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## **Non-Fraternization Policy**

McDaniels desires to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism, possible claims of sexual harassment, and the employee morale and dissension problems that can potentially result from romantic relationships involving managerial and supervisory employees in the Company or certain other Associates or in the Company.

Accordingly, Managers and Supervisors are strongly discouraged from fraternizing or becoming romantically involved with one another or with any other Associate of the Company. Additionally, all Associates, both managerial and non-managerial, are discouraged from fraternizing or becoming romantically involved with other employees, when, in the sole opinion of the Company, their personal relationships may create a conflict of interest, cause disruption, create a negative or unprofessional work environment, or present concerns regarding supervision, safety, security, or morale.

Any Associate involved with a Supervisor or fellow Associate must immediately and fully disclose in writing the relevant circumstances to the Human Resources Director so that a determination can be made as to whether the relationship presents an actual, perceived or potential conflict of interest. If an actual, perceived or potential conflict exists, the Company may take whatever action it deems appropriate according to the circumstances, up to and including transfer or discharge. Failure to disclose material facts may lead to disciplinary action, up to and including termination.

It is not the Company's intention to dictate choices made in your personal life with this Policy. Associates must understand, however, that Courts and other workers are holding Companies to higher standards to insure a fair, conflict free workplace. As Companies shoulder these greater burdens, more regulations and policies become necessary.

All employees should also remember that the Company maintains a strict policy against unlawful harassment of any kind, including sexual harassment. The Company will vigorously enforce this policy consistent with all applicable federal, state, and local laws.

*As with all McDaniels Policies, ideas or suggestions for improvement are encouraged and should be directed to the Dealer Principal or Chief Operating Officer.*