

**THIS IS NOT A CONTRACT, STATED OR IMPLIED**

# ***MCDANIELS***

## **AT-WILL EMPLOYEE HANDBOOK**

*A commitment to client satisfaction has permitted McDaniels to become recognized as a professional leader in automotive sales and service. Success and growth in the future are dependent upon our ability to sustain this superior reputation. For this reason, our most important continuing objective is to provide unequalled service and unparalleled workmanship.*

*The collective strength of our client satisfaction team is derived from the individual effort and dedication of every employee. The full use of your knowledge, experience, ability, and energy is important to our success as we work together for excellence.*

*Our overriding vision is to utilize a diverse blend of business tactics so that Associates of the Company are empowered to exceed their Clients' expectations while providing a return on shareholder investment, enhancing the McDaniels' brand image, and building better communities in which the businesses are located.*

This Employee Handbook supersedes any previous handbook that may have been issued and contains an overview of the Dealership's policies. There are numerous policies, regulations and laws with which employees will need to familiarize themselves, not all of which are in this handbook. Neither this handbook, nor any other written or unwritten policy or practice of the Dealership creates, or is intended to create an express or implied contract, covenant, promise, or representation that employment will continue for any specified period. **EMPLOYMENT IS AT-WILL, WHICH MEANS YOU MAY RESIGN AT ANY TIME WITHOUT STATING YOUR REASON OR GIVING NOTICE, OR THAT THE DEALERSHIP MAY TERMINATE EMPLOYMENT AT ANY TIME WITH OR WITHOUT CAUSE OR NOTICE. BOTH PARTIES AGREE THERE IS NO RIGHT TO CHALLENGE A SEPARATION.** The Dealership reserves the sole right to add, change, or rescind any policy or practice at any time except that any such modification shall not alter your right, or the right of the Dealership, to terminate employment at any time with or without cause or notice.

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 Associate's Acknowledgement

Date

**Your Supervisor**

Your supervisor has accepted the responsibility of guiding you in the completion of your work and, as a result, needs to hear your questions, suggestions, and constructive ideas. Mutual understanding is important to doing the best job possible; cooperative *attitudes* lead to productive teamwork.

If you have questions regarding any aspect of your assignment, or of any policy or practice of the Dealership, please consult your supervisor for a complete explanation. If you feel their explanation or resolution is unfair or inconsistent with other Company's Policies or Philosophies, you are encouraged to pursue the matter with the Human Resources Director, Chief Operating Officer or Dealer Principal.

**Employment Practices**

It is the goal of the Dealership to employ, develop, and maintain a staff of highly competent and productive employees. Success in meeting this goal depends upon personnel decisions being made on the basis of individual skill, ability, and certain other factors important to reliable performance.

*As an Equal Employment Opportunity Employer, it is the policy of McDaniels to prohibit unlawful discrimination because of race, religion, color, citizenship, national origin, ancestry, sex, age, handicap or qualified disability, or other characteristic protected by applicable federal, state, or local law.*

Personnel decisions directly affected by this policy include, but are not limited to, matters of recruiting, hiring, promotion, demotion, transfer, layoff, employment termination, training, compensation, benefits, and other related issues.

In cases where openings can best be filled from within, promotions or transfers may be considered when they are in the best interests of the employee and the Dealership. Present employees who are interested in such opportunities should direct their request to their immediate supervisor. In situations requiring external recruitment, referrals made by present employees can serve as one of the important sources of qualified candidates. If you know of qualified individuals whom you feel would become productive employees, please ask them to apply.

**Honesty With Customers & Fellow Workers**

Here at the McDaniels Automotive Group, honesty is not just the best policy – it is the only policy! Our clients are our greatest assets. They and others we work with deserve and expect to be treated honestly and with respect. Dishonest conduct, half-truths, and deception will not be tolerated. You should report any dishonest conduct you observe to either your supervisor, the Chief Operating Officer or the Dealer Principal.

**Employment Status Part Time or Full Time?**

All employment is at-will. Employment can be terminated at any time by either party for any reason. New employees are expected to adapt to the organization and to their assignment within an *introductory period* of up to 90 calendar days (no paid time off is available during the first 90 days of service). Successful completion of this period does not, however, guarantee your employment. The Dealership or you may terminate employment at any time *during* or *after* the introductory period.

For the purposes of determining the applicability of various policies, practices, and benefits, employees are classified by the nature of the position to which they are assigned, their skill set and by their normally scheduled hours of work. A change in classification will occur only if you are notified of such a change in writing. While additional work group classifications may be established by the Dealership, or by applicable federal, state, or local laws, the definitions most commonly used by the Dealership are as follows:

**Management:** Persons holding positions of authority who supervise at least one other Associate. Specific Positions include General Manager, Sales Manager, Accounting Manager, Fixed Operations Director, etc.

**Apprentice Associates:** Persons holding positions generally intended to be a part of continuing operations scheduled to work 40 or more hours per week who generally lack specific, technical or quantifiable skills as determined by management. Specific Positions include some entry level Accounting Positions, some entry level Parts Positions and many Reconditioning Positions.

**Semi-Retired Regular Full-Time Associates:** Persons holding positions generally intended to be a part of continuing operations and who are normally scheduled to work *40 or more hours* per week who have otherwise retired from another career.

**Regular Part-Time Employees:** Persons holding positions generally intended to be a part of continuing operations but who are normally scheduled to work *fewer than 40 hours* per week.

**Non-Regular Employees:** Persons employed to work on special projects for short periods of time, or those who have no regular schedule but who periodically are called to work on a *fill-in* or *on-call* basis. These positions are not necessarily intended to be a part of continuing operations.

**Regular Full-Time Associates:** Persons holding positions generally intended to be a part of continuing operations and who are normally scheduled to work *40 or more hours* per week and who are not otherwise classified.

Although *regular* positions are intended to be a part of continuing operations, there is *no guarantee* that the job will continue for any specified period of time or that work will be available on an everyday basis. Any position, whether regular or non-regular, may be

eliminated at any time with or without notice.

A description of the eligibility requirements, waiting periods, and limitations applicable to the Dealership's benefit program is provided in the employee benefits section of this handbook and/or in other benefit booklets or information. **Associates are responsible for clarifying their status on the first day they begin work! Please note different benefit packages are applicable to different jobs and classifications. See your immediate supervisor or the Personnel Director for your specific benefit package!**

### **Hours of Work**

Individual work schedules are assigned in response to the business needs of the Dealership. Full-time employees normally work 40 or more hours per week; part-time employees normally work fewer than 40 hours per week. Changes in your schedule, including the *requirement* to work overtime, may be made at the discretion of the Dealership and are announced as far in advance as practical. Overtime *must* be pre-approved by your supervisor and worked as scheduled.

Arrival and Departure: Employees should be on the premises only during their scheduled hours of work. You should arrive in time to begin work at your scheduled starting time but not so early as to create overtime unless your early arrival was pre-approved by your supervisor. You should depart promptly after quitting time scheduled by your supervisor. Commission paid sales personnel who are on the premises during hours other than their scheduled *floor time* must inform the appropriate manager of their presence.

