This leave is unpaid leave. Employees taking qualifying Crime Victims' Leave may choose to use any available PTO leave during this leave so the leave will be paid.

In order to be eligible to take this leave, you must have worked for Capitol Auto Group at least 25 hours per week for the 180 days immediately preceding the leave. You must provide no less than three days' notice of the intention to take leave to attend a court hearing, and provide a copy of any hearing notice prior to taking the leave.

WORKERS' COMPENSATION LEAVES

Capitol Auto Group grants employees leaves of absence as needed for illnesses and injuries incurred on-the-job. If you are injured on-the-job, please contact your Supervisor or the Human Resource Manager right away for a worker's compensation form. Employees who are absent from work due to work-related illnesses or injuries are generally eligible to receive workers compensation benefits.

Employees on a worker's compensation leave of absence are required to report to the Human Resource Manager on their status, progress and anticipated date of return to work at least once a week, unless you have received written approval to be absent until a specific date or report less frequently. Reporting to a co-worker or another person will not be sufficient to comply with this reporting requirement. All employees who are released to return to work from on-the-job injuries or illnesses must request return to work as soon as possible but no later than seven (7) days after receipt of notice by certified mail from our workers' compensation insurer that you have been released to return to work by your doctor. The Company will comply with applicable reinstatement and re-employment laws for employees who are absent due to work related illnesses or injuries.

Workers' compensation absences do run concurrently with FMLA; however, workers' compensation and OFLA absences do not run concurrently. Therefore, you may be eligible for OFLA leave following the conclusion of a workers' compensation leave. Eligible employees who are released to light duty after a workers' compensation illness or injury, and remain off work, will automatically be placed on an OFLA leave of absence consistent with applicable law. For more information, please contact the Human Resource Manager.

Light Duty Policy: Capitol Auto Group recognizes the value of returning employees to work as soon as possible following an on-the-job injury or illness. The granting of temporary light duty assignments not only promotes the physiological and psychological recovery of employees who suffer on-the-job injuries and illnesses, but also enables us to utilize the skills and experience of such employees during recovery to perform miscellaneous temporary assignments, while minimizing insurance costs. As a result, we have developed a light duty return-to-work policy.

Generally, light duty assignments will be limited to a maximum of 90 days unless otherwise required by law. Light duty assignments will be individualized to each employee based on numerous factors including the employee's medical restrictions, the anticipated length of those restrictions and the availability of suitable work the employee can safely perform. The Company reserves the right to determine the availability, appropriateness, and continuation of all light duty assignments. Light duty assignments may include: 1) a change or reduction in the work hours of the employee's regular position; 2) limiting or altering duties in the employee's regular position; 3) temporarily reassigning the employee to another position for which he/she is qualified; *or* 4) temporarily assigning the employee to perform miscellaneous tasks that are not associated with any specific job position. The physical requirements of a light duty assignment will be submitted

to the employee's treating physician for approval to ensure that they are consistent with the employee's work restrictions.

Capitol Auto Group also retains the right to not offer a light duty assignment if we determine there is no work assignment that would be suitable for the employee and would provide a value to our business. In the event we do not assign a temporary light duty assignment to employees who have suffered a work-related injury or illness, the employee will generally continue to be eligible to receive time loss payments, as well as other benefits and reinstatement rights, in accordance with applicable laws and the policies set forth in this Handbook.

To be eligible for a temporary light duty assignment under this policy, an employee must be temporarily unable to return to his/her regular duties as a result of an on-the-job injury or illness and not medically stationary. Once an employee becomes medically stationary, that employee is no longer eligible to participate in a temporary modified duty assignment under this policy. The Company will, however, comply with its reasonable accommodation obligations for employees who qualify as disabled under applicable state or federal laws. If an employee declines to accept an offer of a light duty assignment that has been approved by his/her treating physician, the employee's right to receive time loss compensation under the workers' compensation laws may be discontinued. In addition, the employee may lose the right to be reinstated under the injured worker reinstatement laws.

OTHER MEDICAL LEAVES

Occasionally, employees are required to be absent from work for extended periods of time due to serious off-the-job injuries or illnesses that are not covered by FMLA or OFLA leave, such as disabilities. In such circumstances, employees should contact the Human Resource Manager regarding a medical leave of absence. Employees on a medical leave of absence are required to report to the Human Resource Manager on their status, progress and anticipated date of return to work at least once a week, unless you have received written approval to be absent until a specific date. Reporting to a co-worker or another person will not be sufficient to comply with this reporting requirement.

