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Policy Handbook 2019

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Table of Contents

INTRODUCTION	4
OUR COMPANY PHILOSOPHY	5
MY COMPANY STORY	6
STATEMENT OF INTEGRITY.....	8
CORE VALUES	10
SUGGESTION PROGRAM.....	12
EMPLOYMENT AT WILL.....	13
EMPLOYEE STATUS AND CLASSIFICATION	14
INTRODUCTORY PERIOD	14
EMPLOYMENT CLASSIFICATIONS	14
I-9 IMMIGRATION LAW COMPLIANCE	15
PERFORMANCE EVALUATION.....	15
TRAINING	15
JOB DESCRIPTIONS.....	16
WORK HOURS, SCHEDULES AND PAYDAYS.....	16
RECORDING HOURS WORKED	17
OVERTIME COMPENSATION.....	17
SALARY CONFIDENTIALITY	17
ABSENCES AND TIME OFF.....	17
ATTENDANCE AND PUNCTUALITY.....	17
PAID TIME OFF	19
PTO USAGE PROCEDURE.....	20
MARYLAND EARNED SICK AND SAFE LEAVE.....	21
HOLIDAYS	21
EQUAL EMPLOYMENT OPPORTUNITY	22
PROHIBITED HARASSMENT/DISCRIMINATION	22
SEXUAL HARASSMENT	23
HARASSMENT/DISCRIMINATION - Reporting & Complaint Procedure.....	24
BACKGROUND POLICY.....	25
DRUG AND ALCOHOL ABUSE	26
SAFETY AND HEALTH.....	28

SAFETY CONCERNS	29
WORKMEN'S COMPENSATION NOTIFICATION PROCEDURE.....	29
EQUIPMENT CHECK LIST	31
EQUIPMENT CARE AND USE	31
USE OF WORK AREAS	31
VISITORS IN THE WORKPLACE	32
WORKPLACE VIOLENCE PREVENTION POLICY	32
COPING WITH THREATENING OR VIOLENT INDIVIDUALS	33
SMOKING.....	34
IMAGE OF HILLMUTH CERTIFIED AUTOMOTIVE	34
COMPANY VEHICLE CARE AND USE	35
MAINTENANCE	35
TRAFFIC SAFETY AND VIOLATIONS.....	35
CUSTOMER RELATIONS.....	35
DRESS CODE	36
RECYCLING.....	36
LOYALTY.....	37
EMPLOYEE CONDUCT AND WORK RULES.....	37
OPERATIONAL RULES	37
RULES OF CONDUCT FOR EMPLOYEES ON DUTY.....	38
RULES OF CONDUCT FOR EMPLOYEES OFF DUTY.....	40
COMPUTER & INTERNET USE	40
.....	42
CELL PHONE PROCEDURES	42
DISCIPLINE AND CORRECTIVE ACTION	43
INCLEMENT WEATHER POLICY.....	43
OUTSIDE EMPLOYMENT/MOONLIGHTING.....	44
MEDICAL ISSUES	44
CONFIDENTIAL INFORMATION.....	44
PROPRIETARY INFORMATION.....	45
SEARCH OF PERSONAL AND COMPANY PROPERTY	45
SEPARATION PROCESS.....	46
BENEFITS.....	47
COBRA	47
EMPLOYEE POLICY BOOK ACKNOWLEDGMENT/RECEIPT	49

INTRODUCTION

We welcome you to Hillmuth Certified Automotive (hereinafter referred to as 'Hillmuth Certified Automotive' or HCA). This handbook has been prepared to welcome you to the Company and help you understand our policies, procedures, and benefits. The policies set forth in this handbook are intended as guidelines only and are subject to change at the sole discretion of Hillmuth Certified Automotive.

As an employee of Hillmuth Certified Automotive, you are required to review and familiarize yourself with this handbook. We trust you will find your handbook both helpful and informative. It is your responsibility to remain up to date with any handbook changes and review future editions as they become effective. Should you desire further information about subjects covered in this handbook or a copy of the current handbook, please contact Hillmuth Certified Automotive management.

Circumstances may require that the policies and practices described in this handbook change from time to time. HCA will attempt to provide employees with notification of such changes when they occur. All previously issued handbooks and any inconsistent policy are hereby replaced. No language in this handbook is meant to, nor should it be interpreted to, in any way limit rights under any applicable federal, state or local law.

Welcome to our family!

OUR COMPANY PHILOSOPHY

"We Guarantee Your Satisfaction"

We are in business to assist you with your transportation needs. Our aim is to gain your confidence in our ability to perform service and repair on your vehicles. Confidence is knowing when you leave our place of business your vehicle has been properly repaired by certified technicians. We want you to fully understand what is to be repaired on your vehicle and why the repair or service is necessary. We also strive to completely understand your service and transportation needs. Understanding these needs, we can properly advise you of your repair options and possibilities, thus delivering satisfaction and proper repair to you our customer. **Communication, Personal Service** and the **Proper Repair** of your vehicle are the keys to our success and your satisfaction.

MY COMPANY STORY

The spirit of the business

My brother and I worked in the back yard with my Dad painting cars; this was our first experience on working on cars. In 1965 when I was sixteen I went to work at Hillandale Amoco as a gas jockey, my brother soon came on to work there also. The owner there sent me to Technical school to learn automobile mechanics. I learned a lot from the school but mostly from others. I decided early that I would make a difference in the auto repair business. I did not like being called a grease monkey and the association that came with it. We opened up our first shop with my brother and my wife in 1978.

We wanted to help people with their automotive repair needs and for them to be able to tell the difference in the way their vehicles ran after we made the repairs. We looked for ways to enhance and improve the quality and the drivability of our customer's vehicles, and do the little things that people would notice either in the running or the handling of their vehicles. We wanted our customers to remember us for taking the time, concern and responsibility to gain their trust and friendship. We wanted the employees to be proud of where they worked, also wanted them to have the training and the latest most up to date equipment available to them. As we have grown, these wants, dreams and commitments still remain and the employees, our teams, are building on them, making a difference in the automotive repair business.

I remember when I left Hillandale and went to Columbia twenty two miles away from my customers, a few dozen of those customers still came to me. A picture is hanging on the wall of our office in Columbia that Resalie Levin Brower one of our Hillandale customers did for us. Then there was Mr.Fowler's car that I would pick up and deliver back to him, years later he started coming to the shop and eventually one of our technicians that I trained became Mr. Fowlers tech. Lewis Robertson our first Columbia customer, who we had not seen in a while gave us a call for an emergency and we took care of him right away. We still work on some of the same customer's vehicles in 2002 that we serviced when we were in Hillandale twenty-five years ago. These lasting associations mean a lot to us.

The children of our customers are now coming to us, what a feeling to see a second generation trusting and building friendships with us. I remember when we first went to Columbia how appreciated the people where when we would get their vehicle

back to them in the same day. I remember Bee and Sylvia Trupin bringing us a gift for going out late one Saturday afternoon to rescue them. We took them home and took their vehicle back to the shop and installed a ballast resistor, then delivered the vehicle back to them so they would have the vehicle for the weekend; they were lifetime customers from then on.

Our first technician Barry Robinson is still in contact with us. Ed Robinson the third technician we hired in 1980 is still with us, a key member; we call him the Answer Man, he keeps us on track. We have many of our past employees who keep in contact with us as they have grown and went on in the industry as leaders and professionals.

It has been good to see others grow and advance in our company, to share Christmas Holiday parties and Company picnics and to see the families grow. Our twentieth anniversary picnic celebrated in 1998 was heartwarming and rewarding to see past employees and associates that we have associated with over our history. Now our 35th anniversary has come in 2013. In caring and sharing with people, their problems, challenges, hopes, dreams, and rewards we have been able to serve others and grow our business.

Communication, Personal Service and the **Proper Repair** of your vehicle are the keys to our success and customer satisfaction and retention.

STATEMENT OF INTEGRITY

This statement is the position of management and addressed to all team members that take a part in the operation and activities of the Hillmuth Certified Automotive. It stands true in our daily interaction with the people we serve, the people with work with, and with those who provide us with their services.

- We are to serve our customers by always being truthful.
- We will communicate with our customers to get the information needed as per the way they use their vehicle and how long they expect to keep their vehicle to listen to their concerns and to understand the needs of the service and or repair on their vehicles, to make recommendations based on the information that we have and the knowledge that we have obtained, based on the objectives of the vehicle owner.
- We will never knowingly replace a part or recommend a service that is not needed.
- We will charge fair prices based on our pricing schedule set forth in writing by the company management, designed to deliver quality parts and services that will maintain the manufactures and the Hillmuth warranty.
- We will strive to provide our customers with parts that meet OEM quality or better.

Regarding

Pricing

We do not practice random or greedy, pricing. We will not "over-price". We will never price above our labor rate/matrix and parts-matrix levels unless in a certain unusual business situation, and then with General Manager approval and a complete explanation of the circumstance, we will price only so as to achieve our overall company profit goals. It is our current intent that if we ever exceed this profit margin, or we mistaking put a part on an RO, we will refund or make adjustment when necessary.