Breaks: Meal periods and rest breaks may be taken at a time approved by your supervisor; they should not disrupt the workflow or interfere with customer service. An unpaid *meal period* of up to 60 minutes for all full time employees must be taken if the work shift is five hours or longer. Your time clock should reflect this one hour break. The full one hour break will be deducted if the time clock reflects a shorter period unless your Manager specifically authorizes in writing on the time card the shorter lunch. Morning and afternoon *rest breaks* should not exceed ten minutes in length. Employees should be mindful that group breaks greatly diminish our ability to serve our Clients; therefore rest breaks and meal periods taken *en masse* are strongly discouraged. Rest breaks and, if applicable, meal breaks taken on Company property should be taken in or around your primary building of employment in designated break or meal areas. Employees are responsible for policing break areas.

Reporting Your Time: If a time card or time sheet is required for your position, it must be kept accurately! Generally, all personnel who are not in a direct supervisory role must keep time cards. You are to *personally* record your time when you arrive for work, at the beginning and end of meal periods, and when you depart at the end of the day. You must also record your time at the beginning and end of any period of time you are away from the Dealership on personal business. Having another person record your time for you is unacceptable. Any *corrections* must be initialed by you and approved by your supervisor. **Failure to submit a correct time card could delay payment of your regular paycheck**

**until the next regularly scheduled pay period**; it is your responsibility to make sure the accounting department has a correct and initialed record of your job attendance not later than one day after the end of the pay period. NEVER WORK IF YOU ARE NOT CLOCKED IN AND ARE OTHERWISE REQUIRED TO CLOCK IN. **Report any attempt to have you misrepresent your actual recorded work time to the Dealer Principal or Chief Operating Officer.**

### **Attendance**

The absence of any employee, including *reporting late* or *quitting early*, means less service to our customers and additional workloads for other personnel. For these reasons, *perfect attendance and punctuality are the goal!*

*It is expected that you will be PRESENT and ON TIME  
every day you are scheduled to work.*

Full or partial day absence, arriving late, or leaving early, for whatever reason, may result in counseling or disciplinary action up to and including suspension or discharge without additional prior notice.

**Reporting Your Absence:** If you are unable to report for work, *regardless of the reason*, you are to *personally* report the nature of your absence directly to your immediate supervisor or the most senior manager in the Dealership as far in advance as possible, but in no case later than 15 minutes after your scheduled starting time. You will be expected to make proper notification *each day* you are absent; failure to do so in any instance may be interpreted by the Dealership that you have abandoned your position and voluntarily resigned your employment. If your absence continues through the end of workday, you should also call before the end of the day to report to your immediate supervisor or the most senior manager the probability of your return on the following day. Only in the most extraordinary of cases (your physical inability) should someone else call to report your absence.

Should you be tardy, work a partial day or be absent, you should fill out a McDaniels Associate Attendance Sheet upon your return. These are available from your immediate supervisor and at the time clock. The MAAS should be turned into your immediate supervisor along with supporting documentation for the acknowledgement. They will then review and forward the document for inclusion in your permanent personnel folder. Arrival to work later than 15 minutes as defined by the time clock necessitates. Failure to follow this procedure is a violation of company policy, and can result in immediate disciplinary action up to and including termination. Management may issue additional warnings in addition to this form, and may take immediate disciplinary action up to and including termination.

**Proof:** If your absence is due to illness or injury, you may be required to provide a

physician's report supporting the necessity of your absence and/or your ability to return to work. It may also be required that you be examined by a physician appointed by the Dealership. If your absence is the result of personal emergency other than illness or injury, documentation proving that your absence was necessary may also be required.

Emergency Time Off: In the event that personal emergency necessitates your absence from work, you may, upon the *prior approval* of your supervisor, be granted excused, unpaid time off. Regardless of the nature of the emergency, you may be denied time off if your absence disrupts the flow of work or unduly interferes with the normal operation of the Dealership in Management's sole opinion. Because of McDaniels' small size, this determination may vary from position to position or even vary with the same position throughout the year depending on work demands and the nature of business at that instance. If possible, medical and other personal appointments should be scheduled at times when they do not interfere with your work. Unless your absence can be covered by unused vacation or other paid time off as may be provided by our employee benefit program, time taken off is *without pay*. Requests should be infrequent and limited to emergency situations.

### **Your Pay**

While recognizing the importance of general business and economic conditions in the area and industry, it is our objective to pay wages, salaries, commissions, incentives, and bonuses that reflect individual *effort* and *achievement*. Although not exclusive, these are among the primary factors used in determining the amount of your total compensation, and those that influence decisions concerning adjustments in your pay.

Pay Plans: The terms and conditions of compensation for employees paid on a commission or other incentive basis are normally outlined in a *pay plan* applicable to the position. Changes in the plan(s) may be made at any time at the sole discretion of Management. If your pay involves a performance Bonus or is contingent upon a particular Department's profitability, you must be employed on the last day of the month the Bonus is to be paid to be eligible for that Bonus regardless of any oral statement to the contrary! ALL CHANGES IN PAY FROM THE COMPANY ARE MADE IN WRITING – VERBAL CHANGES TO PAY PLANS OR VERBAL PROMISES ARE NOT BINDING ARE NOT ENDORSED BY THE COMPANY!

Paydays: Paydays are on Friday for the workweek ending the previous Tuesday, if business conditions permit. Where applicable, bonuses and incentives determined by the results of the monthly pay periods, monthly performance or the monthly financial statements normally are paid by the 10th of the following month, if business conditions permit. If a payday falls on a holiday or weekend, every effort is made to distribute paychecks before that holiday or weekend, however, business conditions may preclude this from occurring. YOUR FIRST WEEK'S PAY MAY BE DELAYED ONE WEEK AS IT TAKES TIME TO ADD NEW ASSOCIATES TO THE PAYROLL SYSTEM.

Paychecks: Paychecks normally are available after 4:00 PM. For workers in Columbia, checks are available at the Acura Dealership at 6409 Two Notch Road, Columbia, SC 29223. For workers in Charleston, checks are available at the Acura Dealership at 2283 Savannah Highway, Charleston, SC 29414. Paychecks will be mailed to your home address of record at your written request. If there is an error in your check or you have questions about your pay, you must report it in writing within 3 business days of the issuance of the paycheck that does or should reflect the suspected error. Failure to report errors or to challenge a check within this timeframe will be interpreted as your acceptance and agreement of the accuracy of the payment of wages for the period in question. Only the employee to whom a check is written will be allowed to pick up a paycheck unless written authorization has been given for another person to do so.

Deductions: In addition to required payroll taxes, insurance premiums, court ordered deductions, and other regular or periodic deductions you have authorized, the following items may be deducted from your pay, whether during your active employment or at the time of separation:

- Any loan, account, training expenses detailed in other writings, or other debt owed to the Dealership.
- Any Purchase Order amounts or sales slips not receipted by Accounting within 48 hours. If absent from work, receipts must be immediately turned in to accounting upon your return.
- The value of Dealership owned property not returned upon demand or that which was returned in less than acceptable condition.
- Any loss to the Dealership caused by your gross negligence, willful misconduct, or dishonesty.
- Note that equipment or uniforms not documented by the Employee and acknowledged in writing by their supervisor as having been returned in satisfactory condition may delay payment of a portion or all of a paycheck.

Check Cashing: The Dealership does not cash payroll or personal checks.

Payroll Advances: Because employees are expected to maintain their personal financial matters separate from the workplace, advances against payroll will not be made and should not be requested. Advances for training expenses will be considered.

