

EMPLOYEE ACKNOWLEDGEMENT FORM

The employee handbook describes important information about Tower Motor Company, and I understand that I should consult Amy Larson, Chuck Day, Normand Day or Matt Larson regarding any questions not answered in the handbook. I have entered into my employment relationship with Tower Motor Company voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or Tower Motor Company can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to Tower Motor Company's policy of employment-at-will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the chief executive officer of Tower Motor Company has the ability to adopt any revisions to the policies in this handbook.

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

EMPLOYEE'S NAME (printed):

EMPLOYEE'S SIGNATURE:

DATE: _____

INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with Tower Motor Company and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Tower Motor Company to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As Tower Motor Company continues to grow, the need may arise and Tower Motor Company reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. The only exception to any changes is our employment-at-will policy permitting you or Tower Motor Company to end our relationship for any reason at any time. Employees will, of course, be notified of such changes to the handbook as they occur.

050 Non-Discrimination Policy

It is **Tower Motor Company's** policy not to discriminate against any employee or applicant for employment because of race, color, religion, age, gender or gender expression, national origin or ancestry, marital status or family or family responsibilities, veteran's status, or disability in accordance with applicable federal, state, and local law.

If you believe you have been discriminated against, you must report the act of discrimination to your department supervisor or Amy Larson immediately. If you feel uncomfortable doing so or if your supervisor is the source of the problem, condones the problem, or ignores the problem, report to **Amy Larson, Chuck Day, Norman Day** or **Matt Larson**.

You are not required to directly confront the person who is the source of your report, question, or complaint before notifying any of those individuals listed. Nevertheless, you are required to make a reasonable effort to make the discriminatory conduct known should it exist.

Employee Signature

Date

080-Orientation and Training

It is the aim of the orientation program to help employees adjust readily to their new surroundings. The program is designed to acquaint new employees with the organization and functions of our company, to develop their abilities and to stimulate interest in their careers.

At the time of hiring, or the first day of employment, all employees will be provided orientation to company policies.

All employees will be trained in their job duties and responsibilities and monitored by their supervisor. This will also include training to satisfy existing Hazard Waste Communication Program requirements.

Welcome new employee!

On behalf of your colleagues, I welcome you to Tower Motor Company and wish you every success here.

We believe that each employee contributes directly to Tower Motor Company's growth and success, and we hope you will take pride in being a member of our team.

This handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook as soon as possible, for it will answer many questions about employment with Tower Motor Company.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

Amy Larson

101 Nature of Employment

101 Nature of Employment

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

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

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

102 Employee Relations

Tower Motor Company believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that Tower Motor Company amply demonstrates its commitment to employees by responding effectively to employee concerns.

103 Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Tower Motor Company will be based on merit, qualifications, and abilities. Tower Motor Company does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, physical or mental handicap, use of the Worker's Compensation system, or any other characteristic protected by law.

This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or Amy Larson. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Any violation of this policy should be reported immediately to any supervisor or management person.

PHILOSOPHY AND CODE OF ETHICS

We respect the dignity of the individual as one of the essential elements of success in this enterprise.

We will demonstrate and promote a spirit of cooperation between owners, employees and the general public.

We will strive to attain and demonstrate a professional level of competence within the automobile industry.

We will exercise integrity in our relationship with all people.

We will seek to provide a safe and healthy environment for our employees, for the prevention of illness, injury, or death to anyone due to factors under our control.

203 Employment Reference Checks

To ensure that individuals who join Tower Motor Company are well qualified and have a strong potential to be productive and successful, it is the policy of Tower Motor Company to check the employment references of all applicants.

Tower Motor Company will respond to reference checks made during normal business hours via email, in writing or telephone. Responses to such inquiries will confirm only dates of employment, wage rates, and position(s) held.

205 Employment Policies

Each applicant must meet the following basic requirements to be considered for employment by Tower Motor Company:

1. Physically able to perform work assignments
2. Furnish names of previous employers
3. Complete a company application

Prior to acceptance, all applicants must be interviewed, have verifiable work references and work qualifications, and if necessary pass a physical exam verifying the ability to perform the job duties. Drug testing will be completed at this time.