The re-employment of persons returning from medical leave is subject to the availability of suitable work. The Company will, however, comply with applicable reinstatement and re-employment laws. All employees who are released to return to work from a medical leave for extended off-the-job injuries or illnesses must request return to work immediately after receipt of a full or light duty release from your doctor. For more information, please contact the Human Resource Manager.

OTHER LEAVES OF ABSENCE

Capitol Auto Group complies with all applicable laws regarding leaves of absence. If you need a leave of absence, please contact the Human Resource Manager.

STANDARDS OF CONDUCT AND DISCIPLINE

We believe that most employees prefer to work in an environment in which serious or repeated violations of the Company's standards are not permitted. With that in mind, we have established standards of conduct that our employees are expected to follow. Aside from the Company's right and your right to terminate our relationship at any time and for any reason, the Company may issue verbal or written warnings, suspend, demote, or take other disciplinary action against employees for violation of our rules or policies as we deem appropriate.

To provide our employees some guidance on our expectations, we have, however, grouped together examples of unacceptable conduct into two general categories: minor and major infractions. When we feel a regular employee has committed a minor infraction, the employee will generally receive a written warning prior to termination. However, each situation will be evaluated according to the circumstances involved, and the type of discipline administered may vary based upon our determination of the seriousness of the offense. Also, a warning for different minor infractions may be combined to determine the type of discipline administered. When we feel an employee has committed a major infraction, that employee is subject to immediate suspension or discharge.

MINOR INFRACTIONS

These types of infractions include, but are not limited to, the following:

- Failure to provide or meet customer service standards or other careless, inaccurate, unreliable, or otherwise unsatisfactory work performance or productivity
- Unsatisfactory attendance, including excessive or unauthorized absenteeism, tardiness, failure to notify us of intended absence or tardiness, failure to comply with other reporting policies, or patterned absences on a reoccurring basis
- Interfering with or impeding any employee's work by talking or creating other distractions.
- Failure to follow safe working practices. (*Note: When we feel an employee has committed a serious safety violation, that employee is subject to immediate discharge.*)
- Engaging in off-duty conduct that negatively affects the Company's reputation or interest, but is not, in our view, serious enough to warrant discharge
- Discriminatory behavior or harassment of a racial, ethnic, sexual or religious nature that, in our view, is not serious enough to justify discharge
- **Violating any Company policy or practice that is presently in effect or subsequently issued that, in the Company's view is not serious enough to warrant discharge**
- **Any other conduct that is, in the view of the Company, sufficient to warrant discipline,**

MAJOR INFRACTIONS

These types of infractions include, but are not limited to, the following:

- Insubordination - including but not limited to failure to follow any verbal or written job instructions issued by a person in the position of authority as determined by the Company
- Failure to promptly report an accident or injury, or to cooperate in accident or injury investigations.
- Threatening, intimidating, coercing or assaulting another employee, supervisor or customer or otherwise violating our Workplace Violence policy

- Provoking or instigating arguments, dissension or fights during working hours or on Company premises or engaging in horseplay that results in injury or property damage
- Any deliberate or reckless act of destroying or damaging Company property, tools or equipment, or the property of others on Company premises
- Dishonesty of any type, including but not limited to: recording time for another employee or asking or allowing another employee to enter time for you; falsifying any reports or records, such as applications, resumes and absence or injury reports; and theft of any kind
- Committing violations of safety rules or safe working habits that we feel are repeated or serious
- Engaging in discriminatory behavior or harassment of a sexual, racial, ethnic, disability-related, religious or other prohibited nature that we consider to be repeated or serious
- Using Company vehicles for personal use without proper approval or removing from the premises, without proper written authorization, Company property, records, equipment or other materials
- Violation of our Drug and Alcohol Policy
- Badmouthing the Company or engaging in off-duty conduct that, in our view, seriously damages our interest, reputation or goodwill in the community, but which does not constitute protected “concerted activity” under the National Labor Relations Act or its Oregon equivalent, as may be applicable
- Violating our confidentiality policies or failing to comply with other legal obligations
- Failure to maintain required insurability
- Violating any Company policy presently in effect or subsequently issued that we feel is serious enough to warrant immediate discharge
- **Any other conduct that is, in the view of the Company, serious enough to warrant discharge or suspension**

We believe these rules are clear and require little explanation; however, if you have any questions concerning the application or intent of these rules, please consult with your Supervisor or the Human Resource Manager. Obviously, rules cannot be listed to cover every situation. Conduct not specifically mentioned will be disciplined according to the standards followed for what we feel is the most equivalent type of conduct listed.