### **Performance**

*The personal contribution of each employee to CUSTOMER SATISFACTION and PROFITABLE OPERATIONS is important to the current and future success of the Dealership. For this reason, your personal PERFORMANCE in these areas is a most*

*important aspect of your job.*

As a measurement of your commitment to customer satisfaction and profitability, *several elements of your performance* are considered in the observation of your work. In broad terms, they include, but are not limited to:

- Quantity and quality of output.
- Dependability in following instructions and completing assignments.
- Presence and punctuality.
- Personal conduct.
- Attitude toward customers, suppliers, other employees, and supervisors.
- Cooperation in the teamwork effort of completing a job.

These may also be the determining factors in the event that layoff is required due to business changes. If you are unsure as to the more specific performance requirements of your assignment, you should ask your supervisor for a more complete explanation.

Formal Performance Reviews are normally done once per year after a full year's employment in the months of December & January. This review will focus on productivity, goals and areas needed for improvement. Normally, Managers will review Associates under their direct supervision with other Managers in attendance. Pay adjustments or continued employment are not necessarily directly linked to these reviews, though they may be. Employees should be prepared to discuss their performance at any time throughout the year with Management.

### **Your Duties**

In addition to the daily tasks that are part of your normal job assignment, you may be asked to help with other work. If asked to participate, your assistance will be expected. From time-to-time, you may also be given additional responsibilities or transferred to a position other than the one to which you are presently assigned.

An important role of all personnel is to assist in promoting the image and viability of the Company. To that end, you are required to report in writing any violations of Company Policy or actions detrimental to the Company of which you are aware or suspect to Management to in timely manner. Failure to do so will be interpreted as complicity, and may lead to disciplinary action up to and including termination. This can be handwritten, typed or emailed to [abuse@mcdanielsag.com](mailto:abuse@mcdanielsag.com). Verbal reports do not satisfy this requirement! Submissions may be anonymous if you fear reprisal, but should include details and any corroborating evidence or facts. Written reports may be addressed to any member of Management; Management is required to forward reports to the Human Resources Director, the Chief Operating Officer and Dealer Principal. Should reports allege violations of an Associate's Supervisor, that Supervisor is required to recuse themselves from the investigation of the misconduct and are further forbidden to take any retaliatory actions against the Associate for the report regardless of the outcome of the investigation.

## **ADA**

McDaniels strives to constantly improve our amenities and work environment to comply with and exceed regulations regarding the Americans With Disabilities Act. Comments or suggestions on ways the company can continue to improve our processes are encouraged from our Associates. Reasonable accommodations will be made to the work environment that will enable a qualified applicant or employee with a disability to participate in the application process or to perform essential job functions. Associates should make Management aware in writing of any modifications they require as a result of applicable physical, emotional or mental limitations.

## **Code of Conduct**

*Our general Code of Conduct is based upon:  
The importance of productive and quality work,  
An awareness of the rights of others,  
An appreciation for the authority of management, and  
A positive attitude toward the workplace.*

Actions that are considered to be in violation of this code include, but are not limited to:

- Willful or negligent damage or destruction; theft; or unauthorized possession, removal, or use of property and/or funds of the Dealership or others.
- Any effort to divert revenue or sales from the dealership to alternate sources without the expressed consent of your direct supervisor.
- Acceptance of cash, merchandise, favors, or services from outside vendors or individuals without the expressed consent of your direct supervisor.
- Falsification, dishonesty, or misrepresentation, whether verbally or on any document; or the unauthorized release of confidential information in any form or manner.
- Physical, verbal, or any other conduct that may be offensive or harmful to other employees, customers, or other persons who have contact with the Dealership; or any personal conduct that may degrade the public image of the Dealership.
- Less than acceptable performance, productivity, attendance, punctuality, or attentiveness to the job.
- Failure to follow instructions or established operating procedures, insubordination, or the general disregard for authority.

- Violation of published or common sense security, safety, health, or sanitation practices.

Further, Associates should be mindful that their behavior either at or away from the workplace can impact our image in the community, and that our image is critical in earning the confidence and trust of our Clients. Conduct that, in the sole opinion of the Dealer Principal, adversely reflects on the Company's image and standing in the community, that is seriously prejudicial to the best interests of the Company or could lead to public disrespect, contempt or ridicule on the Company or any of its Associates such that it may negatively impact our reputation or financial interests may be considered a violation of this *Code of Conduct*. Typical behavior that may be included under this clause is conduct involving moral turpitude, commission of a crime, other behavior that disregards established community standards or conduct inconsistent with a professional image. You are encouraged to ask the Dealer Principal, Chief Operating Officer or Human Resources Director about any specific conduct which you or a reasonable number of our Associates feel may be questionable or conduct that could lead to sanctions before engaging in such conduct. Poor judgment exercised here will be interpreted as poor overall workplace judgment!

Violation of this non-exclusive *Code of Conduct*, or any other written or unwritten policy, rule, regulation, directive, or procedure presently in force or later established by the Dealership may lead to disciplinary action, including immediate discharge. The degree of discipline, including the right to discharge an employee without cause or notice, is at the sole discretion of management. **Because you are an at-will employee, you have no right or guarantee to any disciplinary procedure before termination.**

### **Drugs And Alcohol**

It is the position of the McDaniels Automotive Group (McDaniels) that persons who use, possess, sell, transfer, distribute, or manufacture illegal drugs or who abuse the use of prescription or non-prescription drugs, tobacco or alcohol create an employment risk and a negative influence on the workplace environment. It is, therefore, a violation of the Dealership's position of drugs and alcohol for an employee to:

- 1) *Sell, transfer, distribute, or manufacture illegal drugs on or off the job.*
- 2) *Be on the premises, on duty, or in operation of a Dealership-owned or customer-owned vehicle:*
  - *While in possession of illegal drugs or alcoholic beverages,*
  - *With illegal drugs in one's system, or*
  - *While under the influence of alcohol or impaired by prescription or non-prescription drugs.*

Drug and Alcohol Testing: With probable or reasonable suspicion of drug or alcohol

involvement by any employee in violation of this policy, or in the event of accident while on premises, on duty, or in operation of a Dealership-owned or customer-owned vehicle, management may require the employee to submit to a test for drug and/or alcohol use. Refusal to submit to any such test may result in termination of employment.

Additionally, the Company conducts periodic random drug and alcohol screenings. If requested, any Associate must cooperate with these screenings or face disciplinary actions up to and including termination.

Search and Inspection: To control the possession, use, transfer, and/or distribution of illegal drugs or alcohol, management may, at any time with or without announcement or probable cause, conduct or direct a comprehensive search and/or inspection of the premises, Dealership-owned vehicles, and/or the contents of any article, container, storage area, desk, locker, tool box, or personal property located thereon or therein. Items discovered in a search may be taken into custody and turned over to law enforcement authorities.

Disciplinary Action: Employees who engage in a prohibited activity as defined by the policy may be subject to disciplinary action up to and including immediate discharge. Violation of criminal statutes may result in referral of the matter to law enforcement authorities. Because you are an at-will employee, you have no right or guarantee to any disciplinary procedure before termination.