Verifiable presence of non-prescribed controlled substance will disqualify applicants for employment with Tower Motor Co.

Probationary Periods

The probationary period is a trial period during which a new employee's job performance is carefully observed. This also allows new employees opportunity to evaluate Tower Motor Co. as an employer. A probationary employee may resign or be terminated at any time for any reason, with or without notice.

All employees will begin a probationary period on the first day of employment (or re-employment due to separation). Probation will continue until the employees has accumulated 172 hours in one or more job classifications.

208 Employment Applications

Tower Motor Company relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

303 Paid Time Off Benefits

Paid Time Off (PTO) is available to employees to provide opportunities for rest, relaxation, illness (sick pay) and personal pursuits. Employees in the following employment classification(s) are eligible to earn and use PTO as described in this policy.

Regular full-time or part-time employees (Except vehicle sales personnel-see Sales Person Paid Time Off policy below)

Upon hire, employees will begin to earn PTO according to the schedule. Accrued PTO is available for use after 90 days of employment. All requests for PTO other than PTO used for illness must be submitted for approval a minimum of two weeks in advance using the time off request form available in the office. Requests will be reviewed based on a number of factors, including business needs and staffing requirements. All time off requests will be subject to final approval from management (Amy Larson, Chuck Day, Norman Day or Matt Larson). Time off (other than PTO used for illness) not approved will be considered unexcused absence.

If an employee uses PTO as sick time for a foreseeable absence, the employee shall give a minimum of 10 days notice. If the need to use PTO as sick time is unforeseeable, the employee shall provide notice to his or her immediate supervisor as soon as practicable.

If an employee takes more than three consecutive scheduled workdays of sick time, a verification from a healthcare provider for the need to use sick time will be required.

If the employer suspects that an employee is abusing PTO used as unscheduled sick time, including in engaging in a pattern of abuse, the employer may require verification from a health care provider of the need of the employee to use PTO as sick time, regardless of whether the employee has used PTO as sick time for more than three consecutive days. As used in this paragraph, "pattern of abuse" includes, but is not limited to, repeated use of unscheduled PTO used as sick time on or adjacent to weekends, holidays, other PTO days or paydays.

Effective January 1, 2016, new employees will begin accruing PTO at the rate of 1.33 hours for every 40 hours worked. After one year of employment, employees will accrue PTO at the rate of 1.60 hours for every 40 hours worked. Exempt employees (salaried, technicians, service writers etc.) are presumed to work 40 hours per week unless the actual work time is less than 40 hours in which case PTO accrues based on the actual workweek of the employee. Employees may accrue up to 80 hours of PTO each year. Once an employee's PTO "bank" has 80 hours, it is considered full and the employee will not accrue additional hours until his/her anniversary date. Employees may carry over up to 80 hours of accrued PTO to the following year for use.

Employee's may use up to 40 hours of accrued PTO in the first year and up to 80 hours in subsequent years. Accrued PTO is available for use after 90 days of employment. Up to 80 hours of accrued PTO may be carried into the following year for use. Any accrued and unused PTO **exceeding** 80 hours at an employee's anniversary date will be paid out to the employee. An employee may not take accrued PTO as pay until his/her anniversary date and the total accrual is in excess of 80 hours. Only accrued PTO in excess of 80 hours at an anniversary date will be allowed to be taken as pay. Upon termination of employment, employees will be paid for unused PTO time that has been earned through the last day of work.

For hourly employees PTO is to be paid at the current rate of pay. Exempt employees will be paid at 1/52 or 2/52 the current rate of pay or 1/52 or 2/52 of the average preceding year's pay for employees paid flat rate.

If an employee has accrued PTO available for use and takes time off, either scheduled or unscheduled, PTO must be used and the employee will be paid for the time off. Time off will be tracked and paid in hourly increments. Upon mutual consent by the employee and the employer, an employee may work additional hours or shifts to compensate for hours or shifts during which the employee was absent from work without using accrued PTO for the hours or shifts missed.

