

EMPLOYEE HANDBOOK



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Welcome

The purpose of this handbook is to familiarize you with Edwards Auto Group (EAG), while also providing you with information on working conditions, employee perks, and the policies that affect your employment.

This handbook, as well as any of the policies contained within it, is not a contract.

All sections of the manual should be read, understood, and followed. It covers the programs implemented by EAG to assist its employees and describes several of your responsibilities as an employee. One of our goals is to create a work atmosphere that encourages both personal and professional development.

There's no way to foresee every circumstance or inquiry that arises about policy in an employee handbook. EAG maintains the right, in its sole and absolute discretion, to revise, supplement, or rescind any policies or portions of this handbook as it deems appropriate. Our employment-at-will policy, which allows you or EAG to terminate our agreement at any time for any reason, is the only exception.

Edwards Auto Group has the right to terminate your employment for any reason, with or without cause, at any time.

Other than the General Manager, no EAG manager or supervisor has the authority to enter into an employment agreement for a specific period or to make promises or commitments that differ from the policy stated above.

Employees will receive notice of changes to the handbook as they occur.

History

In 1973, Dave Edwards began selling vehicles at McIntyre Oldsmobile Cadillac at the age of eighteen. Bob McIntyre, the owner, recognized a spark in young Dave and knew he wanted to train him for success in the automotive industry.

Dave called everyone he knew on his first day selling cars and invited them to come see him. That day, he sold his first car to a family friend who was a firefighter. Dave was proud of his success and knew he was destined for a career in the car business.

At the dealership, Dave worked in a variety of management roles. In 1982, Dave was made a partner of Lake Manawa Datsun, which is now known as Edwards Nissan.

From a young age, Dave knew that the keys to success were to treat others with respect, honesty, and fairness—principles that Edwards Auto Group still values to this day.

Edwards Auto Group is a family business with Dave's two sons, Brett and Todd, as partners. Troy Ratigan, Vice President, is also a partner. Founded in 1985, Edwards Auto Group has expanded to 14 car franchises, eight powersport franchises, eight dealership locations, and more than 700 employees.

They have since expanded to Omaha, Nebraska, and Storm Lake, Iowa.

“We credit our 600 employees for helping us in achieving the Mark of Excellence year after year,” said Brett Edwards.

One advantage that distinguishes Edwards Auto Group from other dealers is that they provide their employees with opportunities to advance quickly within the group.

In most cases, it can take years for an employee to gain recognition and receive promotions. At Edwards Auto Group, potential is spotted early on, allowing employees to develop and advance their careers quickly.

Welcome to Edwards Auto Group

Section I

Employment

Employment-at-will

Employment with EAG is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, EAG may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between EAG and any of its employees. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or canceled at any time, at EAG's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the chief executive officer of EAG.

Personnel Files

EAG maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records as required or allowed under Iowa Code Chapter 91A and other applicable law.

Personnel files are the property of EAG, and access to the information they contain is restricted. Generally, only supervisors and management personnel of EAG who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own files should contact the General Manager. With reasonable advance notice, employees may review their own personnel files in EAG's offices and in the presence of an individual appointed by EAG to maintain the files. A reasonable charge will be made for any copies requested by the employee.

Equal Opportunity Employer

Prohibition of Unlawful Discrimination

EAG is an equal opportunity employer and strives to comply with all applicable laws prohibiting discrimination based on race, color, sex, age, religion, national origin or ancestry, physical or mental disability, marital status, veteran status, sexual orientation, sexual preference, and any other basis

protected by federal and state laws. This applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, transfers, leave of absence, compensation, and training.

EAG expressly prohibits all such unlawful discrimination and all persons involved in the operations of are prohibited from engaging in any type of discriminatory conduct.

If you have questions or concerns about discrimination in the workplace, you are encouraged to bring your concerns to the attention of your supervisor, or Human Resources, regardless of whether you or someone else is the subject of the discrimination.

Once you have expressed your concerns, EAG will conduct an investigation, EAG prohibits any and all retaliation for submitting a report of unlawful discrimination and for cooperating in any investigation.

Any manager or employee who retaliates against the person making the complaint will be disciplined, up to and including termination from employment. In addition, if the investigation determines that prohibited discrimination occurred, EAG will take disciplinary action up to and including termination of employment. You will be informed about the actions EAG takes to resolve the complaint.

Second Chance Employment Policy

Purpose

This policy aims to provide fair and equitable employment opportunities to individuals with criminal backgrounds or other circumstances that may otherwise pose barriers to employment. The company recognizes the value of second chance hiring practices but is also committed to ensuring a safe and productive work environment for all employees and customers.

Scope

This policy applies to all applicants, including those with criminal histories or other disqualifying factors, who seek employment with the company.

Policy Statement

The company is committed to complying with all applicable local, state, and federal laws regarding employment and criminal background checks. While the company does not automatically disqualify applicants with criminal records, each applicant will be considered on a case-by-case basis with regard to:

- **Nature of the Offense:** The company will assess the nature, severity, and recency of any criminal convictions or offenses and evaluate whether they are relevant to the responsibilities of the job being applied for.

- **Rehabilitation and Time Lapsed:** Consideration will be given to evidence of rehabilitation, including participation in treatment programs, education, employment history, and the time that has passed since the offense was committed.
- **Job-Relatedness:** The company will assess whether the criminal history has a direct and material impact on the applicant's ability to perform the essential duties of the job, considering any legal requirements, such as bonding or licensing restrictions.
- **Risk to Workplace Safety:** A thorough evaluation will be conducted to determine whether hiring the applicant could pose a risk to the safety, security, or well-being of the workplace, co-workers, clients, or others.

False Information & Employment

EAG reserves the right to discipline an employee, up to and including termination, if they submitted incorrect or concealed information regarding their background, work experience, talents, or qualifications for employment, regardless of how long it has been since the discovery.

Employee Referrals

EAG may offer a referral bonus to employees who refer applicants. This bonus is subject to conditional availability and will be paid once the applicant has been employed with EAG for 90 days. Employee referral bonuses will only be applied if it was mentioned in the job posting and approved by the General Manager. If you refer someone to EAG, send them to the hiring manager to apply. Don't try to recruit them on your own. Tell us your referral's name and we will continue with the application process.

**Managers and Supervisors are exempt from this Applicant Referral Bonus Program.*

Outside Employment

Outside employment with another employer is permitted, so long as you understand that Edwards Auto Group is your primary employer. Your performance hereabouts must remain acceptable, and you must be available for overtime work as needed. Before accepting additional employment, you must notify Human Resources of the name and address of your secondary employer so they can determine whether there is a conflict of interest.

EAG does not permit employees to accept outside employment from any client, potential client, or competitor at any time. **See also the [Code of Ethics](#) section of this Handbook (pg. 36).**

Employment Categories

EAG aims to clarify employment categorization definitions so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any set amount of time. **An employment offer is conditional on the outcome of a background check.** As a result, both the employee and EAG maintain the right to end the employment relationship at any time.

Employees are classified as EXEMPT or NON-EXEMPT from federal and state wage and hour requirements.

Exempt

EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NON-EXEMPT classification may be changed only upon written notification by EAG management.

Non-Exempt

NON-EXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws.

Full-time Employment

FULL-TIME Employees are individuals who are scheduled to work EAG's full-time schedule on a regular basis. They are generally eligible for EAG's benefit package and are subject to each benefit program's rules, conditions, and limits.

Part-time Employment

PART-TIME employees are those who are regularly scheduled to work less than 32 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all EAG's additional benefit programs.

Performance Reviews

Management of performance is an ongoing process. Although there is no set schedule for performance reviews, they will occur at least once a year. Satisfactory performance reviews are not a guarantee of an increase in wages, salary, or benefits, and they are not a guarantee of advancement or of continued employment.

Wage increases are based on productivity, dependability, job duties, and skills. Wage decreases are based on changes in job duties, overstaffing, advances in technology, and reductions in workload. It is our goal to assist in your personal success. Performance reviews provide an opportunity for feedback, overall assessment, and appreciation.

Resignation

If you decide to end your employment with EAG, please provide us with a written notice of resignation. We ask that you provide a minimum 2-week notice.

We need you to report to work during this transition period to make sure that any knowledge transfers go as smoothly as possible. For that reason, we ask that you not take any vacation days or time off during the notification period. Special consideration may be granted if time off was scheduled and approved prior to the resignation notice being given, but no guarantee is made by EAG to honor previously requested time during the 2-week period.