### **Respect and Dignity**

All employees are to be treated with respect and dignity. Bill and Rob McDaniels strongly support this policy and want any employee to know that if they disagree, they have come to the wrong Dealership. Sexual, racial, and other forms of unlawful harassment of *any employee are strictly prohibited*. As examples, harassment will not be tolerated when:

- Any form of harassment unreasonably interferes with work performance.
- The conduct creates an intimidating, hostile, or offensive work environment.
- Rejection or submission to sexual favors is the implicit or explicit basis for decision concerning one's employment, assignment, advancement, compensation, or any other condition of employment.

Definition: Harassment includes, but is not limited to:

- Unwelcome sexual advances; requests for sexual favors; or other verbal, written, visual, or physical conduct of a sexual nature.
- Slurs, jokes, or other verbal, visual, or physical conduct relating to an individual's race, color, sex, religion, national origin, age, disability, or other characteristic protected by

applicable state, local, or federal law.

**Your Obligation:** If you believe that you have been harassed or observe conduct that involves the nonpermissible harassment of any other employee, you must *immediately* report the incident/s to your supervisor, any other member of management with whom you are comfortable in making the complaint, or directly to Bill or Rob McDaniels. You may do so without fear of retaliation or threat of job security.

The company has an extensive process to deal effectively with the threat of harassment including periodic education meetings. The company has available a binding arbitration process as part of any dispute resolution.

### **Problem Solving**

Open lines of communication are essential to the creation of constructive work-producing relationships and the elimination of counterproductive conflicts.

Please see also the separate Agreement on Binding Arbitration that outlines the Company's complete dispute resolution process.

*If you are in disagreement with fellow employees or supervisors, or have suggestions that will improve operations, you should first discuss the matter with your supervisor.*

*If you are not satisfied with the assistance offered, or feel you cannot openly or effectively discuss the matter with your supervisor, you have complete freedom and are encouraged to advance your idea or concern to a higher level of management.*

### **Dispute Resolution Procedure**

Over the years, we have come to realize that resolving disputes through the court system can take years, draining employees both emotionally and financially. We also know that most problems which arise in the workplace can be resolved if the parties involved will simply discuss them openly and honestly. Therefore, we have adopted a formal dispute resolution procedure, designed to help resolve problems in the early stages.

Under our policy, employees are encouraged to first discuss their problem with their immediate supervisor. If the problem cannot be resolved to your satisfaction at that level, you are encouraged to request a meeting with the General Manager or the Dealer. If you are still dissatisfied with the decision and wish to pursue the matter further, you may take advantage of arbitration to resolve any legal dispute between you and the Company or any employee for whom the Company is vicariously liable that could be brought in court, including claims regarding wrongful discharge, employment discrimination, harassment, or any other dispute relating to your employment or arising under any labor, employment,

or civil rights law.

Arbitrations are conducted in accordance with the Federal and South Carolina Arbitration Acts and the Company's arbitration rules. These rules provide that you may help to select the arbitrator who will hear your case from a list of qualified arbitrators. The arbitration proceedings are similar to but more relaxed than court proceedings, with the arbitrator acting as the judge. If the arbitrator finds that your claim is valid, the arbitrator has the authority to award you everything a judge or a jury might award you. The arbitrator also has the authority to require the parties to comply with his award. An award by an arbitrator is usually issued within months, where a court decision often takes years.

All employees are encouraged to sign an arbitration agreement and to resolve their disputes in this manner rather than through the court system. Any claim dispute or suit relating to an Associate's service with the Company must be filed no more than six (6) months after the date of the employment action that is the subject of the claim, dispute or suit. Associates waive any statute of limitations to the contrary.

### **While at Work**

Employee Parking: Personal vehicles are to be parked in designated employee parking areas. No employee vehicles are permitted in areas normally reserved for visitors, new and used vehicle display, or service customer parking. Parking while at work is at your own risk with no liability on the part of the Dealership. Protect your property by *locking* your doors. There is no exception for motorcycles, bikes or other modes of transportation.

Food/Beverages: Meals, snacks, and beverages should not interfere with your work; their consumption should be out of view of normal business activity and away from areas where they may come in contact with sensitive equipment. Their transport in company owned or Client owned vehicles is not sanctioned.

Housekeeping: The general appearance of the Dealership must result from a *teamwork effort* - your participation is *expected!* It is your responsibility to keep your desk, counter, service stall, or other work area neat, clean, and organized. Doing so increases your ability to give quality performance in your work and is important to general health and safety and to our image with the public. Please clean up after meals and assist in maintaining cleanliness in restrooms and other public areas.

Meetings: From time-to-time, staff meetings are held for the purpose of providing instruction or training, or to review Dealership operating policies. If such a meeting is called and includes your department, or you individually, *attendance is required.*

Personal Business and Telephone Calls: Personal business is not allowed during work hours. Personal telephone calls should only be made or accepted in the case of an *emergency* and must not interfere with your work; personal toll calls may not be charged to the Dealership's telephone number. Use of personal mobile phones, pagers or other telecommunications device should be limited to business purposes.

Smoking: Smoking is ONLY allowed in designated areas and is NOT allowed in the presence of a client, vehicles in retail inventory, customer-owned vehicles, restrooms, or other posted or otherwise hazardous work locations. Smoking in the presence of others may be offensive; their *rights* must be considered at all times. Smoking may be banned on Dealership property at any time. Smokers must police the designated smoking areas, or risk suspension of the privilege. Smoking breaks are limited to normal rest breaks detailed elsewhere in the handbook.

Visitors: Family and friends should be discouraged from visiting employees while at work. Their access to areas normally restricted to 'Employee Only' will not be allowed unless approved by management. Associates may be held accountable for the behavior of their visitors or acquaintances in any manner related to the Dealership.

Internet: All Internet and telecom connections at the Dealership or provided by the Dealership are to be used for business purposes only. No personal business should be transacted on or through them. Management reserves the right to monitor these services for compliance with this policy.

McDaniels Image: Use of your affiliation with the Company for personal gain is grounds for disciplinary action. This includes, but is not limited to, demanding discounts on parts, service or vehicles under the McDaniels name that is not directly related to McDaniels' interests, improper or fraudulent use of McDaniels' letterhead, logos, vehicles, images, client's information, or other property, or actions or statements which have the potential to erode the image and good standing of the Associates of the Company.

### **While Away from Work**

Personal conduct outside the workplace may reflect on the Dealership. Because public image is highly important to our *success*, you are asked to conduct yourself in such a manner that your actions do not reflect negatively on either the Dealership or other employees. Your conduct should display full regard for social convention and public morals and decency. Furthermore, outside activities should not, in any way, affect your attendance or ability to assume the full responsibilities of your job.

Other Employment: Taking a second job, including self-employment, is unacceptable if such work may interfere with your performance in your work with the Dealership or create potential conflicts of interest. A *conflict of interest* is any situation that may be viewed as competing for sales or services normally offered by the Dealership, or that may be otherwise detrimental to the business or interests of the Dealership. Before accepting outside employment, you must have the approval of you supervisor.

### **Employee-Owned Property**

Employees are advised not to carry valuables or large amounts of money while on duty. Personal property brought onto the premises should be stored in secured locations; the Dealership is not responsible for loss, theft, or damage.

Work Tools: If your job requires the use of personally-owned work tools, you are responsible for their security, maintenance, and replacement. Tool boxes should be locked while unattended. The Dealership is not responsible for loss, theft, or damage.