Employees are entitled to use PTO as sick time off for the following:

- For an employee's or family member's mental or physical illness, injury or health condition or need for medical diagnosis of these conditions or need for preventive medical care.
- To care for an infant or newly adopted child under 18, or for a newly placed foster child under 18, or for a child over 18 if the child is incapable of self-care because of mental or physical disability.
- To care for a family member with a serious health condition.
- To recover from or seek treatment for a serious health condition that renders the employee unable to perform at least one of the essential functions of the employee's job.
- To care for a child of the employee who is suffering from a non-serious illness, injury or condition.
- To deal with the death of a family member by attending the funeral or alternative, making arrangements necessitated by the death of a family member or grieving the death of a family member.
- To seek legal or law enforcement assistance or remedies to ensure the health and safety of the employee or the employee's minor child or dependent for proceedings related to domestic violence, harassment, sexual assault, or stalking.
- To seek medical treatment, recover from injuries, or obtain services related to domestic violence, sexual assault, harassment or stalking incidents to the employee or employee's minor children or dependent.
- For certain public health emergencies.

Sales Person and F&I PTO Program

Sales and F&I Personnel will be eligible for PTO based on a 40-hour week at the current minimum wage. Effective January 1, 2016, new employees will begin accruing PTO at the rate of 1.33 hours for every 40 hours worked. After one year of employment, employees will accrue PTO at the rate of 1.60 hours for every 40 hours worked. Sales persons and F & I Managers are Exempt employees and are presumed to work 40 hours per week unless the actual work time is less than 40 hours in which case PTO accrues based on the actual workweek of the employee.

Employee's may use up to 40 hours of accrued PTO in the first year and up to 80 hours in subsequent years. Employees may accrue up to 80 hours of PTO each year. Once an employee's PTO "bank" has 80 hours, it is considered full and the employee will not accrue additional hours until his/her anniversary date. Employees may carry over up to 80 hours of accrued PTO to the following year for use.

Employees will begin accruing PTO upon hire and accrued PTO will be available for use after 90 days

of employment. All requests for PTO other than PTO used for illness must be submitted for approval a minimum of two weeks in advance using the time off request form available in the office. Requests will be reviewed based on a number of factors including business needs and staffing requirements. All time off requests will be subject to final approval from management (Amy Larson, Chuck Day, Norman Day or Matt Larson).

Employee's may use up to 40 hours of accrued PTO in the first year and up to 80 hours in subsequent years. Accrued PTO is available for use after 90 days of employment. Any accrued and unused PTO **exceeding** 80 hours at an employee's anniversary date will be paid out to the employee. An employee may not take accrued PTO as pay until his/her anniversary date and the total accrual is in excess of 80 hours. Only accrued PTO in excess of 80 hours at an anniversary date will be allowed to be taken as pay. Upon termination of employment, employees will be paid for unused PTO time that has been earned through the last day of work.

If an employee uses PTO as sick time for a foreseeable absence, the employee shall give a minimum of 10 days notice. If the need to use PTO as sick time is unforeseeable, the employee shall provide notice to his or her immediate supervisor as soon as practicable.

If an employee takes more than three consecutive scheduled workdays of sick time, a verification from a healthcare provider for the need to use sick time will be required.

If the employer suspects that an employee is abusing PTO used as unscheduled sick time, including in engaging in a pattern of abuse, the employer may require verification from a health care provider of the need of the employee to use PTO as sick time, regardless of whether the employee has used PTO as sick time for more than three consecutive days. As used in this paragraph, "pattern of abuse" includes, but is not limited to, repeated use of unscheduled PTO used as sick time on or adjacent to weekends, holidays, other PTO days or paydays.

If an employee has accrued PTO available for use and takes time off, either scheduled or unscheduled, PTO must be used and the employee will be paid for the time off. Time off will be tracked and paid in hourly increments. Upon mutual consent by the employee and the employer an employee may work additional hours or shifts to compensate for hours or shifts during which the employee was absent from work without using accrued PTO for the hours or shifts missed.