Repairs

No repair or service will be recommended to a customer unless both a Technician and a Service Consultant have seen the source of the concern and both parties agree that it is in the best interest of the customer to have the service or repair done.

Recommendations of service or Major Repair on a Questionable Vehicle

We must communicate this to our customer, if we don't believe that a vehicle is worth the investment of the repair or service.

Truth and Trust

In the auto repair industry there are many circumstances where others have shaded the Truth or violated trust. We as a company are committed to speaking the truth, even if it has negative revenue consequences for us personally or as a company.

General Business Practices

While we consider ourselves a sales and service organization, we will not lose the reality that those we serve are real people. We must not become insensitive to their situation and circumstances. We must be courteous and understanding when accessing the needs and the opportunity to give exceptional customer service. We should remember always that they are not concerned with our circumstances and are actions and reactions should reflect the professionalism and standards the Company strives for. We need to be profitable but deception will never be tolerated, we want to have a culture that is straightforward and honest. If at any time, in your opinion, any of our policies or practices that are a part of the model Hillmuth Certified Automotive operates is overly aggressive, dishonest or unfair to employees or customers, please share your thoughts and concerns with the Owners.

CORE VALUES

1. **Quality;** Trained professionals that have pride in their profession, using the latest updated equipment, information and quality products that deliver superior service and results.
2. **Integrity;** We are to serve our customers by always being truthful. We will seek to understand the needs of our employees, the business operation and the needs of our clients and focusing on what is best for all, knowing we are serving for one greater than us all.
3. **Secured Future;** A quality secured future means that you know that a steady income is secure that allows you to have the time and the money to live a quality life. The income, benefits and retirement of all team members, willing to excel will be rewarding and secure. It is the responsibility of all in the company to strive to make this possible.
4. **Growth;** We will empower all staff members in our automotive service and repair business so that they are allowed to grow and be enriched, find satisfaction and personal rewards in their own achievements.
5. **Satisfaction;** Satisfied clients and staff know that they are important and that our organization cares about them as individuals and that we can be trusted. We will strive to be fair in all areas of our business and give all honest heart felt consideration and advice.
6. **Personal Service;** We will service our clients as our friends & Family seeking to understand their situation and needs and striving to exceed their expectations in the delivery of services. Our desire is to serve others as we would expect to be treated under the same circumstances.

7. **Communication;** In the auto repair industry there are many circumstances where others have shaded the Truth or violated trust. We as a company are committed to speaking the truth, even if it has negative revenue consequences for us personally or as a company.

8. **Proper Repair;** No repair or service will be recommended to a customer unless both a Technician and a Service Consultant have seen the source of the concern and both parties agree that it is in the best interest of the customer to have the service or repair done.

SUGGESTION PROGRAM

As team members of Hillmuth Certified Automotive, you have the opportunity to contribute to our future success and growth by submitting suggestions for practical work-improvement or cost-savings ideas.

All regular team members are eligible to participate in the suggestion program.

A suggestion is an idea that will benefit Hillmuth Certified Automotive by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making Hillmuth Certified Automotive a better or safer place to work. Suggestions should demonstrate an effort toward a solution as well.

All suggestions must be submitted on a suggestion form and should contain a description of the problem or condition to be improved, a detailed explanation of the solution or improvement, and the reasons why it should be implemented. If you have questions or need advice about your idea, contact your supervisor for help.

Submit suggestions to management. After review, they will be forwarded to executive management. As soon as possible, you will be notified of the response.

Special recognition will be given to team members who submit a suggestion that is implemented.

EMPLOYMENT AT WILL

Employment with HCA is voluntary and is subject to termination by the employee or the employer at will, with or without cause and with or without notice, at any time. Nothing in these policies, handbook or forms shall be interpreted to be in conflict with or to eliminate or modify in any way the employment-at-will status of employees. This policy of employment-at-will may not be modified by any officer or employee of HCA, and shall not be modified in any publication or document. The only exception to this policy is a written employment agreement approved at the discretion of the President of HCA.

Except for the at-will employment policy, HCA reserves the right to interpret the provisions of this handbook as may be appropriate under the particular facts and circumstances and to revise, modify, rescind, delete or add to the provisions of this handbook in its sole and absolute discretion with or without notice.

While we generally follow the policies and procedures herein, the policies and handbook should not be construed to convey any actual, inferred or implied guarantee of any fixed terms, conditions, or duration of your employment with HCA. The employee handbook is not meant to create, nor should it be construed as creating, a contract of employment. All employment is at will and, as such, may be terminated by HCA or the employee at any time and with or without cause.

Please understand that no supervisor, manager, or other representative of HCA, other than the President or Vice President of HCA has the authority to enter into any agreement with you for employment for any specified period of time or to make any promises or commitments contrary to the foregoing. Further, no employment agreement is enforceable unless it is in writing and signed by both the respective employee and the President or Vice President of HCA.

EMPLOYEE STATUS AND CLASSIFICATION

INTRODUCTORY PERIOD

Hillmuth Certified Automotive has established an introductory period for all employees. The introductory period for all new or rehired employees is six (6) months from the date of hire. During the introductory period, performance reviews will be conducted.

An employee in the Introductory Period is not eligible for any paid time off or other benefits during this period.

EMPLOYMENT CLASSIFICATIONS

Regular Full-time Employee: A regular full-time employee is one who has successfully completed the six-month introductory period and works an average of 40 hours per week or more on a regularly scheduled basis. This employee is eligible for HCA paid fringe benefit program described later in this handbook.

Regular Part-time Employee: An employee who has successfully completed the six-month introductory period and is regularly scheduled to work an average of less than 40 hours per week is considered a regular part-time employee. An employee in this category is not entitled to any company fringe benefits other than those required by law.

Temporary Employee: A temporary employee is hired with the understanding that employment is limited to a specific period and that employment will be terminated at the end of that period. A temporary employee is not entitled to any company fringe benefits other than those required by law.

Introductory Employee: An Introductory employee is one who has not yet successfully completed the six-month introductory period.

Exempt Employees: Managerial, professional and certain administrative employees are exempt from the overtime and minimum wage provisions of the federal wage and hour law. Exempt employees are paid on a salary basis, rather than based on the number of hours they work. All exempt employees are expected to work a full week, generally consisting of 40 hours.

Non-exempt Employees: Non-exempt employees are paid based on the actual number of hours they work in each given work week. All work performed up to 40 hours in a single week will be paid at the employee's regular hourly rate. Any hours actually worked in

excess of 40 hours is paid at 1-1/2 times the regular rate of pay. See also the Overtime Policy.

I-9 IMMIGRATION LAW COMPLIANCE

Hillmuth Certified Automotive is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new team member, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former team members who are rehired must also complete the form if they have not completed an I-9 with Hillmuth Certified Automotive within the past three years, or if their previous I-9 is no longer retained or valid.

Team members may raise questions or complaints about immigration law compliance without fear of reprisal. Please refer to the Harassment/Discrimination – Reporting and Complaint Procedure section for the procedure for reporting complaints.

PERFORMANCE EVALUATION

Performance reviews will be based on your performance in relation to your job responsibilities. Performance reviews may take into account conduct, demeanor and record of attendance and punctuality or other applicable measures of job performance. Performance reviews are conducted yearly. Compensation reviews will be conducted annually.

Special performance evaluations may be conducted by management at any time to advise you of both positive and negative performance. In the case of negative performance or disciplinary problems, a corrective interview may be conducted.

TRAINING

All Employees are required to have at least 40 hours of training per year. Training costs are paid by the company. Employees must have their class/classes approved by their supervisor prior to enrolling. Once approved and enrolled, please notify the General Manager or Supervisor of your attendance. You and the General Manager/Supervisor must sign off for completing the class that you attended on your individual training log. After you have completed 40 hours total for the year, you and the manager or supervisor must sign the class report and it should be filed in your personal file. This will be used in references for future pay raises, as well as employee evaluation. You may take more than 40 hours of classes a year if so desired, but 40 hours is mandatory. If you are signed up to attend, you are expected to be present. If you do not attend, you will pay the tuition fee.

Hillmuth Certified Automotive has the sole discretion to determine whether a course relates to a team member's current job duties or a foreseeable future position.

JOB DESCRIPTIONS

Hillmuth Certified Automotive makes an effort to create and maintain accurate job descriptions for all positions within the organization. We maintain these job descriptions to aid in orienting new team members to their jobs, identifying the requirements of each position, establishing hiring criteria, setting standards for team member performance evaluations, and establishing a basis for making reasonable accommodations for individuals with disabilities.

Management prepares job descriptions when new positions are created. Existing job descriptions are also reviewed and revised to reflect changes in the position's duties and responsibilities. All team members will be expected to help ensure that their job descriptions are accurate and current, reflecting the work being done by providing proposed revisions in writing to Management.

Team members should remember that job descriptions do not necessarily cover every task or duty that might be assigned, and that additional responsibilities may be assigned as necessary. Advise Management, if you have any questions, concerns, or revisions to your job description and provide proposed changes in writing.