Exit Interview/Review of Benefits

When you leave employment with Edwards Auto Group for any reason, you will interview with Human Resources and/or GM/GSM Personnel. This interview provides an opportunity to complete the

employee's personnel records, final paperwork, and/or review final wages due, and is conducted at a time that is mutually convenient for you and the employer.

The final interview also allows you to comment in private on your reasons for leaving and to return all property belonging to EAG, and to review the status of your employee benefits.

Section II

Payroll

Pay Schedule

Payroll is processed on or around the 11th and 27th of the month, with paydays being on the 15th and last day of the month. Payroll may be deposited on the previous workday if the Pay-date falls on a holiday or weekend. However, situations may arise which cause a delay in the processing of payroll (e.g., hardware or software problems). All employees are **REQUIRED** to set up direct deposit.

The work-week runs from Sunday through Saturday. Any necessary payroll modifications are usually done during the next pay period. All payment information must be turned into Payroll before the cutoff date in order for all monies due to be paid during that payroll period.

Upon voluntary or involuntary termination of employment, an employee will be paid in accordance with the regularly scheduled payroll cycle. Draws will be prorated to the date of termination.

Note: Customarily, any hours worked, bonuses, commissions, etc. not reported by the cutoff time and date will not be processed until the following pay period.

Paystubs can be viewed (and downloaded) by signing in to www.access.paylocity.com or by downloading the app.

Reporting Hours Worked

In an effort to comply with applicable laws requiring maintaining records of the hours worked by employees, all employees must utilize the time clock system in the computers. If you forget to clock in or need to make corrections to your timesheet, please contact your manager/supervisor or the Payroll Department to make those changes. No other employee is authorized to clock in or out on your employee number for any reason! Any violation, falsification, or misrepresentation of your time records may result in disciplinary action, up to and including termination.

When utilizing the time clock system in the computer, be sure to differentiate between time worked, paid time off, and unpaid time off. Time needs to be recorded, at all times, whether or not compensation is required.

At times, your final paycheck may be mailed directly to your home address. **It is very important that we have a current address.** Please review your paychecks for accuracy and report any changes in mailing address and/or telephone numbers as soon as possible.

Overtime Policy

There may be occasions when you are asked to work overtime. All EAG non-exempt employees will be compensated for any hours worked in excess of the standard 40-hour workweek at time-and-a-half. All overtime must be **authorized in writing by your Department Manager** and must be reported on the time clock system.

Exempt Salaried Employee Pay Policy

Salary deductions for exempt employees can be made for the following reasons:

- Full day absences for personal reasons.
- Full day absences for sickness or disability.
- Full day disciplinary suspensions for serious infractions of written policies.
- Absences covered by the Family and Medical Leave Act (FMLA).
- To offset amounts received as payment for jury and witness fees or military pay.
- The first or last week of employment in the event you work less than a full week.
- Employee contributions to benefit plans such as 401(k) or pension plan, medical, dental, life or disability insurance premiums.
- Federal, state or local taxes.
- Garnishments directed via court order.

In a workweek in which you performed any work, we will not make deductions for any of the following reasons:

- Partial day absences for personal reasons, sickness or disability.
- Closure of the work facility or lack of work of less than a full week.
- Absences for jury duty, subpoenaed attendance as a witness, or military leave in any week in which you have performed any work.
- Any other deductions prohibited by state or federal law.

An employee's paid time off can be deducted for absences due to personal reasons, illness, or disability.

Questions, Complaints and Reporting Errors

Questions regarding this policy should be directed to Human Resources. Likewise, to register a complaint or to report an error on your paycheck, contact Human Resources. If you have not received a satisfactory response within **five (5) business days** after reporting the error, please immediately contact the General Manager.

Responsibility for Implementation

The Human Resources and Payroll Departments are specifically responsible for investigating and correcting any errors that are reported.

No Retaliation

No employee will be retaliated against for making a good-faith inquiry as to the status of deductions made from an employee's paycheck.

Expense Reimbursement

EAG will reimburse you for business expenses you incur on behalf of the group, with exceptions and limitations. Before-mentioned expenses include (but are not limited to) travel, lodging, meals, phone calls when you are away from home overnight, and small office supplies. There shall be no reimbursement for alcoholic beverages. Per day maximum allotment shall be \$25 for all expenses combined, unless pre-approved by the General Manager.

For all reimbursements, you must record expenses on an Expense Report form, attach applicable receipts or explanations for each expenditure, and submit these to the Controller and your Department Manager for approval. The Accounting Department processes all reimbursement payments within 24 hours of receipt.

Paycheck Advance

In the event of a personal emergency, employees may submit a written request for a pay advance to their supervisor or manager, explaining the nature of the emergency.

At their sole discretion, the supervisor or manager will evaluate the request and determine whether a pay advance can be approved. Pay advances are repaid in full from the employee's next pay or commission check. The General Manager must approve all paycheck advances.

Administrative Pay Corrections

EAG takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event there is an error in the amount of pay, employees should immediately notify the Payroll Office so it can be corrected as soon as possible.

Section III

Benefits

Employee Benefits

All eligible employees at EAG are provided with a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details about many of these programs can be found elsewhere in the employee handbook. Also, you should refer to our website at www.eagbenefits.com for further information regarding available benefits.

The following benefit programs are available to eligible employees:

- Paid Time-Off Benefits
- Paid Holidays
- 401(k) Savings Plan+ Employer Match
- Vision & Dental Insurance
- Employee Discounts
- Health Insurance
- Short-term & Long-Term Disability
- Paid Parental Leave
- Voluntary Life Insurance

*Some benefit programs require contributions from the employee.

**After 30 days of employment, employees are eligible for a discount on vehicles, parts and service. Discounts differ by dealer; please consult with your General Manager.

Paid Time-Off (PTO) Benefits

PTO is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Regular full-time employees are eligible to earn and use PTO time as described in this policy.

The amount of PTO employees will receive each year increases with the length of their employment as shown in the following schedule:

- After 1 year of service, the employee is entitled to 5 days of PTO each year.
- After 2 years of service, the employee is entitled to 10 days of PTO each year.
- After 5 years of service, the employee is entitled to 12 days of PTO each year.
- After 10 years of service, the employee is entitled to 15 days of PTO each year.

Fifteen (15) days is the maximum yearly PTO allowed for any employee.

The length of eligible service is calculated on the basis of a “benefit year.” This is the 12-month period that begins when the employee starts to earn PTO. An employee’s benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Employees begin to earn PTO according to the schedule on the start date of employment. Earned PTO is available for use in the year following its accrual. Employees cannot carry over unused PTO from one year to the next. If PTO is not used during the year in which it becomes available to the employee, it will be lost.

Upon voluntary or involuntary termination, no PTO will be paid if the employee has had less than 1 year of service. To take PTO, employees should request advanced approval from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements. Thirty-day advanced notice of intent to exercise PTO must be given by the employee. Absences for personal reasons, sickness, or disability will be charged to an exempt employee’s PTO. However, an exempt employee’s PTO will not be reduced for situations such as arriving one or two hours late to work due to illness or a doctor’s appointment.

Please refer to Exempt Salaried Employee Pay Policy for further information related to exempt employees' pay practice.

For employees paid on an hourly basis, a day of PTO will be based upon an 8-hour day paid at the employee’s hourly rate at the time PTO is taken. PTO for a commissioned employee (including service advisors) will be based on a commission average of \$300 per day/\$1500 per week (5 days) of PTO. PTO for flag service technicians will be based upon an 8-hour day paid at their flag rate at the time the PTO is taken. Commissioned employees shall receive PTO in lieu of, and not in addition to, any minimum monthly salary, draw, or commission. Any PTO shall be deducted dollar for dollar from any salary, draw or commission that would otherwise be due.

As stated above, employees are encouraged to use available PTO for rest, relaxation, and personal pursuits. Upon termination of employment, employees will be paid for unused PTO that has been earned through the last day of work, subject to the limitation set forth above that employees cannot carry over unused PTO from one year to the next as long as the employee has 12 months of service.

An employee's paid time off can be deducted for absences due to personal reasons, illness, or disability.

Unpaid time-off, not subject to FMLA or other applicable policy or procedure, must be approved in advance by the employee’s supervisor, and is subject to the supervisor’s discretion.

Holidays

Edwards Auto Group observes the following holidays:

- New Year's Day (January 1)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving Day (fourth Thursday in Nov.)
- Christmas Day (December 25)

These holidays are paid to employees after 90 days of continuous service.