Employees are entitled to use PTO as sick time off for the following:

- For an employee's or family member's mental or physical illness, injury or health condition or need for medical diagnosis of these conditions or need for preventive medical care.
- To care for an infant or newly adopted child under 18, or for a newly placed foster child under 18, or for a child over 18 if the child is incapable of self-care because of mental or physical disability.
- To care for a family member with a serious health condition.
- To recover from or seek treatment for a serious health condition that renders the employee unable to perform at least one of the essential functions of the employee's job.
- To care for a child of the employee who is suffering from a non-serious illness, injury or condition.
- To deal with the death of a family member by attending the funeral or alternative, making arrangements necessitated by the death of a family member or grieving the death of a family member.
- To seek legal or law enforcement assistance or remedies to ensure the health and safety of the employee or the employee's minor child or dependent for proceedings related to domestic violence,

harassment, sexual assault, or stalking.

- To seek medical treatment, recover from injuries, or obtain services related to domestic violence, sexual assault, harassment or stalking incidents to the employee or employee's minor children or dependent.
- For certain public health emergencies.

305 Holidays

The company recognizes the importance of leisure time and provides regular full-time employees with several paid holidays each year. Full-time hourly employees will receive pay for each of these recognized holidays:

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

Eligibility: All regular full-time employees classified as hourly or service technician (body shop technicians included) are eligible for holiday pay if:

- (a) The employee has been on the payroll for thirty (30) calendar days preceding the holiday, and during such 30 day period has worked at least 75% of the time when work was available. Vacation time shall be considered as time worked for the purposes of this paragraph; and
- (b) He/she worked his/her regularly scheduled work day before the holiday, and he/she worked the first regularly scheduled working day after the holiday, unless his/her absence was excused in writing by Employer; however, an otherwise qualified employee absent because of non-occupation injury or illness, and who produces written evidence of such injury or illness, shall be qualified for holiday pay for the paid holidays which occur during the first thirty (30) calendar days following the commencement of such non-occupational injury or illness resulting in such absence; or an otherwise qualified employee absent because of layoff shall be qualified for holiday pay for not more than two paid holidays which occur during the layoff, provided employee returns to work upon termination of such layoff; or an otherwise qualified employee absent because of compensable occupational injury or illness shall be qualified for holiday pay for the paid holidays which occur during the first six (6) months of absence following the day of injury or illness resulting in such absence.

403 Wages and Salary

A. The wage and salary system is based on the following principles:

1. Every position shall have a proper salary range based on analysis and evaluation of the position in terms of its value to Tower Motor Co.
2. Each employee shall be compensated according to demonstrated performances within the limits of the salary range established

B. General Procedures:

When an individual is exceptional on the basis of experience and previous employment, as evaluated by the management of Tower Motor Co. he or she may be compensated at a salary above the base rate.

C Pay Periods:

1. Pay periods for Tower Motor Co. are from the first to the fourteenth and from the fifteenth to the end of each month.

D. Overtime:

1. Overtime for hourly employees will be compensated at one and one-half times the employee's regular rate. Overtime hours are those worked in excess of forty (40) hours in the seven-day week beginning Sunday and ending Saturday. For the purpose of computing of the forty (40) hours, holidays, sick time, and vacation time are excluded. An employee's overtime must always be approved plainly in advance..

404 Company Contributed Benefits

1. **Social Security** Under this federal law you are currently entitled to receive a pension and possibly medical benefits at approximately age 62. We contribute one-half of this coverage, which is in addition to the amount deducted from your payroll checks.
2. **Worker's Compensation Insurance** Under this program you are eligible for benefits for certain illnesses or injuries resulting from your employment. Tower Motor Company pays the premiums for this insurance.
3. **Unemployment Compensation** Under certain conditions you receive some compensation from the state during periods of unemployment. Tower Motor Company pays the total cost of unemployment insurance.
4. **Group Health Insurance** Tower Motor Company participates in a group health insurance program. Unless you can provide documentation showing that you have group coverage from another source (for example a spouse or the V.A.), you must participate in Tower Motor Company's group plan. You may purchase insurance for your dependents through our group policy.
5. **Group Life Insurance** The company pays for your group life insurance policy.
6. **Simple IRA** The company contributes to each full-time employee participating in our Simple IRA retirement plan. Only those employees voluntarily participating in the plan will receive the additional contribution from Tower Motor Company.

405 Employment Termination

Obtaining as much factual information as is reasonably possible about persons who terminate will assist the company in making termination decisions and in avoiding undue unemployment compensation benefits. Supervisory personnel are responsible for seeing that adequate information is obtained and promptly forwarded to the management of Tower Motor Company.