### **Dealership-Owned Property**

All items that have been issued to you during the course of your employment remain the property of the Dealership. You are responsible for their *care, security, and return*. The cost of any such item not returned upon demand or returned in less than acceptable condition may be at your expense.

Records and Files: All records and files maintained by the Dealership are the property of the Dealership and are *confidential*. They are not to be copied or disclosed to *any party* except when authorized by management. Confidential information includes, but is not limited to, correspondence or any other information concerning transactions with customers, customer personal or financial information, customer lists, personnel and payroll records of present or past employees, financial records of the Dealership, records of purchases from vendors and suppliers, correspondence involving franchise agreements or other dealings with manufacturers or distributors, and other information regarding the business affairs or operating practices or procedures of the Dealership.

Titles and Money: All titles and money of any form (cash, checks, drafts, etc.) are the property of the Dealership and must be immediately and properly receipted.

Removal: Before items of Dealership-owned property (equipment, special tools, scraps, waste, excess materials, etc.) might be removed from the premises, *written authorization* must be issued by management.

*As a security measure, management reserves the right to inspect any article, package, parcel, purse, briefcase, or any other container carried onto or removed from the premises; any desk, locker, toolbox, or other storage area on the premises or the contents thereof; or any vehicle owned by the Dealership.*

### **Personal Appearance**

A professional image is an important factor in our success with customers and the general public. Therefore, a neat, clean, and businesslike appearance is expected of all employees. Attire should not call attention because of *fit, color, or radical style*.

Nothing in this personal appearance policy should be construed as being discriminatory or harassing because of religious beliefs, medical conditions, or other legally protected status. Any Associate requesting an exemption to the prevailing personal appearance code should direct their request(s) in writing to the Dealer Principal or Chief Operating Officer with the stated reason for the exception request. Generally, only these two parties may authorize changes to the personal appearance code. Visible radical piercings, tattoos or other body art that may be construed as harassing is unacceptable.

Grooming and Cleanliness: It is expected that all employees will adhere to grooming standards appropriate to the assignment. Personal hygiene and cleanliness are required! Those who arrive for work in unacceptable attire or improperly groomed may be sent home to correct their appearance and/or be subject to other disciplinary action. Time away from work for such purposes may be without pay. Care should be taken that an Associate emits no offensive odors, nor wears colognes, or perfumes that detract from the work environment. Any makeup or jewelry should be discrete and in good taste in sole opinion of management.

Management, Sales, Advisors and Office Positions: Acceptable attire for men in office, sales, advisor, and management positions includes dress shirts and slacks, ties, and sport or suit coats, depending on weather conditions. Sleeved blouses and sweater, skirts, dresses, and dressy slacks are acceptable apparel for women in similar positions. Jeans, tee shirts, short tops, caps, head wraps and overly casual footwear are not allowed.

Uniforms: Where provided, uniforms are to be properly cared for and worn in their entirety. For safety and consistent appearance purposes, badges, patches, or other symbols are not to be placed on uniforms unless authorized by management. The cost of cleaning and maintenance on required uniforms is paid partially by the Dealership and partially by employee payroll deduction. Additional, non-required uniform items selected by the employee are at the cost of the employee. Aside from while on duty, uniforms should only be worn while traveling to and from work. Behavior and appearance while in uniforms should reflect positively on the Dealership. Caps are optional for technicians and reconditioning. Head wraps are prohibited unless otherwise legally protected.

*You should consult your supervisor if you have questions regarding the dress or grooming standards established for your assignment.*

### **Operation of Vehicles**

Only authorized employees may operate vehicles in the course of their employment with the Dealership. Unless management grants prior approval, Dealership-owned or leased vehicles are never to be used for personal business. Similarly, they are not to be operated by family members, friends, or other unauthorized persons.

Customer-Owned Vehicles: Customer-owned or leased vehicles should only be operated to facilitate movement on the lot, for test-driving, or for appraisal; they are never to be used for personal business.

Drivers Licenses and Driving Records: Any employee who, as a part of his/her duties, has need to operate a Dealership-owned or leased, customer-owned or leased, or personally-owned vehicle must hold a valid South Carolina driver's license and possess an acceptable driving record. Any change in the status of your driver's license and driving record must be immediately reported to your Department Manager. Having a driving record that is unacceptable to management or the Dealership's insurance carrier, or failure to make prompt notification of a change in your driving record or of a driver's license suspension or restriction may result in loss of driving privileges and/or disciplinary action up to and including discharge.

Safe Operation: Safe operation of motor vehicles is mandatory! As representatives of McDaniels, it is expected that the driving habits of all employees of the Dealership will serve as an outstanding example to the community. Vehicles owned by or leased to the Company must be driven safely. Employees who drive their own vehicles on company business must drive safely. Compliance with all local, state, and federal traffic laws is required. Never drive company vehicles after having imbibed alcohol or while under the influence of drugs. The company speed limit is 12 miles per hour on all company owned property.

Collision: In the event of a collision involving property or vehicle damage, or personal injury, the Dealer and Senior Management must be *immediately* notified and a police report obtained. Employees may be required to pay all or a portion of the Dealership's cost of repair, insurance deductible, other liabilities that may arise and/or be subject to disciplinary action including discharge.

Seat Belts: As required by law, employees *must wear seat belts at all times* while operating or riding in Dealership-owned vehicles or when operating or riding as a passenger in *any other vehicle* during the course of their employment. Child restraints must be used as required by law.

### **Safety First in the Workplace**

A good safety record is the result of safe working conditions combined with an alertness to common sense safety practice. The following General Safety Rules will help lead to accident prevention and efficient operations:

- Sound judgment and safe practices must be exercised in the work habits of all employees.
- Personal safety protection equipment shall be used as, and where required by management.
- Equipment is only to be operated by those authorized as a result of their knowledge, training, and experience.
- Guards and other safety devices installed over the point of operation, moving parts, power transmission, or other electrical connection must be in place at all times.
- Fire protection and prevention practices, including the clearance of passage aisles and doorways, proper storage of flammable materials, and control of smoking and open flame, must be complied with all times.
- All employees are expected to comply with laws, rules, and regulations concerning safe practices as published by the Dealership and by governmental agencies having jurisdiction over such matters.

Please note that this organization cannot absolutely protect you from criminal elements or terrorists in our society. Should you be presented with a hazard that threatens you, you should take whatever actions you deem appropriate to protect yourself. Dealership property is of a secondary concern.

Your job may have additional safety guidelines that are established for your protection and the protection of others. If so, you will be required to know and follow them carefully.

*All work-related injuries and illnesses, regardless of their extent or nature, and any unsafe working condition or practice must be reported immediately to management.*

Hazardous and Toxic Materials: If your assignment involves the use of hazardous or toxic materials, you must comply with all laws, rules, and regulations, concerning their safe handling and disposal as published by the Dealership and governmental agencies having jurisdiction over such matters. Consult your supervisor for full details, including

information regarding exposure to such materials.

**Equipment Operation:** Before operating equipment for the first time, you must have the approval of your supervisor. *Follow all instructions carefully!* If there is a mechanical problem, notify your supervisor immediately; do not make repairs without authorization.