*The Sales and F&I departments will be open on Memorial Day. Arrangements for this benefit will be at the discretion of Department Managers in these areas.

Veterans Day

EAG does not provide Veteran's Day as a paid holiday for employees. However, a veteran as defined by Iowa law may take Veteran's Day off (unpaid), unless providing time off would cause EAG to experience significant economic or operational disruption.

To take the day off, the veteran must provide HR with 30 days' written notice of intent to take this holiday, and must provide a federal certificate or similar documents showing release or discharge from active duty.

Health Insurance

EAG's health insurance plan provides employees and their dependents access to medical insurance benefits. Regular full-time employees are eligible to join the healthcare plan. Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between EAG and the insurance carrier.

A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the Benefits Continuation (COBRA) policy available from HR for more information.

Details of the health insurance plan are described in the Summary Plan Description (or SPD). The Summary Plan Description and additional information on the cost of coverage will be provided to eligible employees before open enrollment. Contact the Human Resources Department for more information about health insurance benefits.

Employees should enroll in Medicare Part A upon reaching age 65, and should also contact the Social Security Administration about possible enrollment in Medicare Part B and/or other Medicare programs. Failing to do so may result in serious gaps in health insurance coverage.

Health Benefit Life Event Notification Policy

Purpose

The purpose of this policy is to outline employee responsibilities regarding the timely notification of Human Resources (HR) when a qualifying life event occurs that may affect eligibility for company-sponsored health benefits.

Scope

This policy applies to all employees enrolled in, or eligible to enroll in, the company's health benefit plans.

Qualifying Life Events

A qualifying life event includes, but is not limited to:

- Marriage or divorce
- Birth, adoption, or placement for adoption of a child
- Death of a dependent
- Gain or loss of other health coverage
- Change in employment status affecting benefits eligibility
- Change in dependent eligibility status

Employee Responsibility

It is the **employee's responsibility** to notify the Human Resources department of any qualifying life event that impacts their health benefit coverage.

- Notification must be provided **within 15 days** of the qualifying life event.
- Employees must submit all required documentation to support the life event (e.g., marriage certificate, birth certificate, proof of loss of coverage).
- Failure to notify HR within the required timeframe may result in the inability to add, remove, or change coverage until the next annual open enrollment period.

How to Notify Human Resources (Step-by-Step)

To ensure timely and accurate processing of benefit changes, employees must follow the steps below:

1. Prepare Documentation

Gather all required documents related to the qualifying life event (e.g., marriage certificate, birth certificate, proof of coverage loss).

2. Submit Written Notification

Within **15 days** of the life event, send an email notifying HR of the change.

3. Send Notification to the Correct Contacts

Email **both** of the following:

- **Ellen Sonneleitner (HR):** ellen@edwardsautogroup.com
- **Payroll Department:** payroll@edwardsautogroup.com

4. Include Required Information

The email must include:

- Employee **full legal name**
- Employee **date of birth**
- Type of qualifying life event
- Date the event occurred
- Description of the requested benefit change
- Attached supporting documentation

Important: Do **not** include Social Security numbers in the initial notification email. HR and Payroll will contact the employee directly if a Social Security number is required to complete benefit processing.

5. **Monitor for Confirmation**

HR or Payroll may follow up for additional information. It is the employee's responsibility to respond promptly to avoid delays or denial of coverage changes.

HR Responsibilities

Upon timely notification and receipt of required documentation, HR will:

- Review the submitted information
- Process eligible benefit changes in accordance with plan rules
- Coordinate with Payroll as needed
- Communicate confirmation or request additional information if needed

Failure to Notify

If an employee does not notify HR of a qualifying life event within **15 days**:

- The company and its health plan administrators are **not responsible** for denied coverage, delayed coverage, or out-of-pocket expenses incurred as a result.
- Coverage changes will generally not be permitted outside of open enrollment unless allowed by plan rules or applicable law.

Questions

Employees with questions regarding qualifying life events or benefit changes should contact Human Resources as soon as possible.

Unemployment and Workers Compensation

EAG pays federal and state taxes to provide eligible employees with unemployment insurance. In addition, we provide workers' compensation insurance to protect employees who sustain work-related injuries. See your Human Resources Representative for details on either of these two benefits.

401(k) Savings Plan

A 401(k) Savings Plan (with employer match) has been established in which all employees age 21 and over, working at least 1000 hours per year, are eligible to enroll effective the first of the quarter, following 1 year of service. For example, if your hire date is October 1, 2024, you would be eligible to participate on October 1, 2025.

You may voluntarily contribute part of your earnings for your retirement, before Federal and State income taxes are withheld. You should check with HR about the specific amount you can withhold, which may change from time to time because of revisions to government rules. EAG may also provide a company match under certain circumstances. EAG investment choices include stocks, bond, mutual funds and a guaranteed account.

The Summary Plan Description and the plan itself govern the administration of the plan. EAG reserves the right to alter, modify, terminate or discontinue the Plan or any provisions of the plan in accordance with applicable laws.

Retirement Plan	401(k)
Entry Dates:	Monthly
Age Requirement:	21
Months of Service Requirement:	12
Eligibility Hours Requirement:	1000
Method of Determining Service:	Actual Hours
Exclude other Employee Classes:	No
Exclude Nonresident Alien Employees:	No
Rollovers:	Immediately as long as not in an excluded employee classification

Contact Julie Nelson for Assistance email: jnelson@theolsongroup.net or call 402 289 1046

Please visit www.eagbenefits.com upon eligibility.

Dental & Vision Insurance

Both Dental and Vision Insurance are each offered as an individual benefit plan. Visit www.eagbenefits.com upon eligibility.

Life, AD&D, Short-Term Disability Insurance

These are offered as an individual benefit plan. Visit www.eagbenefits.com upon eligibility.

Paid Parental Leave

EAG will provide paid parental leave to eligible employees following the birth of an employee's child or the placement of a child with an employee in connection with an adoption. The purpose of paid parental leave is to enable the employee to care for and bond with a newborn or a newly adopted child. This policy will run concurrently with leave under the Family and Medical Leave Act (FMLA). Paid parental leave requires application and approval from HR. EAG has the exclusive right to interpret, modify, or terminate this policy.

Eligibility

Eligible employees must meet the following criteria:

- Employed with EAG for at least 12 months immediately preceding the date the leave would begin;
- Regular full-time employee. Part-time employees are not eligible
- In addition, employees must meet one of the following criteria within the last 12 months:
 - Have given birth to a child;
 - Be the spouse of a woman who has given birth to a child;
 - Be the biological parent, or spouse of the biological parent, of the child; or
 - Have adopted a child who is 6 years old or younger. This provision does not apply to the adoption of a stepchild by a stepparent or the placement of a foster child.

Eligible employees must use the paid parental leave for the purpose of caring for or bonding with the newborn or newly adopted child.

Amount, Timeframe, and Duration

Eligible employees who give birth or adopt a child will receive up to a maximum of 6 weeks (30 work days) of paid parental leave per birth or adoption of a child. The parental leave for those who give birth or adopt a child commences upon birth or adoption. In addition, in no case will an employee receive more than 6 weeks of paid parental leave in a rolling 12-month period, regardless of whether more than one birth or adoption event occurs within that 12-month time frame.

Eligible employees who give birth or adopt a child and who have been employed with EAG for 60 months will receive a maximum of 8 weeks of paid parental leave.

All other eligible employees who qualify for parental leave will receive up to 5 days of paid parental leave. Approved paid parental leave for these employees may be taken at any time during the 12-month period immediately following the birth or adoption of a child. Paid parental leave may not be used or extended beyond this 12-month time frame and must be completed before the child's first birthday or the first anniversary of the adoption of the child.

The occurrence of a multiple birth or adoption (e.g., the birth of twins or adoption of siblings) does not increase the total amount of paid parental leave granted for that event. Each day of paid parental leave is compensated in accordance with the calculation of a day of PTO under Section 6:2 above. Paid parental leave will be paid on regularly scheduled pay dates.

Employees must take paid parental leave in one continuous period of leave and must use all paid parental leave during the 12-month time frame indicated above. Paid parental leave cannot be used on an intermittent basis. Upon termination of the individual's employment at EAG, the employee will not be paid for any unused paid parental leave for which he or she was eligible.