Report should normally provide specific facts as to who, what, where, when, how and why.

All terminations must be classified as voluntary or involuntary. This classification, along with the reasons for termination, will affect the worker's right to obtain unemployment compensation.

A. Voluntary Terminations

All employees are expected to provide Tower Motor Company with at least two weeks notice prior to voluntary termination.

B. Involuntary Terminations

Involuntary termination includes discharges and permanent layoffs due to lack of work or elimination of a job. When involuntary termination occurs, the immediate supervisor shall verbally inform the employee and provide an explanation for the action taken. The supervisor is responsible for providing documentation of incident to the office.

C. Temporary Layoff

When an employee is temporarily laid off (except as a disciplinary suspension), documentation shall be completed to facilitate unemployment compensation reporting.

410 Pay Deductions and Set-offs

The law requires that Tower Motor Company make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Tower Motor Company also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." Tower Motor Company matches the amount of Social Security taxes paid by each employee.

Pay set-offs are pay deductions taken by Tower Motor Company, usually to help pay off a debt or obligation to Tower Motor Company or others.

All garnishment summons and levies will be reflected on the employee's payroll.

If the debt is settled before Tower Motor Co. has answered the garnishment, a release (that will release liability for terminating the garnishment) signed by the creditor must be obtained and provided to Tower Motor Co., before the garnished funds can be given to you.

If you have questions concerning why deductions were made from your pay check or how they were calculated, your supervisor can assist in having your questions answered.

501 Safety Introduction

To assist in providing a safe and healthful work environment for employees, customers, and visitors, Tower Motor Company has established a workplace safety program. This program is a top priority for Tower Motor Company. Its success depends on the alertness and personal commitment of all.

Tower Motor Company provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications. A safety committee has been established to assist in these activities and to facilitate effective communication between employees and management about workplace safety and health issues.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor or with another supervisor or manager. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

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

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

501.1 Driving Policy

Tower Motor Company has made a commitment of safety, service, and quality to both our employees and customers. **Tower Motor Company** insists that both our employees and non-employees operate all vehicles owned by or used by **Tower Motor Company** in a safe and economical manner. The following summarizes policy guidelines:

Vehicles are not to be operated unless in a safe operating condition.

Drivers must be physically and mentally able to drive safely.

Drivers must conform to all traffic laws and allowances made for adverse weather and traffic conditions.

Respect the rights of other drivers and pedestrians. Courtesy is contagious.

Drivers may not use drugs or alcohol, or be under the influence of drugs or alcohol, while operating a vehicle.

Accidents

All accidents are to be reported to management of **Tower Motor Company** within twenty-four (24) hours after the accident occurs. All accidents will be reviewed and a determination made as either preventable or non-preventable which result from factors outside of a driver's control.

A preventable accident is defined as an accident in which the driver failed to do everything reasonably possible to avoid it.

MVR Standards

Motor Vehicle Records (MVRs) will be checked periodically on all employees where driving is a part of their job. The MVR will be reviewed to ascertain the employee holds a valid license and their driving record is within the parameters set by company management. MVR checks which reveal the following will disqualify the employee from driving company operated vehicles, or those vehicles in the care and custody of **Tower Motor Company**:

1. Three (3) or more traffic violations and/or at fault accidents over a three year period for drivers age 25 and older, two (2) traffic violations and/or at fault accidents for drivers age 18 through 24, or one (1) traffic violation and/or at fault accident for drivers 17 and under; or
2. One or more of the following type of serious traffic convictions within the past 3 years will disqualify the employee from driving company operated vehicles, or those vehicles in the care and custody of Tower Motor Company:
 - Driving while under the influence or while disabled by use of drugs
 - Refusal to submit to test for alcohol (e.g., Failure to take a Chemical Test, Blood Test, or Breath Analyzer Test)
 - Leaving the scene of an accident without reporting it
 - Homicide, assault, or criminal negligence resulting from the operation of a vehicle
 - Driving while license is suspended or revoked
 - Reckless or dangerous driving, which results in injury to a person
 - Racing
 - Passing a stopped school bus

Violations include seat belt violations, but do not include such non-moving violations as weight violations or improper or inadequately maintained equipment.