WORK HOURS, SCHEDULES AND PAYDAYS

The company will be open from 7:30 a.m. to 6:00 p.m. Monday through Friday and from 8:00 a.m. to 5:00 p.m. on Saturday. The regular workweek for full-time employees will vary based on the needs of Hillmuth Certified Automotive and customers, and the requirements of the position.

The workweek begins on Monday and ends on Saturday. Pay periods are every two weeks and paychecks are given out on the Thursday following the end of the pay period. In the event payday is on a scheduled holiday, checks will be given the first working day either before or after the holiday.

Management will establish and distribute the work schedules for each employee. This schedule will remain subject to change at any time.

It is our policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA). Therefore, we prohibit all company managers from making any improper deductions from the salaries of exempt employees. We want employees to be aware of this policy and that the company does not allow deductions that violate the FLSA.

RECORDING HOURS WORKED

Non-exempt and exempt (All) employees must maintain a complete, accurate and current record of the time worked. Time clocks must be used to punch in and out daily as well as for lunch. If you take lunch and fail to punch in, and/or out for lunch, time will be adjusted for a one-half hour lunch break. Time cards must be punched any time you are away from the workplace for personal reasons. The time card will be submitted to your supervisor for review and approval.

OVERTIME COMPENSATION

Non-exempt (hourly) employees will be paid for overtime hours worked in accordance with applicable federal and state employment laws. All overtime must be approved by your supervisor prior to working overtime. All approved overtime hours worked must be recorded on your time card. Payment for overtime will ordinarily be included in the paycheck for the period in which it was earned.

Advance notice to work overtime will be given whenever possible. Employees should be aware that emergencies occasionally arise that do not permit advance notification.

Some employees may, from time to time, be designated on an on-call status. You are to maintain current telephone numbers with your supervisor so you can be notified of emergency situations. Hourly paid employees will be compensated for all hours worked in an emergency.

SALARY CONFIDENTIALITY

Salary information of employees is strictly confidential. Discussion of individual compensation is prohibited with persons both within and outside the Company. Violation of this policy is grounds for disciplinary action and or separation. Questions regarding the salary administration program or an employee's individual salary should be directed to management.

ABSENCES AND TIME OFF

ATTENDANCE AND PUNCTUALITY

An employee's attendance for work as scheduled is vital to our overall commitment to serving our customers and operating efficiency. If employees are absent or late, it places a greater load on everyone else. In some cases, it could cause a loss of business that all of our jobs depend upon. As such, unexplained and unexcused absences and tardiness may not be tolerated. HCA expects all employees to assume diligent responsibility for their attendance and promptness.

- Any time that an employee will be late or absent from work, it is the employee's sole responsibility to personally notify his/her manager as soon as reasonably possible. 'Reasonably possible' is considered to be as soon as the need for absence is known, and no later than 30 minutes before the start of the scheduled shift that will be missed, except in emergency situations. *FAILURE TO PROPERLY REPORT OFF WORK MAY RESULT IN THE ABSENCE/TARDY BEING CONSIDERED AN UNEXCUSED ABSENCE.* If an employee arrives at work late for the scheduled shift or wishes to leave before the end of the shift, the employee must check in with his/her manager before starting work or leaving.
- If an employee wishes to take time off for personal reasons, he/she must submit the request for that time to their manager at least two weeks in advance, or as soon as the need for the absence is known. Failure to properly comply with this requirement may result in the absence being considered unexcused.
- Unexpected absences or tardiness, such as those that result from sickness or other emergency, should be reported to the employee's manager prior to the start of the shift on each day of absence/tardy or as soon as reasonably possible. Only if the employee has been granted an authorized leave for the time off for a specified period in advance, would other notification procedures under applicable HCA leave policy apply.
- For any absence to be considered excused the employee may be required to provide documentation so that HCA can verify the need for the absence. For example, an absence for any medical treatment or illness would require documentation from the treating medical facility. A verifiable original of the doctor's excuse from work would be acceptable, whereas a photocopy or facsimile would not be acceptable.
- Any employee absent for personal illness will be required to submit a doctor's excuse explaining the absence and authorizing the employee to return to work after three days of absence due to illness. When significant safety concerns exist, this documentation may be required before the employee will be allowed to return to work.
- If an employee's frequency of absences/tardiness is considered excessive by HCA, unless the reasons for the absences/tardiness are excused under a separate leave policy, the employee may be requested to resign because of the employee's failure to fulfill the essential duties required by the position.
- Employees who miss work may be required to use any accrued paid time off (PTO) in order to cover wages for the time missed, as allowed by law and specified under HCA policy.
- If an employee continues to have unexcused tardiness/absenteeism, the employee may be subject to disciplinary action up to and including termination. If

an employee's continued absence due to illness becomes an issue, HCA reserves the right to ask for a doctor's note at any given moment.

- If any employee is absent for three (3) consecutive scheduled workdays without notice to his/her manager, and without good cause for the absence or lack of notice, the employee will be considered to have resigned his/her position by abandoning their job.

Any violations of the above policy and procedure may lead to disciplinary action up to and including termination of employment.

PAID TIME OFF

Paid time off provides employees with an opportunity for rest, relaxation, personal activities or for use as sick time. HCA will grant PTO time in the amounts and schedule noted below to active employees who are full time. PTO amounts are granted starting at hire based on the time periods listed (see below), but PTO time granted is not available for use until the completion of six (6) months of employment. PTO will continue to be granted while an employee is on USERRA applicable Military leave. PTO amounts for eligible full time employees:

Length of Employment	Vacation Amounts Granted
For those employees hired <i>prior to</i> December 31, 2007, Vacation schedule below	Bi-weekly payroll (Max carryover 56 hours annually)
After completion of 1 yr of employment (12 mths)	40 hrs Vacation
After completion of 5 yrs of employment (60 mths)	80 hrs Vacation
After completion of 10 yrs of employment (120 mths)	120 hrs Vacation
After completion of 15 yrs of employment (180 mths)	160 hrs Vacation Plus sick earned.
Length of Employment	PTO Amounts Granted
For those employees hired <i>after</i> January 1, 2008,	Bi-weekly payroll (Max carryover 56 hours annually)
After completion of 1 yr of employment (12 mths)	64 hrs PTO (2.46 hours earned per pay period)
After completion of 3 yrs of employment (36 mths)	104 hrs PTO (4.00 hours earned per pay period)
After completion of 15 yrs of employment (180 mths)	144 hrs PTO (5.54 hours earned per pay period)

Note: The Paid Time Off Policy was amended January 1, 2008. For all employees hired on or after January 1, 2008, the maximum amount of PTO that can be earned is 144 hours of PTO.

PTO USAGE PROCEDURE

Requests for use of PTO must be submitted by the employee to their manager at least two weeks prior to date of desired use. PTO usage dates will be scheduled at a time mutually agreeable to the employee and their manager. Subject to the discretion of their manager, an employee will be given preference in the scheduling of PTO in the order of length of employment. Consideration will be given to honor an employee's request for PTO scheduling, however, workload may not permit more than one employee on PTO at one time and time off may be postponed or scheduled accordingly by the manager. PTO cannot be taken in consecutive weeks unless approved by the employee's manager. When PTO is to be applied for absences related to illness, HCA reserves the right to request documentation to verify the need to miss work (see attendance policy for specific requirements). PTO hours used are not considered hours worked for overtime purposes as defined under the FLSA. If a salaried or exempt employee misses work for personal reasons or illness, and has PTO available, the PTO may be applied to the time missed in lieu of regular wages as allowed by law. This may also apply for hourly and/or other non-exempt employees.

Once PTO has been exhausted additional time off will be unpaid unless covered by alternate paid time off policy or required otherwise by applicable law. If employees use more PTO than had been granted at the time of separation of employment, the overpaid amount will be deducted from the employee's final paycheck as allowed by law. The maximum PTO carried over on your anniversary date is 24 hours.

Jury Duty: Serving on a jury or testifying as a witness, when called, is a civic duty. It is your responsibility to notify your supervisor as soon as a formal notice regarding jury duty is received. Time spent on jury duty will be excused time. HCA will pay the difference between jury duty pay and regular pay for a maximum of three days. Any additional time required will be without pay.

You must notify your supervisor upon receiving a subpoena. Appearances in court under subpoenas and/or out of civic responsibility (such as an eyewitness) will normally be considered excused time without pay. Time for appearance in court for personal business will be the individual employee's responsibility.

An employee called as a witness on behalf of HCA who needs legal advice will be provided access to an attorney at no cost.

Bereavement Leave: Paid time off up to three days will be granted to an employee upon the death of an immediate family member. An employee needing to take time off due to the death of a family member should notify his or her supervisor immediately. Immediate

family includes spouse, parent, spouse's parent, child, stepchild, sibling, grandparent or of anyone who lives regularly in his or her household. Employees shall be allowed one day off with pay upon the death of a brother-in-law, sister-in-law, son-in-law, daughter-in-law, grandchild, or spouse's grandparent. In the event of unusual travel or personal problems in connection with the use of bereavement leave, additional PTO may be granted by the appropriate management.