Coordination With Other Policies

The Family and Medical Leave Act (FMLA) provides 12 weeks of unpaid leave for the birth or adoption of a child for employees who have been employed for 12 months and have worked at least 1,250 hours in the year prior to requesting leave, provided the employee has not already exhausted his/her FMLA

entitlement for the year. If you are receiving paid parental leave, you will not be eligible for other EAG paid benefits so as to avoid duplication of benefits. If paid parental leave is taken while the employee is on approved FMLA leave for the birth or adoption of a child, then the paid parental leave will run concurrently with the FMLA leave.

EAG will maintain all benefits for employees during the paid parental leave period just as if they were taking any other paid time off. If a holiday(s) occurs while the employee is on paid parental leave, such holiday(s) will not extend the total paid parental leave entitlement and the employee will not receive additional holiday pay for the day.

Section IV

Attendance

Illness Reporting Procedures

As illnesses occur, we need to be informed as soon as possible if you will be unable to report to work. Because each employee's job is important, we need you here! To report your absence, you must telephone your supervisor.

E-mail and text messaging are not acceptable. Unnecessary absences impact your productivity, your coworkers' ability to do their jobs, as well as the group's overall results. You are expected to work according to your schedule as established by EAG.

Make sure you know who to report absences/lateness to from the beginning of your employment. Absenteeism or tardiness that is unexcused or excessive in the judgment of EAG will result in disciplinary action, up to and including termination.

Failure to report your absence on a timely basis and in the appropriate manner will be considered an unexcused absence. If two unexcused absences occur within 12 months, you will be subject to termination. If three unexcused absences occur within your course of employment, you will be subject to termination.

In compliance with the Fair Labor Standards Act, day-to-day absences in increments of less than 8 hours will automatically be paid for exempt employees without charge to any paid time off. However, absences for non-exempt employees will be considered as unpaid or paid time off and needs to be recorded as such when reporting your hours.

Serious Illness

EAG understands that employees who are suffering from a life-threatening illness (such as AIDS or cancer) may wish to continue their employment with the company. We will meet all legal obligations by providing a safe work environment to all employees.

An employee with a life-threatening disease may continue to work for EAG so long as they can meet performance standards, with or without reasonable accommodations, and so long as medical evidence continues to indicate that the disease cannot be transmitted through casual workplace contact.

If we become aware of an employee's life-threatening illness, we may make reasonable accommodations for the employee's condition. Furthermore, we will take all reasonable precautions to ensure that information about the employee's medical condition remains confidential.

Any employee who discriminates against another employee because the employee has a life-threatening disease will be subject to disciplinary action, which may include termination.

Bereavement Leave

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. **Up to 2 days of paid bereavement leave may be provided to eligible employees.** Regular full-time employees are eligible for bereavement.

Bereavement pay is calculated based on the base pay rate at the time of absence. Bereavement pay for salespeople will be based on their average weekly pay for the previous year. Bereavement pay for service technicians will be based on their average hourly production for the previous year.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with their supervisor's approval, use any available paid leave for additional time off as necessary.

EAG defines "immediate family" as the employee's spouse, parent, grandparent, child, or sibling; the employee's spouse's parent, grandparent, child, or sibling.

Time off to Vote

EAG encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees can find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their nonworking hours, EAG will grant up to 3 hours of paid time off to vote. The specific amount allowed will depend on the employee's work schedule and the hours the polls are open.

Employees should request time off to vote from their supervisor at least two working days before Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule.

Employees must submit a voter's receipt on the first working day following the election to qualify for paid time off.

Witness Duty

EAG encourages employees to appear in court for witness duty when subpoenaed to do so. If employees have been subpoenaed or otherwise requested to testify as witnesses by EAG, they will receive paid time off for the entire period of witness duty.

Employees who have been subpoenaed (but not by EAG) will be granted unpaid time off to appear in court as a witness. Employees are free to use any available PTO for the period of this absence.

The subpoena should be shown to the employee's supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

Jury Duty

EAG encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees in an eligible classification may request up to one week of paid jury duty leave over any one year.

Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. Jury duty pay for salespeople will be based on their average weekly pay for the previous year. Jury duty pay for service technicians will be based on their average hourly production for the previous year. This amount will be reduced by the amount paid to the employee by the governmental entity for jury duty. This amount must be reported promptly upon receipt by the employee. Regular full-time employees are eligible to take jury duty leave.

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off or may request an unpaid jury duty leave of absence. Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either EAG or the employee may request an excuse from jury duty if, in EAG's judgment, the employee's absence would create serious operational difficulties.

Military Leave

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services according to the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable. The leave will be unpaid. However, employees may use any available paid time off for the absence.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible.

PTO and paid holidays will be suspended during the leave and will resume upon the employee's return to active employment.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement according to USERRA and all applicable state laws.

Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service according to USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service.

Contact the Human Resources Department for more information or questions about military leave.

Family And Medical Leave Act (FMLA)

Rights and Responsibilities

The Family and Medical Leave Act of 1993 (FMLA) provides eligible employees up to 12 weeks of unpaid job-protected leave annually in qualified situations. Employees are eligible if they have worked for an employer for at least one year, and if they have worked 1,250 hours over the previous 12 months.

FMLA defines the following as qualified situations:

- To care for the employee's child after birth, or placement for adoption or foster care. Placement for foster care requires legal action. Leave must be taken on a continual basis and must be completed within one year after the event. This is referred to as Family Leave.
- To provide care for a family member with a serious health condition. Eligible family members are the employee's spouse, dependent son, dependent daughter, or parent. A dependent son or daughter who is under age 18, or 18 or older if incapable of self-care as a result of a physical or mental disability. Leave may be taken on a continuous, intermittent, or reduced work schedule basis. These are referred to as Family Leaves.
- An employee's serious health condition which makes the employee unable to perform his or her job. This is referred to as Medical Leave.

NOTE: In situations involving a pregnant employee, the period immediately following the child's birth during which she is medically unable to work (typically 6-8 weeks depending on the type of delivery and other medical factors) is considered Medical Leave as described in #3 above. Any additional time she takes to care for the child is considered Family Leave as described in #1 above. A combined maximum of 12 weeks annually is provided by FMLA.

FMLA states that the employee may be required to provide advance leave notice and medical certification. Taking leave may be denied if requirements are not met. The employee ordinarily must provide 30 days advance notice when the leave is "foreseeable." An employer may require medical

certification to support a request for leave because of a serious health condition and may require second or third opinions (at the employer's expense) and a fitness for duty report to return to work.

For the duration of FMLA leave, the employer must maintain the employee's health coverage under any "Group Health Plan" at the same level and in the same manner as if the employee was working. It is the employee's responsibility to maintain his or her share of these contributions. Employees are allowed to make arrangements with the Payroll department to pay their benefit premiums upon their return from leave. Those arrangements can be made by emailing payroll@edwardsautogroup.com. Upon return from FMLA leave, most employees must be restored to the original or equivalent positions with equivalent pay, benefits and other employment terms. The use of FMLA cannot result in the loss of any employment benefit that accrued before the start of an employee's leave.

FMLA makes it unlawful for any employer to interfere with, restrain, or deny the exercise of any right provided under FMLA; discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or related to FMLA.

The U.S. Department of Labor is authorized to investigate and resolve complaints of violations.

Section V

Workplace Safety

Use of Equipment and Edwards Auto Group Vehicles

Equipment and EAG vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines. Use of cell phones while operating any vehicle or equipment is strictly prohibited.

Please notify the supervisor if any equipment, machines, tools, or EAG vehicles appear to be damaged, defective, or in need of repair. The failure to report these matters promptly may subject an employee to disciplinary action. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or EAG vehicles used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or EAG vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

Any employee who does not have a valid driver's license is strictly prohibited from operating any EAG vehicles at any time. No employee, manager, officer, owner, or holder of any other position associated

with EAG may override this policy. Any employee who operates an EAG vehicle in violation of this policy will be immediately terminated.

Any employee who, without authorization, removes or allows, aids or abets the unauthorized removal of an EAG vehicle from EAG premises shall be immediately terminated and the vehicle will be reported as stolen to law enforcement officials.

Driving Policy

EAG has made a commitment of safety, service and quality both to our employees and to our customers. EAG mandates that our employees operate all vehicles owned or used by the company safely and economically. Policy guidelines are summarized by the following:

- Vehicles are not to be operated unless in a safe operating condition.
- Drivers must be physically and mentally able to drive safely.
- Drivers must have a valid driver's license!
- Drivers must conform to all traffic laws with allowance made for adverse weather and traffic conditions.
- Respect the rights of other drivers and pedestrians. Courtesy is contagious!
- Drivers may not use drugs or alcohol while operating a vehicle owned or used by the company.
- Drivers shall not use cell phones while operating any vehicle.