An employee’s overall record may be considered in determining the appropriate degree of discipline to be imposed in a particular case. The Company will determine what the facts are, whether discipline is warranted, how serious the violation is, and what level of discipline is appropriate. If you feel you have been unfairly disciplined or discharged, we encourage you to utilize the Open Communications and Dispute Resolution Procedure.

Notwithstanding all of the above listings and other verbal and written statements, employment can be terminated, with or without notice, at any time and for any reason the Company considers sufficient at its option or the employee’s option. The above lists are intended to give you examples of some of the types of conduct that will lead the Company to exercise its employment “at will” termination options.

OPEN COMMUNICATIONS AND DISPUTE RESOLUTION

At Capitol Auto Group, we believe that communication is at the heart of good employee relations. It is our policy that managers and supervisors will listen to employee concerns, encourage their input, and seek resolution to the issues and concerns. We believe that ongoing and dynamic discussion with your Supervisor and Company management will minimize instances of problems and misunderstandings.

Employees should share their concerns, seek information, provide input, and resolve work-related issues by discussing them with their Supervisors until they are fully resolved. It may not be possible to achieve the results an employee wants, but open communication will avoid many misunderstandings and disputes. If an issue cannot be resolved through open communication with your Supervisor, you may also contact the Human Resource Manager.

Generally, meetings to discuss employee concerns will be scheduled as quickly as possible.

If an employee has a concern about discrimination and/or harassment, Capitol Auto Group has set up special procedures to report and address those issues. The proper reporting procedures are set forth in the Equal Employment Opportunity Policies Section of this Handbook. (Pages 10-13).

LEAVING CAPITOL AUTO GROUP EMPLOYMENT

TERMINATIONS AND RESIGNATIONS

The relationship between the Company and its employees is terminable At-Will at the discretion of the Company. Although we hope that every employee's experience at our Company is pleasant, we also recognize that the relationship between the Company and the employee is terminable at the discretion of the employee at any time. In order to maintain quality and consistent customer service, two weeks' notice prior to the effective date of your resignation is requested. Employees who do not provide the requested notice will usually be considered ineligible for rehire.

Prior to separation, all company equipment/property must be returned to your Supervisor or the Human Resource Manager.

LAYOFFS

The work performed by the Company is subject to the general economy of the market. Changes in scheduled workload and downturns in our business affect our staffing needs. In the event we determine it is necessary to eliminate or combine jobs or otherwise curtail operations, layoffs may become necessary. The decision of individuals to be laid off will be made by the Company based on its determination of the relative skills, qualifications, previous work habits and performance, attitude, punctuality and ability of employees to perform the work remaining. In cases where the Company decides two candidates are of equal rating, length of service with the Company will usually be the deciding factor.

FINAL PAYCHECKS AND BENEFITS

If you are discharged or laid off by the Company, your final paycheck will be available by the end of the next business day following your termination. If you voluntarily resign your employment with at least 48-hours' advance notice, your final paycheck will be available on your last day of work or on the next business day if your last day falls on a Saturday, Sunday or holiday. If you voluntarily resign your employment and fail to provide at least 48-hours' advance notice, your final paycheck will be available within 5 days of your termination or on the next payday, whichever comes first.

REFERENCES

When employees leave our employment, the Company will release only information about their length of employment and position(s) held unless he/she signs an authorization allowing us to release more detailed information. All reference requests should be directed to the Human Resource Manager for response.

EMPLOYEE HANDBOOK ACKNOWLEDGEMENT OF RECEIPT

I acknowledge that I have received a copy of the Employee Handbook of Capitol Auto Group and that I am covered by this Handbook.

I understand that the Company reserves all rights necessary to the efficient and orderly management of its business. The Handbook is intended to be a guideline to its practices, not a contract. I also understand that it may become necessary for the Company to change this Handbook or to change or discontinue any benefit plan, policy, or practice at any time as it deems necessary for the management of its business.

I have carefully read and understand the policies and rules outlined in this Handbook. I recognize that unless my status is changed by a current collective bargaining agreement applicable to my employment, my employment and compensation with the Company is At-Will and can be terminated with or without notice, at any time, at the discretion of either the Company or myself.

I understand that this Handbook and the policies contained herein are not intended to, nor will they be interpreted or applied to, limit or prevent me from exercising any rights I may have under the National Labor Relations Act or equivalent Oregon state law.

Employee Signature

Date

Employee's Name (Print Name)

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