Distracted Driving and Mobile Devices

We deeply value the safety and well-being of all employees. Due to the increasing number of accidents resulting from distracted driving and the use of mobile devices, it is our company policy that you not engage in activities that cause you to become distracted when driving, including, but not limited to:

- Sending or reading text messages
- Using a hand held mobile device for either outgoing or incoming calls
- Using a hands free device for either outgoing or incoming calls
- Using cell phones and other devices for social media and other forms of entertainment
- Adjusting or programming controls of audio or navigation systems
- Searching for and/or reaching for items in the vehicle
- Eating or drinking beverages
- Reading maps or other printed material

The above restrictions apply anytime the vehicle is in motion. It is our company policy that, in all circumstances, you pull the vehicle over to a safe area prior to engaging in these activities. Employees are also expected to follow all state laws regarding mobile device usage.

Vehicle Usage

Your primary responsibility when driving a motor vehicle for our organization is driving the vehicle safely. **Tower Motor Company** has developed the following expectations for you as a driver to help ensure company-owned vehicles and/or those used by company employees will be operated in a safe and economical manner.

Seat belts must be worn at all times when the vehicle is in motion.

Defects and needed repairs of any company vehicle will be reported to management so necessary repairs can be made.

Cargo must be secured and doors locked while en route and when company vehicles are parked.

All accidents must be reported to the manager consistent with **Tower Motor Company's** Accident Reporting Policy.

You, the employee, are responsible for reimbursing **Tower Motor Company** for all damages to the vehicle(s) not covered by insurance, provided that **Tower Motor Company's** accident review shows a preventable type accident.

All traffic violations received will be paid by you, the employee.

No permission may be given for any other person, including family members, to drive company vehicles. Specific permission must be obtained from company management for any personal use of a company vehicle.

The use of radar detectors is forbidden in all vehicles owned or used by the company. Use of a radar detector will result in revoked driving privileges.

Hitchhikers and passengers, other than company employees or authorized persons, are not permitted in company vehicles.

Company consequences for failing to follow company policy:

Employees may be transferred to a non-driving position.

Employees may be given warnings prior to being terminated for violation of the policy.

Employees who violate this policy may be subject to disciplinary action.

Employees who violate this policy may be subject to disciplinary action including termination.

All current drivers of **Tower Motor Company** must have a signed copy of **Tower Motor Company's** Driving Policy retained in a management file.

Your signature below certifies your agreement to comply with this policy, and you are willing to accept the consequences of failing to do so.

Employee Signature: _____ Date: _____

Employee Name (printed): _____

502 Safety

GENERAL SAFETY RULES

Working safely is a condition of employment. Our company is committed to ensuring the safety of all personnel. In order to do this, all employees must be well informed regarding safety policy, and they must put into action the safety measures proposed by the company's safety policy and state and federal laws.

People cause accidents; they don't just happen. Statistics prove that 95% of all accidents are the result of human failure due to unsafe practices. The following safety rules are common-sense guidelines intended to prevent such accidents. Read and follow them carefully. They are to protect you.

1. Wear proper clothing and protective gear. You are required to wear protective equipment at all time while on the job. Goggles, earplugs, and other protective devices should be worn when it is essential. Supervisors will be responsible to see to it that this safety equipment is worn.
2. Each crew shall see that the first-aid kit is reasonably close to where the crew is working. This shall also be checked by the supervisor.
3. All accidents or injuries, no matter how small, must be reported to your supervisor immediately.
4. Report all unsafe conditions to your supervisor immediately
5. Watch your step. About half of all industrial injuries result from slipping, stumbling, or falling.
6. Pay attention to what is going on. Avoid horseplay that interferes with your work or affects your safety.
7. Avoid lifting or pushing objects that are too heavy. Get help from another employee if something is too heavy. When in doubt ask your supervisor.
8. All tools should be kept in good condition. In doing your job, use the proper tool. If you are in doubt about the safe or proper way to do a job, get instructions from your supervisor.
9. Do not try to repair any machinery or electrical equipment without authorization. No person shall operate machinery or equipment without the authorization of his/her supervisor.
10. Never hesitate to warn a fellow worker who is in danger, even though he/she may be more experienced than you.