### **Miscellaneous Subjects**

**Business Gifts or Gratuities:** Unless prior approval has been granted, employees are not to accept gifts, trips, or other gratuities of an aggregate annual value of more than \$50 from any one supplier, customer, or other person who does business with the Dealership. Cash or any cash instrument including vouchers or gift certificates should never be accepted. In order to assure that there is no misunderstanding, *any* gift, tip, or favor should be reported to your supervisor.

**Health:** For your safety and safety of others, you should inform your supervisor if you have any health condition or are taking and medication that may affect your *ability to perform your job*. In such cases, the name and telephone number of your physician should be on file with the Dealership. At the discretion of management, you may be required to provide a statement from your physician or a physician appointed by the Dealership certifying your ability to work.

**Personal Mail:** Personal mail is not to be mailed from or received at the Dealership. All incoming and outgoing mail is the property of the Dealership; it may be opened and inspected at any time by management.

**Personnel Records:** It is important that your personnel records be kept up-to-date at all times. Your current home address and telephone number, and the name, address, and telephone number of your emergency contact must be on file with the Dealership. If your marital status or dependents change, you may need to change the number of exemptions claimed for income tax purposes and/or add or delete members of your family to or from our group insurance plan. It is your responsibility to keep the Dealership informed of any such changes.

**Reference Disclosure of Employee Information:** All requests for information on former employees must be referred to the Human Resources Director. Information will generally be in writing only, and is usually limited to verification of employment dates, position title, salary and eligibility for rehire.

In response to written requests on current employees (i.e., mortgage applications), information such as salary, dates of employment, and job position may be provided, only if an authorization for information release form is signed by the employee and submitted

to the Human Resource Director. This form can be found on [www.mcdanielsag.com/tools/tools.html](http://www.mcdanielsag.com/tools/tools.html).

Representatives of Government or law enforcement agencies, in the course of their business, may be allowed access to file information. Personnel file access by employees and former employees will usually be provided in response to a legal subpoena or court order. Such cases will be handled on an individual basis.

All employee files are the property of McDaniels

*Detailed Employment information regarding any past or present employee may NOT be disclosed to any outside party except as specifically authorized by management.*

Publicity: The Dealership may use your photograph and/or voice transcription for promotion or advertising at any time without additional compensation.

Poster/Bulletin Boards: Official items posted on the premises of the Dealership are not to be tampered with in any way. Approval of management must be granted before any personal, political, commercial, or promotional notice or material is posted on the premises or on a Dealership-owned vehicle.

Termination of Employment: All Dealership-owned property (uniforms, keys, credit cards, technical manuals, special tools, customer/prospect lists, etc.) must be returned at the time employment is terminated. For information concerning payroll deductions at the time of separation, see *Deductions* under *YOUR PAY*. A portion of the payment of commissions, bonuses, or incentives based on month-end or similar future information may be delayed until such calculations are possible. Employees who resign their employment are requested but not required to give advance notice. Further, the Company requests that all Associates grant an exit interview to the General Manager or his assign at the time of separation.

Shop Use: Use of shop and service facilities for work on their personally owned vehicles is only available to technically trained employees. All work performed must be written up on a Repair Order, pre-approved by the Service Manager, and completed at a specified time (usually Wednesday afternoon or Saturday morning after all other work has been performed) when management is present. Employees will be responsible for the cost of all shop supplies used and for any equipment or tool damage resulting from use. Payment for parts must be made promptly in accordance with the Dealership's employee purchase policies. Personal repair work must not create an interruption to *prompt* customer service. The Dealership assumes no liability for damage done to the vehicle being serviced or the repairs or service done to the vehicle.

Solicitations: Personal decisions regarding the purchase of goods or services, charitable contributions, or membership in an organization should not detract from the effectiveness of one's work or create negative feelings. Consequently, employee solicitation or related literature distribution is not allowed during any time employees are involved in the work process. Individuals not employed by the Dealership may not solicit or distribute literature at any time for any purpose on Dealership premises without the prior approval of management. Solicitors should be asked to leave the premises if they are encountered.

Privacy: McDaniels shares the growing concern about protections of citizens' privacy. Therefore, all information about Clients, Associates, Vendors, Owners, Applicants or others who come in contact with the McDaniels' organizations should be held in the strictest confidence. Action should be taken to address areas of concern about the dissemination of any information that could be determined to erode someone's privacy. Confidential information should never be revealed on the telephone without specific written authorization from the parties in question. Recent government regulations broadly define what constitutes private information, so also err on the side of caution.

### **Customer Relations**

Each of us has the obligation of promoting goodwill for the Dealership through our individual efforts to *provide quality work, prompt service, and a pleasant attitude*. These are the factors that let our customers know that they are important and that we appreciate their business.

*Customers and potential customers are never to be treated as if they are an interruption to the work of any employee, no matter how busy. A pleasant manner and helpful attitude are to be extended, whether in person, by telephone, or by letter.*

Telephone Etiquette: Calls must be answered promptly, identification given clearly, and terminated courteously. Placing callers on hold for extended periods of time gives the impression of disorganization.

Document Preparation: Correspondence and documents should be error-free and neatly prepared. Care shown in preparation reflects attention to accuracy and detail. Even simple errors cause unnecessary inconvenience and irritation. Furthermore, the time required to correct them is wasteful and expensive. If you are unsure of how to complete any form or report, ask your supervisor for assistance.

Customer Access to and Explanations About Documents: At McDaniels' dealerships, we believe that customers should never be asked to sign documents until they have had plenty of time to review the documents. These include service and repair orders, new and used car purchase agreements, finance agreements including the Truth in Lending Disclosures,

titles and the odometer disclosures on the back of titles, prior-damage disclaimers, and any other such documents. A copy of the finance agreement must be given to the customer before he or she signs it. Any questions asked by the customer must be answered truthfully and honestly. Our commitment to the customer in this way will set us apart from many other dealerships, and may be different from some places employees may have previously worked. However, at McDaniels' dealerships, we respect the customer's right to make an informed decision.

Service Work: Service work must be completed promptly and in an expert fashion. If you are unsure of the diagnosis or solution for a problem, you should review the matter with your supervisor before proceeding.

Care of Customer-Owned Vehicles: Returning vehicles to customers in an unacceptable or improper condition can offset any goodwill generated by the quality of repair work. Extra care should be taken to clean soiled areas that result from repair work. Unless required for repair, radio stations should not be changed; seats, mirrors, and other 'set' accessories should be left in or returned to their original position. Smoking, eating, and consumption of beverages are *not allowed* in a customer-owned or leased vehicle. Never use a Client's vehicle to run errands. Even if driving a Client's vehicle affords an opportunity to run an errand, DON'T. The appearance will put the Company and Associate at financial risk.

No one is allowed to enter the glove compartment or the trunk area of a Client's vehicle for any reason unless a supervisor monitors the activity. No one should remove any belongings in a Client's vehicle, even if in the judgment of the employee the item appears to be trash. If an employee has any question about an item in the vehicle that would interfere in the performance of his duties, ask a supervisor for assistance. If an employee is involved in unsupervised searching through a Client's vehicle, they will be terminated immediately and automatically.