MARYLAND EARNED SICK AND SAFE LEAVE

Leave Usage

An employee is allowed to use earned sick and safe leave under the following conditions:

- To care for or treat the employee's mental or physical illness, injury, or condition;
- To obtain preventative medical care for the employee or the employee's family member;
- To care for a family member with a mental or physical illness, injury, or condition;
- For maternity or paternity leave; or
- The absence from work is necessary due to domestic violence, sexual assault, or stalking committed against the employee or the employee's family member and the leave is being used: (1) to obtain medical or mental health attention; (2) to obtain services from a victim services organization; (3) for legal services or proceedings; or (4) because the employee has temporarily relocated as a result of the domestic violence, sexual assault, or stalking.

A family member includes a spouse, child, parent, grandparent, grandchild, or sibling. Employees are permitted to use earned sick and safe leave in increments in certain amounts established by their employer. Employees are required to give notice of the need to use earned sick and safe leave when it is foreseeable. An employer may deny leave in certain circumstances.

HOLIDAYS

Full time employees who have completed their Introductory Period (six months) of employment are given time off with pay each year for holidays as established by management. Employees are required to work all regularly scheduled hours the workday preceding and the workday following the holiday to receive holiday pay. An approved PTO day is considered a day worked for purposes of holiday pay eligibility. Unexcused absences taken the day before or after a holiday will result in the loss of pay for the holiday.

Full time employees who have completed the six (6) months introductory period are given time off with pay for the following holidays:

- New Year's Day
- Labor Day

- Memorial Day
- Thanksgiving Day
- Independence day
- Christmas Day

Holidays falling on Saturday or Sunday are normally observed on the preceding Friday or the following Monday.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of Hillmuth Certified Automotive to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, sex, national origin, religion, age, pregnancy, perceived or actual physical or mental impairment, military service connection, genetic information, family or care-giving responsibilities or any other legally protected class. This policy applies to all aspects of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation, benefits and training. Hillmuth Certified Automotive provides reasonable accommodation to the known disabilities of applicants and employees when requested by the applicant or employee. We accommodate the religious beliefs and practices of our employees provided such accommodations do not cause undue hardship.

PROHIBITED HARASSMENT/DISCRIMINATION

Hillmuth Certified Automotive, in accordance with applicable federal and state laws, prohibits protected class discrimination/harassment in the workplace and is committed to prevent any employee from being subjected to such behavior. It is a violation of Company policy, as well as of applicable laws, for any employee in any aspects of employment to harass/discriminate in word or action against a fellow employee or applicant on the basis of the following:

- Race-This includes physical characteristics (e.g. color/ethnicity), language, and/or actual or perceived country of origin/nationality;
- Sex (See details and explanation in following policy);
- Gender;
- Religion;
- Age-40 years or older;
- Pregnancy-This includes childbirth, or related medical conditions as with other short term disabilities;
- Disability-perceived or actual physical or mental impairment/disability;
- Military service connection;
- Genetic information of the employee or any of his/her family members; or
- Any other legally protected basis.

This policy prohibits the use of epithets and stereotypes, slang words or names, or any other language or action against which by their nature or effect degrade or insult a person, or any group of persons, on the basis of the above described groups.

If any employee feels that he/she has witnessed or been subjected to any type of harassment or discrimination, that employee is to report the complaint or incident immediately to the Company.

SEXUAL HARASSMENT

HCA does not tolerate illegal workplace sexual harassment/discrimination. Such conduct violates an individual's fundamental rights and personal dignity and undermines HCA's commitment to the ensuring freedom from such behavior in all aspects of employment. HCA considers sexual harassment/discrimination in all its forms to be a serious offense.

Sexual harassment is unwanted sexual attention of a persistent or offensive nature from another person. This is defined under policy and applicable laws to include sexually oriented conduct that is sufficiently pervasive or severe to unreasonably interfere with an employee's job performance or create an intimidating, hostile, or offensive working environment, as well as sexual harassment by tangible employment action (a.k.a. quid pro quo) where an employee is pressured to comply with a sexually oriented request as a basis for employment decisions.

Sexual harassment can be physical and/or psychological in nature. An accumulation of multiple minor incidents can constitute sexual harassment even if one of the incidents considered on its own would not be harassing. Employees are prohibited from harassing other employees whether or not the incidents of harassment occur on company premises and whether or not the incidents occur during working hours.

Sexual harassment can involve males or females being harassed by members of either sex. ALL employees are governed by HCA's policy against sexual harassment regardless of whether a supervisor/subordinate relationship exists between the harasser and the harassed. Any person in the workplace is prohibited from engaging in prohibited harassment including third parties (non-employees) present in the workplace, such as customers or suppliers who interact with employees.

Our policy is not intended to discourage innocent activities, such as compliments on personal appearance that may contribute to healthy working relationships, good morale, and company unity. At the same time, certain conduct and comments of a sexual nature that may not amount to unlawful sexual harassment are inappropriate in the workplace. We expect our employees to use good judgment at all times and avoid even the appearance of sexual impropriety in all of their relationships with other employees.

Examples of sexual harassment can include the following behaviors:

- promising or denying, directly or indirectly, an employee a reward or employment opportunity or penalty, based on an employee's response to a sexually oriented request;
- threatening, directly or indirectly, to retaliate against an employee, if the employee refuses to comply with a sexually oriented request;
- engaging in sexually suggestive physical contact, gestures or touching;
- displaying/communicating sexually themed jokes, taunts, drawings/writings, cartoons, posters;
- displaying/using sexual or other gender related epithets, slurs, slang terms or profanity;
- displaying, storing, or transmitting pornographic or sexually oriented materials using company equipment or in the workplace;
- comments or references to parts of a person's anatomy;
- engaging in indecent exposure, or displaying images of nude or scantily clad persons; or
- making sexual or romantic advances toward an employee and/or persisting despite the employee's rejection of the advances.

PLEASE NOTE: This list is not intended as nor should it be considered to include all behaviors that may be considered sexual harassment.

HARASSMENT/DISCRIMINATION - Reporting & Complaint Procedure

1. If ANY person experiences any job-related harassment, has a related complaint, or believes they have been treated in an illegal harassing/discriminatory/retaliatory manner, that person is required to report the matter to a member of Hillmuth Certified Automotive management. Persons wishing to report a complaint are encouraged (but not required) to do so via a written statement of events/concerns in order to facilitate a thorough investigation. All concerns reported in good faith will be taken seriously.
2. Upon receipt of the complaint to management, Hillmuth Certified Automotive will undertake an investigation to determine whether illegal harassment/discrimination/retaliation has occurred.
3. Reasonable efforts will be made to keep the investigation of the complaint confidential to the fullest extent possible except as necessary to investigate the incident. As such, the employee reporting the concern, and all those involved in providing information for the investigation are instructed to not discuss the investigation with other co-workers. Such discussions may hamper the investigation, cause further disruptions in the workplace and inadvertently tamper with evidence/testimony important to the investigation. Violation of confidentiality in bad faith may result in disciplinary action.

4. Should Hillmuth Certified Automotive determine through the investigation that an individual is guilty of violating Company policies regarding harassment/discrimination/retaliation and/or applicable laws, penalty appropriate to the offense will be taken towards the harasser by Hillmuth Certified Automotive. Penalties potentially include training/counseling, monitoring, job change, monetary penalty, and disciplinary action, up to and including discharge or equivalent penalty for non-employees.
5. If through the investigation, Hillmuth Certified Automotive finds that a complaint is not bona fide, or was made in bad faith/malicious intent, or that an employee or witnesses have provided false information about the complaint, disciplinary action may be taken against those individuals accordingly.

Hillmuth Certified Automotive expressly prohibits any form of retaliatory action against any employee for filing a bona fide complaint under this policy or for assisting in or providing information related to a complaint investigation. Managers in receipt of any complaint of possible harassment/discrimination/retaliation are required to initiate an investigation of the incident as described in the above procedure. Failure to do so may result in disciplinary action or personal liability towards the manager.

BACKGROUND POLICY

All offers of employment at Hillmuth Certified Automotive are contingent upon clear results of a thorough background check. Background checks will be conducted on **all** newly hired staff members and on all employees who are promoted, as deemed necessary.

Background checks will include:

- **Social Security** validates the applicant's social security number, date of birth and former addresses.
- **Prior Employment Verification** confirms applicant's employment with the provided companies, including dates of employment, position held and additional information available pertaining to salary/wages, performance rating, reason for departure and eligibility for rehire. This will be run on past two employers or five years, whichever comes first.
- **Multi-County Criminal** will be run on counties that applicants have listed on the release form. This will include counties of past residence for a period of up to five years.
- **Federal Criminal History** checks district courts for any crimes committed in violation of federal law in district of current residence.
- **Personal and Professional References:** Calls will be placed to individuals listed as references by an applicant.
- **Educational Verification** confirms the applicant's claimed educational institution, including the years attended and the degree/diploma received.

The following additional searches will be required if applicable to the position:

- **Motor Vehicle** provides a report on an individual's driving history in the state requested. This search will be run when driving is an essential requirement of the position.
- **Credit History** confirms candidate's credit history. This search will be run for positions that involve management of Hillmuth Certified Automotive funds and/or handling of cash.