Customer Vehicles

Only authorized employees may operate customer-owned vehicles. When customers leave their vehicles with us, we are responsible for their care and treatment. They should be moved only for test driving, appraisal, or repair. Eating, smoking, or using a cell phone in customer vehicles is strictly prohibited. If you must adjust customer settings or any accessories to perform your job, be sure to return them to their original settings when you have finished. Customer vehicles are not to be used for personal use.

Employees must have a valid driver's license to operate customer-owned vehicles, and violation of this rule shall result in immediate termination. If a customer-owned vehicle is removed by an employee from EAG without proper authorization, EAG will report the vehicle as stolen to law enforcement officials, and the employee will be immediately terminated.

Events Resulting in Property Damage

All events which result in property damage to property of customers, EAG, or others are to be reported to Management as soon as possible after the event causing the damage occurs. Cell phones may be used to report a vehicle accident. Employees involved in any events causing damage may be required to take an immediate drug screening, under certain circumstances as determined by EAG. See EAG Drug & Alcohol Policy for details.

- Upon the occurrence of an event causing damage, a review will be undertaken to determine the cause of the event.

- Employees who have a preventable event causing damage will be notified in writing and the report will be filed in their personnel file and may result, depending on the circumstances, in disciplinary action up to and including termination.
- If it is determined that an event resulting in damages to property is attributable to the employee's willful or intentional disregard of the employer's interest, the employee shall be liable to pay up to \$500 for the first such occurrence of damage, and up to \$1000 for any subsequent occurrences. These damages may be payable by deduction from the employee's wages, as allowed by law.
- Vehicle drivers who are involved in a preventable accident may be required to attend a Defensive Driving Course or equivalent, at EAG's discretion.
- Nothing contained herein shall limit EAG's right to pursue any damages as otherwise allowed by law.

Parking

General employee parking is provided on a first come, first serve basis. Please check with your manager/supervisor for staff parking locations, as well as alternate parking options if this area becomes full.

NOTE: Parking at EAG is strictly voluntary. The employer is not responsible for any theft or damage that occurs while your vehicle is parked on company property.

Accidents

All accidents are to be reported to Management as soon as possible after the accident occurs. Cell phones may be used to report an accident. Employees involved in any accident will be required to take an immediate drug screening under certain circumstances. See EAG Drug & Alcohol Policy for details.

- Drivers who have a preventable accident will be notified in writing and the report will be filed in their personnel file.
- Drivers who are involved in two preventable accidents in a twelve (12) month period are required to attend a Defensive Driving Course or equivalent.

Seat Belts

Seat belts must be worn whenever the vehicle is in motion.

Passengers

Hitchhikers and passengers, other than company employees, are not permitted.

Radar Detectors

The use of radar detectors is forbidden in all vehicles owned or used by the group. Drivers using radar detectors will have their driving privileges revoked.

Securing Cargo

Cargo must be secured and all doors locked while in route and while the vehicle is parked.

Cell Phones

Employees are prohibited from using cell phones or PDAs (Personal Data Assistants) while driving. You may only make or receive a work-related call after you pull over safely and stop the car.

Firearms

For purposes of this policy, the workplace is defined to include EAG Buildings, outdoor areas, and parking lots. EAG prohibits employees from possessing firearms at the workplace with the following exceptions:

- Legal firearms securely locked in the employee's vehicle.
- Express written permission is given by EAG ownership to carry a firearm at the workplace.

Safety

The prevention of accidents and maintenance of safe working conditions is the shared responsibility of EAG and its employees. EAG complies with all requirements of federal, state, and local safety regulations to ensure a safe work environment. Supervisors will provide employees with information on company safety rules and requirements. Employees are expected to cooperate by familiarizing themselves with and abiding by all safety rules and regulations.

EAG provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications.

All employees working around potentially dangerous equipment or hazardous materials must use appropriate safety and personal protection equipment. Employees should check with their supervisor if they have any questions about the safety and personal protection equipment to be used.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the appropriate supervisor. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

Exposure incidents to blood borne pathogens should be reported immediately to the employee's supervisor. When an employee experiences an exposure incident, the employee will be provided a confidential medical evaluation and follow up as necessary, at no cost to the employee.

Employer Sponsored Events

EAG enjoys hosting events for employees and their families to enjoy. These events allow employees to meet and get to know each other. All employees are invited to attend and attendance is completely voluntary. **EAG assumes no liability or responsibility for any injuries or incidents which arise either directly or indirectly from any such event.**

Inclement Weather

In instances of inclement weather, some areas may close early or permit employees to report to work late. Unless the weather conditions warrant an “Emergency Closing”, EAG will remain open during its normal business hours. Any exceptions will be at the discretion of the GM.

Emergency Closings

Occasionally we may have to shut down workplace activity due to bad weather, natural disaster, interruption in power or water utilities, or some other event which makes it difficult or impossible to operate the workplace. An emergency closing may last for a couple hours, for a day, or for several days, depending on the nature of the emergency.

Only your GM or persons authorized by your GM have the authority to order an emergency closing and/or notify any employee of the closing. If you are in doubt about reporting to work, call the appropriate personnel either in the office, or the premises where you normally report to work.

Section VI

Technology

Communication Systems Use Policy

Ownership of Edwards Auto Groups Systems

EAG’s computer systems, networks, software, PC equipment, email system, telephone system, fax system and Internet access facilities (the “Group’s Systems”) are company property and are provided to employees to be used for business purposes. All data files, email/voice messages, and other information contained in the Group’s Systems belong to EAG. Use of the Group’s Systems constitutes acceptance of this policy and its requirements.

Security

The Group’s computer, voice and network systems – and the data/voice files on those systems – are critical to conduct Edwards Auto Group business. Security of those systems and data is a responsibility of all employees. Therefore, employees should not disclose anyone’s password (including their own) or enable unauthorized third parties to have access to or use the Company’s Systems, or in any way jeopardize the security of the Company’s Systems. Software and data files that are unrelated to company business may not be placed on the Group’s Systems. EAG has installed anti-virus software on its computer systems which should be operated on all computers at all times. The anti-virus software helps detect any virus from data files and/or programs which are downloaded onto the computer system;

however, it is not 100% protection guaranteed so users should report any suspected virus to their supervisor immediately.

Licensed Software

Only legally licensed software may be used on the Group's Systems. EAG purchases and licenses the use of computer software for business purposes from a variety of vendors and developers. EAG does not own this software or its related documentation, and, unless authorized by the software vendor or developer, does not have the right to reproduce either the software or its documentation. All software must be used only per the software license agreement. Employees must not make, acquire, or use unauthorized copies of computer software in connection with their employment at EAG or their use of the Group's Systems, including company files and data.

Employee Use

Employees are encouraged to make maximum use of Group's Systems in the daily conduct of their work. EAG has invested heavily in those systems with the expectation that they will be used effectively to improve employee productivity and quality of work and enable the company to better serve its customers.

Personal Use

EAG's systems are provided to employees for the normal execution of job responsibilities: any incidental personal use of the Company's Systems must be limited both in frequency and duration which includes the use of Company telephones for personal calls.

Privacy

Employees have no expectation of privacy in their use of the Group's Systems. EAG reserves the right to monitor, access, retrieve, read, and disclose all communications, files, and information contained in the Group's Systems at any time to ensure that the Group's Systems are being used for proper business purposes and under this policy. In addition, EAG reserves the right to engage in automated monitoring of communications, including Internet/World Wide Web connections. By using the Group's Systems, a user consents to the monitoring and disclosure of his/her communications and use.