503 Safety Rules

The company has a primary commitment to maintaining a safe and healthful workplace. It is also company policy to comply with and require employees to comply with all state and federal safety laws. The company requires that each employee actively participate in this commitment. Safety rules must be followed strictly. Take no unnecessary chances, get help if it is needed and always wear personal protective equipment in designated areas. Each employee has a direct and continuous responsibility to cooperate fully toward this goal.

If you have questions about the safety of any equipment or procedure, contact your supervisor prior to using that equipment or procedure. If you observe any unsafe condition or behavior, or anything that you think might result in an injury, it is your responsibility to notify your supervisor immediately so that the situation can be corrected.

This policy and the safety rules listed in this handbook are taken seriously by the company. Violators of this policy or the following rules will be disciplined accordingly.

SAFETY RULES

The purpose of the following rules is to provide basic conduct guidelines and knowledge. The following list is not meant to be considered comprehensive in nature.

1. Smoking is prohibited indoors and must be in excess of 10 feet from any entrance.
2. Possession of, consumption, or intoxication by alcohol or illegal drugs is prohibited. If using drugs prescribed by a physician, notify your immediate supervisor.
3. Immediately report all injuries, no matter how slight, to your supervisor.
4. Waste and debris shall be deposited in appropriate containers. This includes garbage, wood waste, oily rags, and any other materials not useful or necessary for production.
5. Housekeeping shall include proper storage of tools and other materials not in immediate use .
6. Personal protective equipment shall be worn in areas so designated. The company will provide free hearing protection and hard hats. Gloves, aprons, etc., may be purchased at cost from the company.
7. Work shoes of heavy leather construction and with a non-skid sole should be worn while at work. Athletic shoes are discouraged in the shop.

8. Employees, regardless of sex, with shoulder-length hair shall wear it in a manner to contain it to collar-length and out of the face.
 9. Used emergency equipment shall be immediately replaced, i.e. fire hoses, first aid supplies, discharged fire extinguishers, etc. Notify your supervisor immediately if any emergency equipment is used.
 10. Posted speed limits shall be observed.
 11. Personal vehicles shall be parked only in designated areas.
 12. Horseplay and fighting is expressly prohibited. This includes running, yelling, throwing material, or any other severe distraction.
 13. There will be no adjustment or removal of safety devices unless authorization is given.
 14. No equipment will be operated until safety guards are in place.
 15. Safety restraint systems shall be utilized in all automobiles at all times.
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504 Emergency Exit Routes

See Appendix A for emergency exit routes

505 Safety Committee

The company's commitment to maintaining a safe and healthful workplace is a management priority. Urgent safety concerns will be addressed very quickly.

The purpose of safety committee meetings is to promote participation in the safety program through discussion and solicitation of feedback in a non-coercive atmosphere. The safety committee program provides first-hand information of safety and the safety program to employees. The committee will increase safety-related communication between employees and management.

There shall be one committee of at least six people.

At least once a month, there should be committee meetings with the employees. Each meeting shall be documented with minutes. The safety committee employee representative shall attend each meeting. Emphasis shall be given to follow up on each feedback item gathered from the meeting.

The committee shall be responsible for the following:

- 1.Solicit safety-related input from other employees.
- 2.Hazard identification.
- 3.Establish accident investigation procedures.
- 4.Evaluate safety program material being presented

Make corrective/advisory recommendations to the company based on this and other information gathered.

At least quarterly, the safety committee shall conduct a walk-around of no less than one of the company's departments. Results of the walk-around shall become part of that meeting's minutes.

If you have any safety-related issue that you think needs to be addressed by the committee, contact your representative. If you have an immediate safety concern, contact your supervisor immediately.

506 Lockout Procedure

This is a summary of Tower Motor Company's Lockout/Tagout program. Please see the complete program located in a binder in Amy's office or with the service manager or body shop manager.

Tower Motor Co-Lockout/Tagout Procedure

Tower Motor Co. has established this lockout/tagout procedure to provide the maximum protection to our employees whenever they must isolate machines or equipment from energy sources and to prevent unexpected energization, start-up or release of stored energy that could cause them injury. This procedure shall be used by all employees assigned to service or maintain our equipment in order to ensure that the machines or equipment are isolated from all potentially hazardous energy and locked out or tagged out before they perform any of the servicing or maintenance activities.