Procedure:

After a verbal employment or promotion offer is made, the chosen candidate must complete the Pre-Employment Certification/Release form and return it to the Human Resources Department. Human Resources will notify the hiring manager upon receipt of the signed release. The chosen candidate is not to begin work prior to the hiring manager receiving approval from Human Resources.

Human Resources will order the background check upon receipt of the signed release form, and an employment screening service will conduct the check. A designated Human Resources representative will review all results.

The Human Resources representative will notify the hiring manager regarding the results of the check. In instances where negative or incomplete information is obtained, the appropriate management and the Director of Human Resources will assess the potential risks and liabilities related to the job's requirements and determine whether the individual should be hired. If a decision not to hire or promote a candidate is made based on the results of a background check, there may be certain additional Fair Credit Reporting Act (FCRA) requirements. The Human Resources representative will be responsible for handling such FCRA requirements as necessary. HCA will follow all applicable FCRA requirements throughout the background check process. Any questions regarding FCRA must be directed to the Director of Human Resources.

Background check information will be maintained in a file separate from employees' personnel files.

HCA reserves the right to modify this policy at any time without notice.

DRUG AND ALCOHOL ABUSE

For your safety and protection, Hillmuth Certified Automotive is a Drug and Alcohol Free Workplace. We will comply with applicable Drug Free Workplace Guidelines and DOT guidelines. HCA reserves the right to conduct pre-employment, random, post- accident, periodic and fitness for duty drug/alcohol testing with or without notice.

It is the policy of HCA not to hire, rehire, or retain any individual who tests positive for illegal drug or alcohol in his or her system, or who uses illegal drugs or a controlled drug, in any amount, regardless of frequency, without a medically acceptable prescription. Therefore, all applicants and employees may be required to undergo a drug/alcohol screening test as a condition of employment or continued employment by the company to determine or rule out the presence of non-prescribed or prohibited dangerous, controlled substances or alcohol in the body and may be in the form of routine testing or a result of critical events (i.e. work related accident, unusual behavior, and the like).

The proper use of medication prescribed by a physician is not prohibited; however, HCA does prohibit the misuse of prescribed or over the counter medications or use of prescription drugs when not under a valid prescription. For positions where safety concerns exist, HCA requires employees using medications at the direction of a physician to notify their manager prior to beginning any work where these medications may potentially create a safety hazard to the employee or others. In such cases, the employee should contact their supervisor for a copy of their current job description so their prescribing physician can properly assess any significant safety risks. Alternatively, HCA may verify the effects of any substance with HCA's Executive Committee prior to the employee beginning or returning to work.

- The use, sale, transfer, or possession of alcohol, drugs, controlled substances, drug paraphernalia, or any combination thereof, on any company premises or worksites (including company vehicles and any private vehicles parked on company premises or worksites) is grounds for discharge for the first offense.
- Entry upon HCA premises/worksites or being at work with drug paraphernalia or under the influence of alcohol, drugs, or unauthorized controlled substances, or any combination thereof is grounds for discharge for the first offense. "Under the influence" is defined as having any detectable level, in excess of testing limit minimums, of alcohol, drugs, or controlled substances, or any combination thereof, in the blood, being unable to perform work in a safe and productive manner, being in a physical or mental condition which creates a risk to the safety and/or well-being of the individual, other employees, the public, or company property. HCA may require reasonable suspicion testing under State Drug Free Workplace laws and guidelines.
- Any person with a non-definitive test result may be required to undergo immediate repeat testing. If the 2nd test results are non-definitive without legitimate cause, it will be considered a positive test result.
- An employee's refusal to submit to a lawful security check (e.g., a search or inspection of their personal property located on company premises, worksites or facilities, including, but not limited to, company parking lots), or refusal to submit

to Drug or Alcohol testing or knowingly altering sample or attempting to falsify results of testing (e.g., urine sample, hair sample, saliva sample, blood sample, physical examination, sobriety examination) is grounds for a discharge for the first offense.

- As a condition of employment, employees must abide by the terms of HCA's policy and must notify HCA in writing of any convictions of a violation of a criminal drug statute no later than five calendar days after such conviction.
- Employees are required to promptly report all injury or damage related accidents involving company property or personnel or during company-related activities and may be required to submit to alcohol screening within two (2) hours and to drug screening within twenty-four (24) hours of a reportable accident. Delay in reporting of an accident will not remove this requirement.
- Employees who return to work following a suspension or rehabilitation may be required to undergo return to duty and periodic random follow up testing in addition to the general HCA testing requirements.

Employees may be required to undergo a blood test, urinalysis, or other diagnostic test approved under Maryland law under any of the following circumstances:

- After the occurrence of any work-related accident while on or off company property during the course of work.
- When a supervisor has reason to believe that an employee has reported to work or is working, while on or off company property, under the influence of intoxicants, alcohol, drugs or narcotics.
- Employees in job classifications which have a direct impact on safety may be tested for drugs and alcohol on a random basis.
- As part of a routine testing program used exclusively when participation in an alcohol and drug rehabilitation program is required as a condition for continued employment.
- An employee who refuses to submit to a drug or alcohol screen immediately upon being instructed to do so will be considered as refusing to comply and will no longer be considered for employment or may be subject to dismissal.
- Any drug and alcohol screen requested by HCA will be paid for by HCA. If the employee wishes a second test performed on the sample, such secondary test will be paid for by the job applicant or employee in accordance with Maryland law.
- Any employee convicted of a controlled substance-related violation (including a plea of nolo contendere) must inform HCA within five (5) days of such conviction or plea. Failure to disclose this information may be grounds for discharge.

SAFETY AND HEALTH

HCA is committed to providing the highest level of safety and security for all employees and will comply with all applicable federal, state and local safety and health regulations. All employees must adhere to safe work practices and all applicable (OSHA) regulations. All employees are to practice proper safety procedures and use required safety equipment. Employees must wear proper uniforms and protective equipment i.e. eye protection, safety shoes, ear plugs, etc. All employees must complete the Safety Data Sheets (S.D.S.) chemical data and procedures training. S.D.S. sheets are available at all times. You are responsible to know where these sheets are maintained. Your supervisor or manager can show you where these records are kept. HCA requires all employees to attend all monthly and annual safety meetings.

It is your responsibility to report any safety hazard to your manager immediately. Tripping hazards, potential fire hazards, exposed jagged edges, wet floors -- anything an employee perceives as a hazard -- should be reported immediately. In the event of an employee injury/illness or close call, the manager should be notified immediately. HCA will not tolerate or engage in adverse action towards an employee because he/she reports a safety concern in good faith.

Any violation of any safety rules, or unsafe use, vandalism, misuse, unauthorized use of any property or equipment on Company premises or worksites which results in personal or property damage, may result in disciplinary action up to and including discharge for the first offense pending investigation and determination by management. Hillmuth Certified Automotive will not discriminate or retaliate against employees who report safety hazards and violations.

SAFETY CONCERNS

Each month we request that you notify of any safety problems, and or equipment maintenance repairs. You must fill out a form that is posted on the wall in the lunch room. At the end of the month it is to be collected by the GM/Foreman. The GM/Foreman should mark what action was taken to correct the system, and verify for completion. The GM/Foreman can mandate a tech to help in this situation, or GSP to repair /fix the problem.

WORKMEN'S COMPENSATION NOTIFICATION PROCEDURE

As an employee of this organization you are entitled to receive benefits in case of any accident/injury while on the job here at Hillmuth Certified Automotive. In order to receive full compensation you must know and do the following: All Injuries must have been received while on the job. You must report an injury immediately to your employer. Any delay may affect the process. You must tell your doctor that you were injured on the job.

You must fill out an “Employee Claim,” Form C-1. The form must be mailed into the Workers Compensation Commission. Your employer should have this form or you may get one free of charge from the organization. Income replacement is granted after missing more than 3 days of work. If you miss more than 14 days, you will also be paid for the first three days, provided your employer did not pay you for any of those days. No deductions are taken out of the employee’s paycheck to cover expenses. Temporary Total Disability Payments are available and you may receive up to 2/3 of your average weekly wage. You can receive this as long you are unable to work, or until you are cleared medically.

EQUIPMENT CHECK LIST

Employees are expected to check and maintain the equipment they are assigned to. The equipment needs to be cleaned and reported to the General Manager if there are any repairs needed. This must be done by the 7th day of every month.

EQUIPMENT CARE AND USE

Hillmuth Certified Automotive assumes the responsibility for normal wear and tear for all Company-owned equipment. Your responsibility includes the cost to repair or replace equipment that is damaged due to your misuse or mishandling in accordance with federal and state wage and hour laws. Company-owned equipment may be used only to perform work for Hillmuth Certified Automotive. Any other use of Company-owned equipment is not authorized. Loaning company tools and equipment is not permitted.