Misuse of EAG Systems

EAG strives to maintain a workplace that is free of harassment and sensitive to the diversity of its employees. Therefore, EAG prohibits the use of the Group's Systems in ways that are disruptive, offensive to others, or harmful to morale. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

Prohibited Activities

Prohibited usage of Group Systems includes, but is not limited to, the following:

- Conducting illegal activities;

- Accessing, downloading, posting, copying, forwarding, or distributing material that might be considered racially, culturally, or sexually sensitive or explicit;
- Solicitations or advertisements for commercial ventures, religious or political causes, outside organizations, or other non-company related purposes (including charitable);
- Revealing or publicizing proprietary or confidential information;
- Sending defamatory or threatening messages;
- Vandalizing or corrupting the data of another user;
- Attempting to enter or use any system unless you have been given specific authorization by the owner of the system or the system has been advertised as being publicly accessible;
- Uploading or downloading text, program code, or data in violation of its copyright or its licensing agreement;
- Creating or distributing chain letters;
- Making personal long distance phone calls;
- Gambling;
- Playing computer games on company time;
- Downloading any software from the Internet, copied from other sources, or brought from home on diskettes, CD-ROM, flash drive, or similar devices, unless written permission is given from the IT Department and management team;
- Using the Company's Systems for non-company related business or for moonlighting (personal income-generating activities);
- Using Internet Lists services for non-company related purposes; and
- Gaining unauthorized access to remote or Company's computers or other systems, or to damage, alter, or disrupt the use of any computer or other systems in any way (i.e., "hacking").

Confidential Information

In the course of your work, you may have access to confidential information regarding our customers, EAG and/or its employees. You must respect and protect the confidentiality of any information you receive. Any inquiries from persons other than those directly involved should be referred to the appropriate personnel. Failure to protect confidential information is a serious offense. An employee who violates this policy is subject to disciplinary action, up to and including termination and legal action.

Internet Use Policy

Certain employees may be provided with access to the Internet to assist them in performing their jobs. The Internet can be a valuable source of information and research. In addition, e-mail can provide excellent means of communication with other employees, our customers and clients, outside vendors, and other businesses. Use of the Internet, however, must be tempered with common sense and good judgment.

If you abuse your right to use the Internet, this privilege will be revoked. In addition, you may be subject to disciplinary action, including possible termination, and civil and criminal liability.

Care of Company-Owned Equipment or Property

You may be provided with certain equipment and property such as cell phones, laptops, etc., to assist you in performing your job duties. Employees who are provided with company-owned property have a responsibility to protect the equipment or property from becoming missing, damaged or stolen. If equipment or property placed in the care of an employee becomes missing, damaged or stolen due to the employee's negligence or willful disregard, the employee will pay EAG an amount equal to the replacement value or repair cost of the equipment or property. Negligence will be solely determined by management. Reimbursement arrangements will be made between the employee and EAG for the balance owed by the employee. If an agreement cannot be reached, EAG will take whatever legal steps are necessary to recover the value of the loss from the employee. Losses due to damaged property or property assigned to an employee and not returned at the time employment is terminated may be deducted from an employee's paycheck if such property damage was done willfully or intentionally, or if the receipt of property not returned was acknowledged in writing.

Policy Violations

Employees should notify their immediate supervisor upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment. EAG reserves the right to change this policy at any time.

Internet Governance Policy

Employee use of the internet is governed by the following policy:

Disclaimer of Liability for Use of The Internet

EAG or any of its officers are not responsible for material viewed or downloaded by users from the Internet. The Internet is a worldwide network of computers that contains millions of pages of information. Users are cautioned that many of these pages include offensive, sexually explicit, and inappropriate material. In general, it is difficult to avoid at least some contact with this material while using the Internet. Even innocuous search requests may lead to sites with highly offensive content. In addition, e-mail may contain offensive content. Users accessing the Internet do so at their own risk.

Employees' Duty of Care

Employees should endeavor to make each electronic communication truthful and accurate. You should use the same care in drafting e-mail and other electronic documents as you would for any other written communication. Please keep in mind that anything created or stored on the computer system may, and likely will, be reviewed by others.

Duty Not to Waste Computer Resources

Employees must not deliberately perform acts that waste computer resources or unfairly monopolize resources to the exclusion of others. These acts include, but are not limited to, sending mass mailings or chain letters, spending excessive amounts of time on the Internet, playing games, listening to streaming audio (online radio stations), engaging in online chat groups, printing multiple copies of documents, or otherwise creating unnecessary network traffic. Because audio, video and picture files require significant storage space, files of this sort may not be downloaded unless they are business related.

No expectation of Privacy

The computers and computer accounts given to employees are meant to assist them in performance of their jobs. Employees should not have an expectation of privacy in anything they create, store, send or receive on the computer system. The computer system belongs to EAG and may only be used for business purposes.

No Privacy in Communications

Employees should never consider electronic communications to be either private or secure. E-mail may be stored indefinitely on any number of computers, including that of the recipient. Copies of your messages may be forwarded to others either electronically or on paper. In addition, e-mail sent to nonexistent or incorrect usernames may be delivered to persons that you never intended to contact.

Monitoring of Computer Usage

EAG has the right, but not the duty, to monitor all aspects of its computer system, including, but not limited to, monitoring sites visited by employees on the Internet, monitoring chat groups and newsgroups, reviewing material downloaded or uploaded by users to the Internet, and reviewing e-mail sent and received by users.

Blocking of Inappropriate Content

EAG may use software/hardware to identify inappropriate or sexually explicit Internet sites. Such sites may be blocked from access by company networks. In the event you encounter inappropriate or sexually explicit material while browsing the Internet, immediately disconnect from the site, regardless of whether the site was subject to company blocking software.

Prohibited Activities

Fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory, or otherwise unlawful or inappropriate material may not be sent by e-mail or other forms of electronic communication (bulletin board systems, newsgroups, chat groups, etc.); downloaded from the Internet, or displayed on or stored in company computers. Employees encountering or receiving this kind of material should immediately report the incident to their supervisor.

Games & Entertainment Software

Employees may not use EAG's Internet connection to download games or other entertainment software, including streaming audio or video, screen savers, or to play games on the Internet.

Illegal Copying

Employees may not illegally copy material protected under copyright law or make that material available to others for copying. You are responsible for complying with copyright law and applicable licenses that may apply to software, files, graphics, documents, messages, and other material you wish to download or copy. You may not agree to a license or download any material for which a registration fee is charged without first obtaining the express written permission of the EAG System Administrator.

Accessing the Internet

To ensure security and to avoid the spread of viruses, employees accessing the Internet through a computer attached to EAG's network must do so through an approved Internet firewall. Accessing the Internet directly, by modem, is strictly prohibited unless the computer you are using is not connected to the company's network.

Virus Detection

Files obtained from sources outside the company, including disks brought from home, files downloaded from the Internet, newsgroups, bulletin boards or other online services, files attached to e-mail, and files provided by customers or vendors may contain dangerous computer viruses that may damage the company's computer network. Employees should never download files from the Internet, accept e-mail attachments from outsiders, or use disks from non-company sources without first scanning the material with company-approved virus checking software. If you suspect that a virus has been introduced into the company's network, notify the System Administrator immediately.

Sending Unsolicited Email (Spamming)

Without the express permission of their supervisors, employees may not send unsolicited emails to persons with whom they do not have a prior relationship.

Alternating Attribution Information

Anonymous or pseudonymous electronic communications are forbidden. Employees must identify themselves honestly and accurately when participating in chat groups, making postings to newsgroups, sending e-mail, or otherwise communicating on-line.

Amendments and Revision

As the need arises, this policy may be amended or revised. Users will receive notice of all amendments and revisions. Violations of this policy will be taken seriously and may result in disciplinary action, including possible termination, and civil and criminal liability.

Social Media Policy

Only EAG ("the Company") may create and maintain company-branded social media profiles. Only those **officially designated can use social media to speak on behalf of our company in an official capacity**, though employees may use social media to speak for themselves individually. Employees are responsible for making sure their online activities do not interfere with their ability to fulfill their job requirements or their commitments to their managers, co-workers or customers.

- Do not use Company e-mail addresses to create social media profiles, and do not associate Company e-mail addresses with social media profiles.
- Do not send or post on social media any Company confidential information, including but not limited to proprietary information, trade secrets, and business plans or processes.
- Do not use Company logos, trademarks or proprietary graphics without the company's express prior written permission.

- Do not use social media to disparage customers, employees or management or to engage in any other misconduct including, but not limited to, the examples set forth under the section titled “Misconduct and Disciplinary Action” set forth below.

Improper use of social media will result in disciplinary action up to and including termination.

None of these rules are intended to restrict employees from using social media to participate in activities otherwise protected by law, including the right to discuss employees’ terms and conditions of employment.

Restricted Use of Cell Phones and Other Devices

Employees are permitted to use their cell phones and other personal data assistants (PDAs) including any smartphones, tablets, and other similar devices, but only under the rules outlined below. This policy is intended to protect the Company’s data as well as customer privacy and confidentiality. Edwards Auto Group reserves the right to revoke employee privileges in this regard at any point.