*Any loss to the Dealership caused by your gross negligence, willful misconduct, dishonesty, or failure to adhere to company policies will be deducted from your pay*

***“Creating good impressions is important to our future.”***

### **Employee Benefits**

*Every attempt has been made to provide an employee benefit program that is competitive in our area and industry. The time-off plans, insurance coverage, and other benefits outlined in this handbook represent significant monetary value in addition to your regular income.*

**Holidays**

The dealership observes the following holidays:

*New Year's Day*      *Fourth of July*  
*Thanksgiving Day*      *Christmas Day*

Depending on business conditions, holidays are celebrated on the legally observed day.

**Holiday Pay:** Eligibility for holiday pay begins *after* 90 calendar days of continuous service. Regular full-time hourly and salaried employees, full-time apprentices and semi-retired Associates are eligible to receive holiday pay based on their normally scheduled straight time hours, *excluding overtime*, if they are not otherwise excluded in a category below. Regular full-time flat-rate technicians receive holiday pay equal to \$100. If a holiday falls on your scheduled day off or a weekend, you will not receive the holiday pay or additional time off. Commission paid sales personnel, part-time employees, and persons in non-regular positions do not receive holiday pay.

To receive holiday pay, you must have worked, or been available for work, on the entire scheduled workdays immediately before and after the holiday. If the day before or after the holiday is a vacation day you have selected, you will receive no holiday pay, but are eligible to use a vacation day for the holiday to receive pay. If a holiday falls during your vacation, you may, upon approval of your supervisor, be granted an extra, unpaid day off.

**Vacations**

**Eligibility:** Annual vacation eligibility begins with a maximum of one week (five days) after your first twelve months of service. Assuming continuously active employment, you then become eligible for two weeks (ten days) per year beginning after your fifth anniversary date of employment. There is no pro-rata accumulation in this formula: Associates must reach the stated level to receive vacation consideration.

**Vacation Pay:** Vacation pay for Management, Full-time Apprentices, Regular Full-time hourly and salaried employees is based on their normal straight time rate, excluding overtime. Regular full-time flat-rate technicians and commission paid sales personnel receive vacation pay based on their normal draw or prorated salary. Regular part-time employees are eligible for comparable time off but without pay; non-regular employees and persons on leave of absence do not accrue vacation time or vacation pay eligibility.

**When to Take Vacation:** Your full vacation entitlement must be taken within the twelve months following your anniversary date; unused vacation may not be carried over to the next year. While all employees are encouraged to take their vacation as time off, payment in lieu of time off may be granted if workloads make your absence impractical. The pay in lieu of vacation time off is limited to a maximum of one week per vacation cycle. In other

words, all Associates who have been with the Company at least 5 years must take at least one week of their vacation as compensated time off.

Scheduling: Vacations are only to be scheduled with the approval of your supervisor. Consistent with work requirements every effort is made to give you time off you prefer. If your supervisor approves the time, the request will be forwarded to the Human Resources Director or their designee for final approval. Staffing levels in other Departments may effect eligibility for a preferred vacation time. **Only by the Human Resources Director may ultimately approve requested vacation time, and then only after your supervisor has approved the vacation.** However, business demands may prevent the Dealership from honoring a request to take vacation at a particular time. The minimum vacation time that may be taken at any one time is one day and may not be split into portions of a day (whole days only). Vacations may not be split into four or more periods without the express consent of the Dealer or the Chief Operating Officer. (Three separate vacation periods are the maximum.)

*Vacation may NOT be scheduled in November, December, or January. Furthermore, prior approval of the Dealer or Chief Operating Officer is required for vacation to occur in the last week of any month. All Management must clear their requested vacations through the Dealer Principal.*

In the event you and another employee select the same time for your vacation and both of you cannot be off at the same time, length of service may be the determining factor. Vacation scheduling is normally completed by March 31 and at least thirty days in advance of the requested time. If you have not reserved your vacation by March 31, your selection priority may be forfeited. You are encouraged to sign up early. Final decisions on scheduling will fall to your direct supervisor and the Human Resources Director. Seniority will play a role in determining time off should there be scheduling conflicts.

Forfeiture of Vacation: Any unused vacation time or pay is automatically revoked by the Company and forfeited by the Associate upon separation from the Company for any reason. If an Associate separates from the Company for any reason with outstanding or accumulated vacation, that Associate will receive no pay or other benefit for that vacation.

### **Unexpected Absences**

It is important that you fully understand your obligations and privileges should it become necessary for you to be away from work for extended periods of time. The following policies are designed for you protection.

Leaves of Absence: For absences lasting or expected to *last ten or more calendar days* (excluding vacations), you are expected to request a formal *leave of absence*. Such leaves are normally limited to absences resulting from work or non-work related injury or illness, pregnancy disability, military service, or other personal emergencies. Supportable facts or a physician's statement showing necessity for the leave may be required prior to or during

the leave. The Company may at its sole discretion, replace any worker granted a leave of absence. McDaniels makes no guarantee that the same position will be available upon the Associates' return nor will the Associate necessarily be granted the same rate of pay, unless it is so stated in the leave of absence documents signed by Bill McDaniels. McDaniels will give priority consideration to the returning Associate for any openings within the organization.

Although the leaves are without compensation, Associates may, depending upon the nature of the leave, retain other privileges and the ability to participate in certain benefit plans. If you retain the privilege of participating in the group health plan, the amount of premium you will be required to pay will be determined by the nature of the leave, though generally and to the extent allowed by law, you will be responsible for the full premium. The conditions imposed on any leave may be limited to the minimum requirements of any applicable local, state, or federal law.

*If you find it necessary to apply, contact your supervisor for complete details of the Dealership's leave of absence policies.*

Bereavement Leave: If time off is requested to attend the funeral of a relative or close friend, you may use vacation time if available, or may be given approval from your immediate supervisor to take the time without pay.

Jury Duty: Jury duty is one of our highest callings. In the event that you are called for jury duty and required to serve, unpaid time off will be granted as necessitated by the schedule of the court. You will be expected to give advance notice, supply a time verification slip from the clerk of the court as evidence of having served, and work as much of the day as possible for each day you are called.

FMLA: The Dealerships are exempt from most or all provisions of the Family Medical Leave Act because of our size at the time of the writing of this Handbook. Should these regulations be amended, or the Company's status change, appropriate information will be distributed. For further information, contact the US Department of Labor.

### **Group Insurance**

The Dealership's group insurance plans have been designed to provide personal security for eligible employees and their dependents. Enrollment eligibility is determined employment classification or by conditions of the Employer's Master Plan Agreement with the provider or Federal Regulations. Participation is available to those who have completed any applicable waiting period, and who satisfy other applicable eligibility conditions. Payment of employment and dependent premiums is in accordance with current Dealership Policy. The Dealership generally pays a portion of health insurance premiums for eligible Associates

- Semi-Retired:** No Eligibility.
- Part-Time:** No Eligibility.
- Non-Regular:** No Eligibility.
- Regular Full Time:** Eligible the first calendar day of the month following the end of a 90 day probationary period.

*Please consult your insurance plan booklet for full details concerning participation, coverage, limitations, and filing of claims. It is your responsibility to file claims properly and promptly-delay may result in your claim being ineligible for payment.*

**Other Protection**

The following plans are required by the state and federal governments and are strongly supported by the Dealership in order to protect your income.

Unemployment Insurance: Unemployment compensation is for the assistance of qualified persons who become unemployed through NO FAULT OF THEIR OWN. The entire cost of this protection is paid by the Dealership.