Hillmuth Certified Automotive furnishes all equipment needed for you to properly perform assigned tasks. You are to notify Company officials of any defects immediately to ensure prompt arrangements are made to have the defects quickly corrected. Hillmuth Certified Automotive is responsible for correcting defects unless that defect was a result of your abuse or neglect. The employee shall not alter or modify equipment without the written approval of Company officials.

Cleanup is the responsibility of all employees. All areas are to be kept clean and free from spills, trash or obstructions. Should a spill occur, the employee must report the spill immediately to their Manager and then return to the spill immediately and clean it up. Each employee will see to it that tools, equipment and work areas are clean and all equipment is returned to designated areas before leaving work.

USE OF WORK AREAS

After every use inspect the plates and floor for any fluid spills or dirt. If there is any dirt or fluid on the lift or the floor it must be cleaned upon completion of the job. The Alignment rack should be for wait oil changes if necessary, or alignments, and Mounting and Balancing Tires. No other jobs should be done on this lift unless there are no other lifts available to be used. Each bay must be cleaned and organized each day. Benches must be cleaned off, floors swept, air hoses off the floor, and all non-essential, non-work related items must be removed so not to cause disruption of daily work flow. No personal items are permitted to be left in the bays unless permission has been granted from the General Manager. This ensures the fact of a clean and organized facility. The Customers base

their opinion on our cleanliness, and our appearance. Every Friday your entire area must be cleaned. What is expected is: The Lifts wiped down, Benches cleaned off from oil residue, dirt, etc., floors swept behind, and under benches, as well as the bay area, floors mopped, dispose of any personal items, and everything off the floor including hoses, tools that should be placed in your tool box and locked for the evening. All trashcans must be emptied. A required full area clean is also expected the day before any *vacation*. When using another technician's bay you are expected to clean up any mess left on the floor, lifts, benches, tools or tool box, and oil drains.

VISITORS IN THE WORKPLACE

To provide for the safety and security of employees and the facilities, only visitors authorized by Management are allowed in the non-public areas of the workplace. Restricting unauthorized visitors, to public areas only, helps to maintain safety standards, protect against theft, protect confidential information and safeguard employee welfare.

For safety and security reasons and to minimize disturbances, family and friends of employees are discouraged from visiting our worksite for social purposes. An employee who spends excessive time interacting with personal visitors in the worksite while on duty may be subject to disciplinary action if these interactions seem to interfere with the employee's productivity or attentiveness to our other customers.

If you are being visited or approached by an unwelcome individual on our premises, Management must be notified.

WORKPLACE VIOLENCE PREVENTION POLICY

Hillmuth Certified Automotive is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including managers and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Violent or threatening behavior can include, but is not limited to, physical acts, oral or written statements, harassing telephone calls, gestures and expressions or behaviors such as stalking, violent horseplay or "joking around."

The Company does not tolerate behavior, whether direct or through the use of Company facilities, property or resources that:

- Is violent;
- Threatens violence;
- Harasses or intimidates others;

- Interferes with an individual's legal rights of movement or expression; or,
- Disrupts the workplace, our collegial environment or the Company's ability to provide service to the public.

Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of the Company without proper authorization or specific exceptions under local laws.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate manager or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, the employee should be as specific and detailed as possible.

Hillmuth Certified Automotive will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the Company individual making a report will be protected except as necessary to conduct the investigation. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay as allowed by law, pending investigation. Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

All suspicious individuals or activities should also be reported as soon as possible to a manager. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening. If you observe suspicious persons anywhere in the worksites, or in parking areas, please notify management or the police immediately as appropriate to the situation.

The Company encourages employees to bring their disputes or differences with other employees to the attention of a member of management before the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes, and will not discipline employees for raising such concerns in good faith.

COPING WITH THREATENING OR VIOLENT INDIVIDUALS

Effective handling of threatening or violent individuals requires you to use good judgment and common sense and rely on your own assessment of the particular situation. Nevertheless, you might be able to resolve or cope with many types of threatening or violent situations by following the guidelines below.

When confronted with an angry or hostile individual:

1. Stay calm.
2. Listen attentively.
3. Maintain eye contact.
4. Be courteous and patient, but try to keep the situation under control by expressing a willingness to sit and calmly discuss the matter with the individual.

When confronted with a person shouting, swearing, threatening violence, or engaging in bizarre or dangerous behavior:

1. Stay calm.
2. Be courteous and patient, but maintain your distance from the individual.
3. Signal a co-worker or manager that you need help. Do not call for help yourself if the individual is directly confronting you.
4. Have the co-worker or manager call the security guard or the local police.

When confronted by someone with a gun, knife, or other weapon:

1. Stay calm.
2. Never try to grab the weapon.
3. Quietly signal a co-worker or manager that you need help. Do not call for help yourself if the individual is directly confronting you.
4. Have the co-worker or manager call the security guard or local police.
5. Be courteous and patient. Keep talking, but follow the instructions from the person who has the weapon. Stall for time, but do not risk harm to yourself or others.
6. Watch for a safe chance to escape to a safe area. Take direction from the police or Security personnel once they arrive on the scene.

Threats, threatening conduct, or any other acts of aggression or violence in the workplace will not be tolerated. Any employee determined to have committed such acts will be subject to disciplinary action, up to and including termination. Non-employees engaged in violent acts on the Company's premises will be reported to the proper authorities.

SMOKING

In keeping with HCA's intent to provide a safe and healthful work environment, smoking is prohibited throughout the workplace. This policy applies equally to all employees, customers, and visitors. Should there be a need to smoke, it must be done 20 feet away from the building at the designated smoking area. Smoke and shift breaks are limited to 15 minutes a day and is not to affect work responsibilities.

IMAGE OF HILLMUTH CERTIFIED AUTOMOTIVE

Company vehicles marked with the name of Hillmuth Certified Automotive are truly moving billboards and represent Hillmuth Certified Automotive on the road, and will be operated in a proper and courteous manner.

COMPANY VEHICLE CARE AND USE

Company vehicles should be kept clean and in good working order and are to be used only for Company business. Hillmuth Certified Automotive assumes the responsibility for normal wear and tear for Company vehicles. You are responsible to repair or replace all vehicle components that are damaged due to your misuse or mishandling. Company vehicles will not be used for personal business without prior permission from the manager. No one other than HCA employees or customers are allowed in Company vehicles. Employees should refrain from smoking in Customers cars as well as the Company vehicle. Cell phones may not be used while driving a Customer's car. If you are driving a Company vehicle, you are not allowed to use a cell phone unless you are conducting business through a "Hands Free" device.

MAINTENANCE

Vehicles should be inspected before each use and defects brought to the attention of the manager responsible for vehicle maintenance.

TRAFFIC SAFETY AND VIOLATIONS

Users must drive safely and obey all laws and regulations. All traffic violations (both moving and parking) that occur in Hillmuth Certified Automotive vehicle must be reported promptly.

It is your responsibility to promptly pay all fines, subject to HCA review.

CUSTOMER RELATIONS

The Hillmuth Certified Automotive business environment is customer service based. The cornerstone for the success of Hillmuth Certified Automotive is a positive image, quality service and communications with the customer. This must be the focus of all employees. The attitude and professional appearance of all employees is very important to the image and success of Hillmuth Certified Automotive. Customers make decisions in selecting a Company based, on quality service, and in part, on the professional appearance and attitude of employees.

DRESS CODE

All service personnel should be in seasonal attire provided to them. Shirts must be tucked in, and belts must be worn. No hats are to be worn unless it contains the Hillmuth logo and approved by leadership. No jeans, or Jean shorts. Tennis shoes are permitted if required by medical reasons. Work Shorts that have no logos or symbols are permitted and if they do not hang pass the knee and during the hot season from June - September. You must look professional and dress professional. Personal Hygiene is a must, hair no longer than shoulder length, beards or mustaches neatly trimmed and no longer than 2 inches. While on duty at work, all employees must cover their tattoos and ear piercings must be removed or covered up. You are representing the culture of our business. How you dress sends a direct message to our customers, and how they will perceive our business.

Office employees are required to dress in the provided uniform and to behave in a professional, business-like manner at all times. Service employees are required to wear Company uniforms that are provided for them. These employees must start each day with a clean uniform and a well-groomed appearance. An additional clean uniform should be kept on hand in case the uniform should become too dirty. The proper behavior and demeanor of service employees while wearing the uniform are essential to the efficient and continued successful operation of Hillmuth Certified Automotive. Employees are responsible for half the cost of their uniforms. This will be deducted from their paycheck in accordance with federal and state wage and hour laws. While working at Company locations, and while representing Hillmuth Certified Automotive, exceptional personal hygiene is also essential to excellent customer relations and the overall success of Hillmuth Certified Automotive.

RECYCLING

The Company supports environmental awareness by encouraging recycling and waste management in its business practices and operating procedures. This support includes a commitment to the purchase, use, and disposal of products and materials in a manner that will best utilize natural resources and minimize any negative impact on the earth's environment. Employees are encouraged to make a commitment to recycle and be a part of this solution. For details on recycling, see your Manager.