All employees must abide by this policy to use their devices in connection with company applications, systems, and networks. Edwards Auto Group shall define for all employees the acceptable uses for these devices.

These uses may include:

- Downloading the company phone system application onto employees’ devices to allow calls to be made away from their desks.
- Use of the Customer Relationship Manager (CRM) tool application to communicate with customers.
- Other applications as specifically authorized by the Edwards Auto Group.
- Downloading of any company applications must be approved by EAG.

In the use of these devices, employees will not be permitted access to secure, private EAG and/or customer data which systems are subject to password protection, encryption, and other measures designed to limit access.

Any access to such information by employees on their devices is strictly prohibited and if it occurs should promptly be reported to EAG management. Downloading applications, connecting to company systems, or other issues related to EAG technology shall be undertaken under the control and supervision of American PCS. Employees must comply with all security measures as requested by Edwards Auto Group and under the policy of maintaining the privacy and confidentiality of EAG and customer information.

Edwards Auto Group will not reimburse employees for any costs or expenses related to the device unless specifically authorized by EAG. Upon separation from employment, access to any company systems and applications will be terminated and removed from the device immediately and such removal will be subject to EAG’s verification.

These devices should not be used during work by employees for outside personal or business activities except for incidental and limited use that does not conflict with the employees' work duties. No unlawful or dangerous uses are permitted, including but not limited to texting while driving or access to illegal or illicit materials.

These devices often come with built-in recording capabilities, including cameras and video and audio recording devices. Employees are not permitted to use any recording devices, including cameras and the recording capabilities of cell phones or other PDAs, at work. These recording devices should be disabled while on-site, and also off-site if you are performing services as an employee. Although these features may be useful for personal use, using them in the workplace can lead to violations of privacy and breaches of confidentiality.

To the extent you use a cell phone or other PDA device in violation of this policy, you waive any expectation of privacy concerning those recordings, information and communications including but not limited to video or audio recordings, text messages, and e-mail.

EAG reserves the right to access, retrieve, review and use (as needed for company purposes) all such communications, files, and information, and the employee grants the Company permission to examine the cell phone or other PDA device upon reasonable belief that a violation of this policy has occurred, or that there has been a loss or misuse of Company data. Any such examination undertaken will be done to protect the employee's non-work-related information to the extent practicable and any such information will not be disclosed by the Company.

To the extent that there is a violation of this policy, any Company information will be promptly wiped from the device upon request of the Company, which shall be given such access to the device as to insure all such Company information has been permanently removed from the device. Employees will promptly notify the Company of a violation of this policy regarding the use of cell phones or other similar devices. Any device that is stolen that contains Company information shall be promptly reported to Company. Violation of this policy will lead to discipline, up to and including termination.

Section VII

Code of Conduct

Dress Code

EAG prides itself on the professional atmosphere it maintains and the positive image that employees present as representatives of the dealership. The way we dress in our offices, in the offices of our clients, and in public when representing the dealership has an impact on our image.

Customers and the general public expect us to project a professional image. Employees must dress accordingly, using their best judgement to appear professional. Casual business attire can take many forms, but it generally refers to clothing that is both comfortable and appropriate for a professional

setting. We ask that you consider each day's agenda when determining what to wear (i.e., will you be meeting with a client in our office or at their office site; will you be attending a business luncheon; etc.

Listed below is an overview of acceptable business casual wear, as well as a list of some of the more common items that are not appropriate for our office environment. This list is not intended to be all-inclusive. Rather, these items should help set the general parameters for proper business casual wear and allow you to make intelligent judgments about items that are not specifically addressed. A good rule of thumb is that if you are unsure if something is acceptable, choose something else or inquire first. Also, it is generally better to be overdressed than underdressed. Avoid clothing that is revealing or distracting. Some departments have specific dress codes and/or uniforms that you will be made aware of should they apply to you. Also, under certain circumstances (such as the visit of a VIP, or a special event) a more specific or formal dress code may be required. You will be notified in advance of any such circumstances. The manager of the dealership should be consulted if questions arise regarding the appropriate attire at their office site.

Slacks/pants (for men) - Wool and cotton dress slacks are acceptable, provided they are clean and wrinkle free; and they should be worn with a belt. Inappropriate items include jeans, sweat pants, shorts, bib overalls, spandex and any other form-fitting pants, and pants that are excessively worn or faded.

Shirts (for men) - Shirts with collars, polo shirts, sweaters, and turtlenecks are acceptable, as are shirts with the Edwards Auto Group logo. No tee shirts, sweatshirts, tank tops, or shirts with large lettering or logos (other than Edwards Auto Group).

Dresses/skirts/pants (for women) – Casual dresses, skirts with modest hemlines and business casual pants are acceptable. Dresses that are sleeveless but do not leave the shoulders bare are acceptable. Miniskirts and spaghetti strap dresses are inappropriate. Jeans, sweat pants, shorts, bib overalls, spandex and other form-fitting pants, and pants that are excessively worn or faded are prohibited.

Shirts/blouses (for women) – No tee shirts, shirts with large lettering or logos (other than Edwards Auto Group), sweatshirts, tank tops, halter tops, or any tops with bare shoulders unless worn under another blouse or jacket.

Footwear - Items such as loafers, boots, flats, and leather casual shoes are acceptable. Shoes should be appropriately polished and in good condition. Athletic shoes, sneakers, thongs, sandals, and slippers are considered unacceptable.

Personal Hygiene - Maintaining well-kept hair, good personal hygiene, and general neat grooming is expected. Body piercing adornments, other than earrings appropriate for a business environment, should be removed during work hours. Men should not wear make-up and should either be clean shaven, or their facial hair should be neatly trimmed. Cologne and perfume should not be used in excess.

All employees are expected to conduct themselves professionally, both with fellow employees and with our customers. Our behavior should always reflect a positive image of EAG. Remember that we need our customers as much as they need us! By providing complete customer satisfaction, we are providing for ourselves a successful business career for the future.

Smoking

In keeping with EAG's intent to provide a safe and healthful work environment, smoking in the workplace is prohibited at EAG except in the outdoor locations that have been specifically designated as smoking areas. In situations where the preferences of smokers and nonsmokers are in direct conflict, the preferences of nonsmokers will prevail.

Drug & Alcohol-Free Workplace

You are expected to report to work and remain in a condition which is free from the effects of drugs or alcohol. Drugs or alcohol of any kind are strictly prohibited during work hours or at the work site. All employees need to be conscious of safety in the workplace, as impaired employees cannot perform safely and productively. Remain alert to impaired behavior of others and report any concerns immediately.

See Edwards Auto Group Drug Policy for Iowa or Nebraska, depending on location of employee.

Drug Testing

EAG is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs on the job may pose serious safety and health risks. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs.

Questions concerning this policy or its administration should be directed to the Human Resources Manager.

See Edwards Auto Group Drug Policy for Iowa or Nebraska, depending on location of employee.

Media and Public Contacts

From time-to-time persons outside our workplace, such as representatives of the media, may ask you for comments or information relating to our activities and business. Employees may not speak to the media or anyone outside the institution as an official or unofficial spokesperson of EAG or its interests. Please direct all inquiries for information from the media or from outside this institution to the GM or Controller.

Employment Verification

Requests to verify employment, whether for current or former employees, must be handled by Human Resources, as that is the only person authorized to release personnel information. Any other unauthorized personnel are not to give references or any information about current or former employees to anyone.

Our policy is to quote only dates of employment and position title. Additional information may be given to lenders (e.g., mortgage companies) as long as the employee's written authorization for release of this information is provided with the request.

Misconduct and Disciplinary Action

The majority of EAG employees conduct themselves appropriately and perform acceptably. When this is not the case, situations must be identified, addressed, and resolved. Depending on circumstances, the

methods used may include verbal warnings, written warnings and probationary periods. Documentation of Disciplinary Action is valid whether or not you write a response or whether or not you sign the documentation. If you refuse to sign any documentation, the person giving the information will note that the content was discussed with you, by whom, the date, and that you chose not to sign the document.

EAG will not tolerate employee conduct which creates an intimidating, hostile or offensive working environment. An employee who intimidates, is hostile to, or is offensive to another employee, a customer or prospective customer, an officer, manager or supervisor, or to the public with whom EAG deals, will be subject to disciplinary action, up to and including termination.

Some situations are so unacceptable that termination must occur immediately with no previous disciplinary action being taken.