Worker’s Compensation Insurance: Worker’s Compensation Insurance pays medical expenses in the event of an on-the-job injury or work-related illness and provides other benefits while you are unable to work.

Social Security & Medicare: Payment for the cost of Social Security & Medicare is made by you and the Dealership, each paying fifty percent. You may be entitled to a monthly income when you retire at the age provided by the Social Security Act, or in certain cases of long-term disability. Medicare is federally mandated medical insurance designed to assist the aged and disabled.

**Other Benefits**

Employee Discounts: You may make purchases through the Dealership at a substantial discount when such purchases are for your personal use. These special discounts do not apply to purchases made by your friends or by relatives who are not part of your household, nor do they apply to repairs covered by a service contract, warranty, or insurance policy.

- Parts: Cost plus 20%.
- Service Labor: Retail less 20%.

ANY SERVICE WORK OR PARTS SALES DONE 'OFF THE BOOKS' INVOLVING OUR PERSONNEL OR FACILITIES WILL RESULT IN THE IMMEDIATE TERMINATION OF ALL INVOLVED PARTIES.

You will be expected to pay for parts and service labor by cash, check, or credit card at the time of purchase.

New and Used Vehicles: Best deal possible.

Discounts on certain limited editions and hard-to get new vehicle models may not apply; used vehicles must have been in inventory for 30 days before being discounted. All discounts on vehicle purchases must be requested through and pre-approved by the President/Dealer or Chief Operating Officer.

Training: Employees are encouraged to continue their formal training through attendance and participation in approved meetings and seminars-especially those manufacturer sponsored programs that are directly related to Dealership operations, activities, and objectives, and that will place employees in a position to improve their job performance. Much of this training is on-site at the Dealership; some is, however, off-site at locations around the country. Most on-site training can be accomplished throughout your normal workday schedule. Off-site training is by its nature, more expensive. McDaniels must treat off-site training differently to assure a reasonable return on investment. Associates must choose one of the following three mechanisms for off-site training.

- 1) You may pay the cost of training and associated expenses yourself. After one full year (12 months from the completion of the training), we will reimburse you for all approved documented training expenses you submit if you are still employed by the Company. CHOOSING THIS OPTION WILL NOT CREATE A CONTRACT OF EMPLOYMENT, STATED OR IMPLIED.
- 2) McDaniels will pay the cost of off-site training upfront, with the explicit agreement and understanding that you will not quit, resign, abandon your position, or take deliberate actions that one would reasonably conclude was designed to force the Company to dismiss you for a period of 12 months after the completion of the training. Should you not honor your 12 month commitment, you will be expected to immediately reimburse the Company for the cost of training to include class fees (tuition), lodging, meals, travel, training wages to paid to you while at training and other related expenses. Associates opting for this option understand that this debt may be deducted from paychecks in the form of an account receivable, or may be pursued through the legal remedies available in Binding Arbitration. For those Associates that choose this option, your direct supervisor or the Human

Resources Director will keep your total training expenses on file for your review during normal business hours after the completion of your training up to the 12 month period. CHOOSING THIS OPTION WILL NOT CREATE A CONTRACT OF EMPLOYMENT, STATED OR IMPLIED.

- 3) Refuse off-site training. You are free to decline off-site training, however you should note that the manufacturers with whom we are affiliated demand training for many key dealership roles. Any merit increase in pay or other promotions are predicated on training achievement, and a lack of training may be grounds for separation or dismissal.

All off-site out-of-pocket expenses for meals, lodging, and travel will only be reimbursed to the extent that they are pre-approved and documented (See 'McDaniels Expense Sheet'). Training Compensation for hourly and salaried personnel will be based on normally scheduled straight time hours to a maximum of eight per day; technicians receive a flat \$100 for each full day of off-site training. Commission Sales Associates generally receive no compensation, other than expenses under the above three options.

IF YOU HAVE NOT RECEIVED APPROPRIATE TRAINING TO OPERATE PARTICULAR EQUIPMENT, YOU MUST REFUSE TO OPERATE THAT EQUIPMENT REGARDLESS OF VERBAL ORDERS TO DO SO! If you feel you have not received sufficient training for aspects of your position, you must proactively discuss your training plan with your Supervisor, the Human Resources Director or the Chief Operating Officer. Our training is flexible, and we will work to meet specific needs you may have.

Further, expenses that McDaniels incurs for any off-site training you commit to and do not attend will be deducted from your payroll check.

### **In Conclusion**

*The information contained in this handbook provides an overview of the policy subjects that most often affect your work with the Dealership. Their effective implementation is important to a productive and efficient workplace. The continued success of McDaniels can only be possible as we work together for excellence.*

### **Receipt and Acknowledgment**

I have received a copy of the employee handbook of McDaniels. I acknowledge my obligation to read and understand its contents, and further acknowledge and agree that:

- This handbook is only intended to provide a general overview of the Dealership's personnel policies and does not necessarily represent all such policies or practices in force at any particular time.
- This handbook dated herein below supersedes any previous handbook that may have

been issued by the Dealership.

- Neither this handbook, nor any other written or unwritten policy or practice of the Dealership creates, or is intended to create, an express or implied contract, covenant, promise, or representation that employment will continue for any specified period of time. Employment is **at-will**, which means that I may resign at any time without stating my reason or giving notice, or that the Dealership may terminate employment at any time with or without cause or notice.
- The Dealership reserves the sole right to add, change, or rescind any policy or practice at any time except that any such modification shall not alter my right, or the right of the Dealership, to terminate employment at any time with or without cause or notice.
- No employee or representative of the Dealership other than its President/Dealer has authority to enter into any valid or binding agreement different than what is stated herein above. To be valid, any such agreement must be in writing and signed by the President/Dealer.

**DISCLAIMER**

ALL EMPLOYEES OF MCDANIELS ARE EMPLOYED AT-WILL AND MAY QUIT OR BE TERMINATED AT ANY TIME AND FOR ANY REASON. NOTHING IN ANY OF MCDANIELS’ RULES, POLICIES, HANDBOOKS, PROCEDURES OR OTHER DOCUMENTS RELATING TO EMPLOYMENT CREATES ANY EXPRESS OR IMPLIED CONTRACT OF EMPLOYMENT. NO PAST PRACTICES OR PROCEDURES, WHETHER ORAL OR WRITTEN, FORM ANY EXPRESS OR IMPLIED AGREEMENT TO CONTINUE SUCH PRACTICES OR PROCEDURES. NO PROMISES OR ASSURANCES, WHETHER WRITTEN OR ORAL, WHICH ARE CONTRARY TO OR INCONSISTENT WITH THE LIMITATIONS SET FORTH IN THIS PARAGRAPH CREATE ANY CONTRACT OF EMPLOYMENT UNLESS: 1) THE TERMS ARE PUT IN WRITING, 2) THE DOCUMENT IS LABELED “CONTRACT”, 3) THE DOCUMENT STATES THE DURATION OF THE EMPLOYMENT, AND 4) THE DOCUMENT IS SIGNED BY BILL MCDANIELS.

**THIS IS NOT A CONTRACT, STATED OR IMPLIED**

I have received and read a copy of this Employee Handbook and understand all pages of its contents.

\_\_\_\_\_  
At-Will Employee Name (Print)

\_\_\_\_\_  
Date

\_\_\_\_\_  
At-Will Employee Signature

\_\_\_\_\_  
Date

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