The Company encourages reducing and, when possible, eliminating the use of disposable products. Source reduction decreases the consumption of valuable resources through such workplace practices as:

- communication through computer networks with e-mail
- posting memos for all employees
- two-sided photocopying
- minimum packaging

- reusing paper clips, folders, binders, and packaging material

LOYALTY

You shall not engage directly or indirectly in any outside relationship or activity that would present a conflict of interest, defer or would adversely affect your primary responsibilities, interests, duties, or loyalty in furthering Hillmuth Certified Automotives' mission and image. If you have any questions about activities, business or personal interests that might violate this policy ask your supervisor or GM. For additional information, please refer to the Moonlighting section of this handbook.

EMPLOYEE CONDUCT AND WORK RULES

HCA employees must conduct themselves in a manner that demonstrates their high moral character, both on and off the job. You are expected to maintain high standards of workmanship, honesty and professionalism at all times.

OPERATIONAL RULES

Violation of any of the following rules of conduct may result in corrective action, ranging from a warning to immediate dismissal.

1. Employees can accept checks from approved customers. All other checks must be processed through the check acceptance procedure. If this procedure is not followed the employee may be required to reimburse the company for bad checks.
2. Employees must have pre authorization to work before/after hours and a minimum of 2 employees must be present. No one is to be alone in the bays before/after hours.
3. Work performed on your own vehicle must be approved in advance by a management and must be done on your own time. Working on your own vehicle while on the clock is prohibited unless pre-approved by management.
4. All vehicles in the shop must have a written service order. Any and all types of service or repair must be shown on the service order.
5. Any purchase must be authorized by management and have a Purchase Order attached. It is the duty of all personnel to help reduce and keep operating costs to a minimum.

6. No one, other than employees on duty, is to be in or around the garage unless they are having work done.
7. Cleanup is the responsibility of all employees. You must clean up all areas of the shop and equipment and return tools, inventory and equipment to their proper place.
8. The thermostat will be maintained to conserve energy year round.
9. Technicians are to road test all vehicles before and after work is performed. All company procedures on repairs and service are to be followed at all times.
10. Employee purchases must be paid for prior to leaving the store. After 90 days of employment an employee will be extended credit until payday.

The policy guidelines for employee conduct shown below covers some and not all of the areas of unacceptable employee conduct. Hillmuth Certified Automotive may add to the rules of conduct as is deems necessary.

RULES OF CONDUCT FOR EMPLOYEES ON DUTY

Violation of any of the following rules of conduct will result in corrective action, ranging from a verbal warning to immediate dismissal.

The severity of the disciplinary action will depend on the seriousness of the infraction, the circumstances surrounding it and the past record of the employee. The following list is not meant to be all-inclusive, as there are other common sense rules in the work place that should be followed.

Types of behavior and conduct considered inappropriate for employees include, but are not limited to, the following:

1. Violation of the Company Drug and Alcohol Policy.
2. Horseplay, running fighting or gambling on HCA premises or any action which causes disruption of harmony in the company.
3. Using inappropriate, foul or profane language on HCA premises.
4. Engaging in immoral or indecent conduct.

5. Verbal or physical harassment of other employees, customers, or visitors.
6. Dishonesty, stealing, or pilferage of HCA property or property belonging to other employees or customers.
7. Loss of or damage to HCA property, machinery, tools, buildings or funds, either deliberately or through negligence.
8. Misrepresentations in obtaining employee benefits or privileges or misuse of such benefits or privileges.
9. Sleeping on the job.
10. Insubordination, failure to follow management instructions or failure to treat manager with proper respect.
11. Misrepresentation of facts, omissions, or falsification of records including employment applications or service tickets.
12. Disregard for safety rules or of common safety and sanitary practices. Failure to report immediately an accident or injury sustained on the job, damage or defective work you discover, or any unsafe situation you observe.
13. Being discourteous to customers, visitors, and/or vendors.
14. Possession of weapons or firearms on HCA property.
15. Soliciting gratuities from customers or vendors.
16. Excessive absenteeism or tardiness.
17. Insubordination or refusal to follow instructions or to perform designated work.
18. Consistently poor workmanship.
19. Use of company equipment, machines, and tools, inside or outside the shop, without specific company authorization.

20. Punching someone else's time card or permitting someone else to punch your time card.
21. Failure to follow HCA's operational procedures or policies.

RULES OF CONDUCT FOR EMPLOYEES OFF DUTY

Violation of any of the following rules of conduct will result in corrective action, ranging from a verbal warning to immediate dismissal. Types of behavior and conduct considered inappropriate for employees include, but are not limited to, the following:

1. Sexual or other illegal harassment of employees by other employees outside working hours may be subjected to disciplinary action.
2. Illegal conduct by employees on company property while off-duty may also be subjected to disciplinary action.
3. Illegal conduct that indicates the potential for violence may be subjected to disciplinary action.
4. Illegal conduct off-duty that causes the employee to be unable to perform his or her essential job functions may result in termination of employment (such as due to incarceration or home monitoring).
5. Employees who are under the influence of, or use alcohol, illegal intoxicants or illegal drugs on company property or at company-sponsored events outside working hours may be subjected to disciplinary action.
6. Employees who are unable to arrive to work on time due to arrest and incarceration may be disciplined for that unexcused absence in the same manner as any other unscheduled absence. Similarly, if off-duty conduct results in the loss or denial of a license necessary to perform the essential functions of their job, disciplinary action may be taken, up to and including discharge.

COMPUTER & INTERNET USE

- Authorization

The Company computers may be used by each team member who is provided or otherwise authorized to use a computer. Company passwords are confidential and should not be disclosed to non-employees. Any team member with an individual code or

password must provide such passwords to those responsible for maintaining the computer systems and to IT Coordinator immediately upon creation of the code or password. The computer systems and software remain the property of the Company and are to be used for Company business.

- **Intended Use**

The computer systems, including email and internet access, are provided in order to enhance team members' ability to perform their duties for the Company's purposes. The computer systems are to be used professionally like any other business tool. Hillmuth Certified Automotive purchases and licenses the use of computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, Hillmuth Certified Automotive does not have the right to reproduce such software for use on more than one computer.

Team members may only use software on local area networks or on multiple machines according to the software license agreement. Hillmuth Certified Automotive prohibits the illegal duplication of software and its related documentations.

- **Permitted Personal Use**

Personal use of the computer is generally prohibited, however, if a team member needs to use the computer systems for personal use to create a document, receive or send an email, or conduct research unrelated to the Company on his or her own time, the team member should request permission from IT Coordinator. Such permission should be sought for each personal use unless IT Coordinator expressly states otherwise. The team member's personal use of the computer must comply with the remainder of this policy and should not be considered private.

- **Prohibited Use**

Under no circumstances shall anyone use the Internet or email to solicit business for any personal cause, violate any employment policy, engage in any chat room, communicate anything that might be construed as harassing or offensive to others based on race, color, religion, sex, creed, age, national origin, ancestry, marital status, disability, status as a disabled veteran, HIV or AIDS status, or to write anything that should not be written in a professional Company letter. Team members may not print, display, download, or send any derogatory or sexually explicit images, messages, cartoons, or jokes. If a team member receives prohibited messages from another person, the team member must immediately advise the sender that the team member is not permitted to receive such information on Company computers, and it should not be sent again. If the team member needs assistance or is otherwise uncomfortable in responding to such situations, the team member must contact IT Coordinator. No team member other than designated team members responsible for maintaining the computer systems may add software to or copy from Company computers, borrow software, or download software. No team member should take any action that could possibly violate any copyright laws. The use of personal

disks, CDs or software in the Company's computer system is strictly prohibited without express permission on each occasion.

- **Review of Use**

No team member should have any expectation of privacy with regard to any message, search, email, or other information on the computer systems. The Company retains the right to and does audit computer use, internet sites accessed, email quantity and content, and files and documents created or stored on the Company computers. Email is an extension of the Company. Computer systems retain a memory and a record of activities. Emails and internet searches may be re-traced after time, even if the email was deleted. Companies are regularly required to produce computer information, and at times, back-up information and their actual computers in litigation. No team member should ever consider anything written or received on Company computers to be a team member's personal or private information.

- **Agreement with this Policy**

By opening email, sending or receiving information, logging on to the Internet, or using any of the Company's software, team members agree that this technology has been provided by the Company at the Company's expense, and is the Company's property, is a tool for use in business transactions, research or business communications, and is subject to review and production by the Company. By using this technology, each team member waives any privacy right the team member may otherwise have had in these files or communications.

CELL PHONE PROCEDURES

Cell phones are allowed on the property; however, they may only be used in case of an emergency, or to conduct business for Hillmuth Certified Automotive. All voice mails should be checked during your lunch break. Cell phones may not be used while driving a Customer's Car or Company car. Company vehicle may have cell phones used only when conducting business through "Hands Free" devices. General Managers may use cell phones during the day to contact shuttle drivers for business related material. For emergency use only under certain circumstances an employee may answer or use their cell phone during the day during of normal business hours, with General Manager's consent. All employees are expected to follow this policy. Excessive use of cell phones during business hours may result in disciplinary action.