Examples of situations that could result in immediate termination include (but are not limited to) the following:

- Being convicted of a criminal offense.
- Insubordination.
- Willful, serious disregard of duty.
- Violation of the Drug and Alcohol-Free Workplace Policy.
- Violation of the Safe Working Environment Policy.
- Theft, embezzlement, or misappropriation of funds.
- Unauthorized possession of company property, materials or funds.
- Dishonesty, including, but not limited to, falsifying information or credentials to gain employment or a promotion, or falsifying complaints against another employee, co-worker or officer.
- Divulging confidential information or making unauthorized statements to persons outside of EAG.
- Violent acts or acts of intimidation of any kind, , whether verbal, written or physical.
- Altering, falsifying or inappropriately removing EAG records or documents.
- Unauthorized or unreported absence from work or leaving the work premises during work hours without prior approval.
- Violation of EAG policy to the detriment of other employees or the company.
- Conduct causing harm or embarrassment to clients, other employees or the company, whether during work hours or away from work.
- Illegal or unethical behavior.
- Failure to supply requested documentation for an absence.
- Falsifying or misrepresenting the reason for an absence.
- Any other actions not deemed to be in the best interest of EAG or which result in the company losing confidence in the employee's judgment.
- Use of cell phones in violation of company policy.
- Damage to company property.
- Disparaging customers, employees or management.

Americans with Disabilities Act (ADA)

EAG complies fully with the Americans with Disabilities Act (ADA), as well as state laws, which require that the Employer make reasonable accommodations for disabled individuals in the workplace. We are committed to treating physically or mentally disabled individuals without discrimination in any area of work, including pre-employment, application, hiring, supervision and evaluation. EAG treats all medical information and records concerning disabilities as strictly confidential.

If you are disabled, you have a right to request that we make reasonable accommodations to help you overcome the limitations posed by your disability to accomplish your work. To make this request, contact the Human Resources Representative to discuss and give a written request for appropriate accommodations. We will evaluate your request following the provisions of the Americans with Disabilities Act. You will be notified of our decision regarding your request within 30 days of its submission to Human Resources.

Pregnant Workers Fairness Act Policy

EAG provides reasonable accommodation for an employee's pregnancy, childbirth, or any condition related to the employee's pregnancy, unless the accommodation causes undue hardship to EAG. Employees are entitled to reasonable accommodation for pregnancy or related conditions, even if the employee is not experiencing a pregnancy-related disability. Reasonable accommodations may include, but are not limited to:

- More frequent or longer paid or unpaid breaks
- Time off for appointments, pregnancy complications, or recovery from childbirth
- Acquisition or modification of equipment or seating
- A temporary transfer to a less strenuous or hazardous position, including light duty
- Job restructuring
- Private non-bathroom space for expressing breast milk
- Assistance with manual labor
- Modification of work schedule

Requests for accommodation should be directed to Human Resources. The accommodation request should include an explanation of the pregnancy-related limitations, the accommodation requested, and any alternative accommodation(s) that might be reasonable. Depending on the nature of the accommodation, the individual may be requested to submit a statement from a health care provider substantiating the need for the accommodation. EAG engages in an interactive process with the employee to determine an appropriate accommodation. Accommodations are provided unless it creates an undue hardship. EAG prohibits retaliation against an employee who requests or receives an accommodation under this policy law. Employees have the right to be free from discrimination in relation to pregnancy or related conditions.

Prohibition of Sexual or Other Unlawful Harassment

EAG is committed to providing a work environment free of inappropriate and disrespectful behavior, communications and other conduct directed at an individual because of his or her sex, including conduct that may be defined as sexual harassment.

Sexual harassment includes, but is not limited to: as unwanted sexual advances, requests for sexual favors, or visual, verbal, or physical conduct of a sexual nature when: (1) submission of the conduct is made a term or condition of employment; or (2) submission to or rejection of the conduct is used as basis for employment decisions affecting the individual; or (3) the conduct has the purpose or effect of unreasonably interfering with the employees' work performance or creating an intimidating, hostile, or offensive working environment. Sexual harassment includes any such behavior by or towards a coworker, supervisor, member of management, or any individual doing business with or for EAG.

Other types of prohibited harassment include those which occur on the basis of race, color, religion, national origin, ancestry, physical or mental disability, veteran status, age, sexual orientation, sexual preference, or any other protected basis.

It is against EAG policy and unlawful to retaliate in any way against anyone who has lodged a harassment complaint, has expressed a concern about harassment, including sexual harassment, or has cooperated in a harassment investigation. Therefore, the initiation of a complaint, in good faith, shall not under any circumstances be grounds for discipline. However, individuals who make complaints that are demonstrated to be intentionally false may be subject to disciplinary action, up to and including termination.

EAG's complaint procedure provides for an immediate, thorough, and objective investigation of any claim of unlawful or prohibited harassment, appropriate disciplinary action against one found to have engaged in prohibited harassment, and appropriate remedies for any victim of harassment. A claim of harassment may exist even if the employee has not lost a job or some economic benefit.

Anyone who has been subjected to the conduct prohibited under this Policy, or who has knowledge of such conduct, should report this information to his or her supervisor or Human Resources as soon as possible.

However, employees are not required to report any prohibited conduct to a superior who may be hostile, who has engaged in such conduct, who is a close associate of the person who has engaged in the conduct in question, or with whom the associate is uncomfortable discussing such matters. Employees subject to harassment by one of those individuals should report the harassment directly to Human Resources or the General Manager. Complaints regarding harassment or retaliation may be oral or in writing. Individuals who make complaints that are demonstrated to be intentionally false, may be subject to discipline, up to and including termination.

All incidents of prohibited harassment that are reported will be investigated promptly. If EAG determines that prohibited harassment has occurred, EAG will take effective remedial action commensurate with the circumstances. Appropriate action will also be taken to deter any future harassment. If a complaint of

prohibited harassment is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

EAG recognizes that actions that were not intended to be offensive may be taken as such. An employee who believes that he or she has been subjected to sexual harassment by anyone is encouraged, but not required, to promptly tell the person that the conduct is unwelcome and ask the person to stop the conduct. A person who receives such a request must immediately comply with it and must not retaliate against the employee for rejecting the conduct.

Code of Ethics

To maintain a strong standing in an increasingly competitive industry, we must share an uncompromising dedication to excellence and integrity in conducting all our business. As an EAG employee, you must constantly analyze your duties to avoid any action that could be interpreted as a conflict of interest or breach of faith. Any employee acting in any manner which discredits EAG through a dishonest or fraudulent act will be subject to termination. You also must report any suspected activities of others which conflict with this policy.

Confidential and Insider Information A. Confidential Information

- a. Information obtained concerning the clients of EAG from any source other than public documents is considered privileged and must be held in strict confidence. Information received from or about clients is to be used solely for Company purposes and should be disclosed only to employees of EAG who need the information to discharge their duties.
- b. Financial information regarding EAG or its interests is not to be released to any person unless it has been published or otherwise made generally available to the public.

B. Insider Information

- a. Insider Information is material, non-public information about EAG or any client. The test of materiality is whether the information was of such importance that it could be expected to affect the judgment of present or future business.

Conflicts of Interest

A conflict of interest may be defined as any situation in which a person's private interests conflict or are otherwise incompatible with the official responsibilities of the company. Therefore, a conflict of interest would arise where any employee or relative has a personal interest--financial or other--in a client, supplier, person, or company dealing with EAG. Each employee must manage his or her personal and business affairs to avoid situations that might lead to conflict or the appearance of a conflict between the employee's self-interest and his or her duty to EAG and its clients. In any such situation, the person must disqualify themselves from any activities concerning the conflicting interests.

A. Commitment to Corporate Funds

- a. No employee will commit funds of EAG to any entity when such commitment will be to the personal benefit, directly or indirectly, of the employee or person committing the funds.

B. Business Activities

- a. No employee shall engage in any self-dealing or other trade in connection with his or her position with the dealership or accept a business opportunity not generally available to the public from anyone doing or trying to do business with the company.

Violation of these policies will be subject to termination of employment and may result in legal action.

Outside Activities

It is our policy that no employee has an outside interest that encroaches on the time or attention that should be devoted to the employee's corporate duties; adversely affects the quality of work performed; competes with the activities of EAG; involves the use of any equipment, supplies or facilities of EAG; infers sponsorship or support of EAG on behalf of the outside employment or organization; or adversely affects the reputation of EAG. When it is clear that outside activities are relevant to civic or professional organizations, as well as other efforts that bring credit to the organization, an exception to this policy can be made.