DISCIPLINE AND CORRECTIVE ACTION

Discipline is a response to employee conduct that is unacceptable or is in violation of HCA work rules and policies. Hillmuth Certified Automotive shall normally follow the four (4) step disciplinary process outlined below:

1. Verbal warning to employee, signed by the employee and management.
2. Written warning to employee, signed by the employee and management.
3. Time off without pay for one (1) to seven (7) days.
4. Termination of employment.

The disciplinary policy is a guideline to be followed in usual and normal situations. Discipline may begin at any step, depending on the seriousness of the violation. Immediate termination of an employee may occur in situations of sexual harassment, sexual misconduct, endangering a child, failure to prevent child endangerment, threats of violence against another employee or non-employee or at any time determined appropriate in management's sole discretion.

There are circumstances when the process will not be used. This policy in no way alters, amends or modifies the at-will nature of our employment relationship and Management reserves the right to remove employees from the payroll for any reason they feel appropriate at any time, for any reason, with or without notice.

INCLEMENT WEATHER POLICY

Unless specifically notified otherwise, employees should assume that HCA is open for business and are expected to make every effort to report to work. At the same time HCA recognizes that safety both on and off the job is a serious consideration, and that employees must decide for themselves whether to report to work during emergencies. If an employee chooses not to report to work because of inclement weather or other emergency, and the business remains open despite that condition, the lost work time may be charged against PTO for that year. If the employee misses a full day of work because of a general emergency or inclement weather and has not yet qualified or has used the allotment for that year, then the employee will be docked for the lost work time.

In the event the business is not open, management will attempt to notify employees as soon as possible.

OUTSIDE EMPLOYMENT/MOONLIGHTING

Employees must perform their job duties and conduct business in the best interest of Hillmuth Certified Automotive. You must work solely for, and in the best interest of, Hillmuth Certified Automotive. Employees will not render any services normally provided by Hillmuth Certified Automotive to individuals or companies that are Hillmuth customers or potential customers. You may have other employment outside the normal working hours of Hillmuth Certified Automotive in a job function and organization that is not in competition or conflict with Hillmuth Certified Automotive operations.

MEDICAL ISSUES

Physical examinations may be required for employees at the discretion of Hillmuth Certified Automotive and in accordance with the Americans with Disabilities Act (ADA). Employee medical information or condition is private and confidential. Reasonable precautions will be taken to safeguard employee medical information also in accordance with federal laws. Hillmuth Certified Automotive reserves the right to require and pay for an examination by a medical doctor appointed by Hillmuth Certified Automotive.

Employment physicals, when required, will be used to assess an employee's medical condition and ensure he or she can safely perform the essential functions of the position for which hired. A medical examination will be performed at HCA expense by a health professional appointed by Hillmuth Certified Automotive. Assignment to duties is contingent upon satisfactory completion of the physical examination.

Employees will not be asked about their health unless there a business justification for doing so exists.

Information on an employee's medical condition or history will be kept separate from other employee information and maintained confidentially. Medical information will be released only to individuals who are authorized access to employee medical files.

CONFIDENTIAL INFORMATION

The operations, activities and business affairs, including information regarding the customers and employees, of Hillmuth Certified Automotive are confidential and restricted

to use by employees in conducting Company business. Confidential or proprietary information must be handled in strict confidence. Employees are also responsible for the internal security of such information. Employees who violate this policy are subject to disciplinary action up to and including termination. Should you leave Hillmuth Certified Automotive for any reason, the obligation not to disclose proprietary or confidential information continues. This is a legal obligation on your part that is taken very seriously by Hillmuth Certified Automotive. You must return all distributed materials upon termination from the company.

In addition, at no time during or at any time after your employment with Hillmuth shall you sell, solicit or contact in any fashion any customer of Hillmuth with the intent to sell products or services that are competitive with any product or service of Hillmuth. Nor shall you at any time during or after your employment with Hillmuth, directly or indirectly, entice or induce, or attempt to entice or induce any other employee of Company to leave our employment.

PROPRIETARY INFORMATION

The employee information related to any aspect of Company business including, but not limited to, customer lists, price lists, login and passwords, manuals, and technical data is considered confidential. HCA employees are expected to exercise reasonable care in discussing company business with fellow employees or customers. Should the employee leave HCA for any reason, the obligation not to disclose proprietary or confidential information continues. This is a legal obligation that is viewed seriously.

SEARCH OF PERSONAL AND COMPANY PROPERTY

Hillmuth Certified Automotive may require that employees submit to a search of personal or Company property in possession of the employee by security, law enforcement or Company officials. Refusal by employees to submit to an authorized search may be cause for immediate dismissal.

Property covered by this policy includes property of any nature owned, leased, controlled or used by Hillmuth Certified Automotive, including but not limited to parking lots, offices, desks, closets, lockers and vehicles as well as personal property including and not limited to toolbox, purses, briefcases, backpacks, coats and vehicles while on Company or customers' property.

SEPARATION PROCESS

If you should resign, you are expected to give at least two weeks advance notice along with a written statement of resignation. Resignation notice period expectation does not alter the at-will status of employment.

Prior to your last day of work, regardless of reason for separation, you should schedule a meeting with your manager to take care of details concerning final pay, benefit conversion, office key, credit cards and any other Company-owned material or equipment. The payment of any remaining available unused paid leave time will be at the Company's discretion or as stated in applicable policy.

All forms, procedure manuals, material, equipment, software systems, etc. used by HCA are considered the private property of Hillmuth Certified Automotive and are intended for the sole use of its employees. As such, these types of items shall not be removed from Company premises and shall be returned to HCA on the termination of your employment. Failure to return such Company property may lead to civil and/or criminal action and/or police involvement.

Determination of eligibility for unemployment insurance benefits will be determined solely by the State unemployment office based on State criteria for eligibility, usually including earnings and reason for separation of employment.

Should employment be ended for any reason, the final paycheck will be issued on the next normally scheduled payday or as required by law.

Employees who are *involuntarily* terminated will return all HCA property immediately on request of management. The employee being terminated is responsible for all lost or damaged property. All money owed Hillmuth Certified Automotive will be deducted from the final paycheck of the terminating employee to the extent the law allows.

Deductions from the final paycheck will be made as required or permitted by federal, state and local statutes and regulations including for lost, stolen or damaged HCA property for which the employee is responsible.

The employee is responsible to give proper and timely notice of termination. The employer is responsible to ensure the payroll check of the terminating employee is completed in a timely manner. The normal required and authorized deductions will be taken from the final check.

Deductions may also be made for the following reasons:

- Failure to return Company uniforms, keys, tools or other property on the final day of employment.
- Debts owed to Hillmuth Certified Automotive by the employee for cash advances, payroll advances and other like items.

Hillmuth Certified Automotive will review all cases where an individual does not return all company property. Prosecution for theft of property may be initiated under certain conditions.

BENEFITS

HCA provides additional benefits upon completion of the introductory period. See Plan Booklet for details

Team Member Benefits

Hillmuth Certified Automotive provides a number of benefits to eligible team members, many of which are funded solely by the Company. Based on changes in the terms of plans available to the Company and other business needs, the Company has the right to change or discontinue any or all of those benefits at any time. Team members should contact their HR Supervisor to determine the status and details of particular benefits at a particular time. Team members should also inquire about individual eligibility for various benefits and any applicable premiums or contributions.

Benefits eligibility is dependent upon a variety of factors, including team member classification. Your Supervisor can identify the programs for which you are eligible.

COBRA

Eligibility for COBRA to continue certain employee benefits after a qualifying event is determined and regulated by Federal and or State law and eligibility may vary based on the type of benefit, Company size, or the type of qualifying event or other criteria. If you have questions about COBRA eligibility, please contact your HR supervisor.

Each Covered Person and the Covered Person's Dependents should review and familiarize themselves with the Continuation of Coverage sections in the health insurance Master Policies issued to each Covered Employee at enrollment of the plan, and refer to it in the event that any action is required on the part of the Covered Person or the Covered Person's Dependents.

Hillmuth Certified Automotive provides each eligible team member with a written notice describing rights granted under Continuation of Coverage provisions when the team member becomes eligible for coverage under Hillmuth Certified Automotive health insurance plan. The notice contains important information about the team member's rights and obligations. If a team member does not receive this notice within 30 days of separation from employment, the team member must advise their HR Supervisor.

EMPLOYEE POLICY BOOK ACKNOWLEDGMENT/RECEIPT

This Policy Book's contents reflect a general description of the policies, procedures, rules, services, and benefits of employment. It is intended that this be an informational booklet only. Nothing herein shall be deemed a contractual right or an employment condition. HCA reserves the right to change any of its policies, services, or benefits at any time with or without notice. I acknowledge receipt of a copy of this Policy Book. I agree to familiarize myself with these policies, procedures, and rules and to comply with their provisions at all times, which includes all addendums here after. I also understand and agree that this is not an employment contract.

I further acknowledge that this Policy Book is provided as an informational guide only and is not to be considered a contract between HCA, and myself and that either I or the Company can terminate employment at any time for any or no reason with or without notice.

Employee Signature _____ Date _____

Print Full Name _____