EQUIPMENT IDENTIFICATION

Tower Motor Co. has identified equipment to be included in the lockout/tagout program in the Equipment Inventory for Lockout Tagout list following.

Each of these pieces of equipment must be locked or tagged whenever they require service or maintenance.

If you are responsible for lockout/tagout as one of Tower Motor Company's employees, you will receive special training on how to effectively utilize lockout/tagout. It is your responsibility as a trained employee to follow this procedure. You will also be provided with your own lock, tag and key. No other person shall be allowed access to your key or your lock. No one is allowed to remove your lock except yourself.

PERIODIC INSPECTION

Tower Motor Co. has designated Amy Larson as the person who will conduct periodic inspections to see that the provisions of the company's Lockout/Tagout Program are being followed. These periodic inspections or visual audits will be unannounced and carried out during the lockout/tagout process. We shall also make written records of these inspections and the findings of these inspections will be kept in the general managers office.

507 Hazardous Communication Program

INTRODUCTION:

Tower Motor Company has developed a Hazard Communication Program to enhance our employee's health and safety.

As a company we intend to provide information about chemical hazards and the control of hazards via our comprehensive Hazard Communication Program which includes container labeling, Safety Data Sheets (SDS) and training.

The following program outlines how will accomplish this program.

1. *CONTAINER LABELING*

It is the policy of this company that no container of hazardous chemicals will be released for use until the following label information is verified:

- Containers are clearly labeled as to the contents
- Appropriate hazard warnings are noted
- The name and address of the manufacturer is listed

This responsibility has been assigned to Amy Larson and the department managers.

To further ensure that employees are aware of the chemical hazards of materials used in their work areas, it is our policy to label all secondary containers.

The supervisor in each section will ensure that all secondary containers are labeled with either an extra copy of the original manufacturer's label or with the "central stores" generic labels, which have a block for identity and blocks for the hazard warning.

2. *Safety Data Sheets (SDS)*

Safety Data Sheets (SDS) are maintained online via KPA. Hard copies are also maintained in the office and SDS specific to each department are maintained with each department supervisor.

SDS are available to all employees in their work area for review during each work shift. If SDS are not available or new chemicals in use do not have SDS, please immediately contact Amy Larson or the department supervisor.

3.EMPLOYEE TRAINING AND INFORMATION

New employees are to attend a health and safety orientation prior to starting work for information and training on the following:

- Review of the chemicals present in their workplace operations.
- Location and availability of or written hazard program
- Physical and health effects of the hazardous chemicals
- Methods and observation techniques used to determine the presence or release of hazardous chemicals in the work area.
- How to lessen or prevent exposure to these hazardous chemicals through usage of control/work practices and personal protective equipment.
- Steps the company has taken to lessen or prevent exposure to these chemicals.
- Safety emergency procedures to follow if our employees are exposed to these chemicals.
- How to read labels and review MSDS to obtain appropriate hazard information.

NOTE:

It is critically important that all our employees understand the training. If you have any additional questions, please contact the Service Manager.

When new chemicals are introduced your supervisor will review the above items as they are related to the new material in your work area safety meeting.

4.LIST OF HAZARDOUS CHEMICALS

A list of all known hazardous chemicals used in the shops of our company is posted in the Service Manager's office. Further information on each noted chemical can be obtained by reviewing the Safety Data Sheets (SDS).

5.HAZARDOUS NONROUTINE TASKS

Periodically, employees are required to perform hazardous non-routine tasks. Prior to starting work on such projects, each affected employee will be given information by their section supervisor about hazardous chemicals to which they may be exposed during such activity.

This information will include:

- Specific chemical hazards

- Protective/safety measures the employee can take

- Measures the company has taken to lessen the hazards including ventilation, respirators, the presence of another employee, and emergency procedures.

Please see Tower Motor Company's Respirator Program for specific guidelines on the usage of respirators.

If anyone has questions about this plan please contact the Service Manager. Our plan will be monitored by Amy Larson to ensure that the policies are carried out and that the plan is effective.

508 Accident/Incident

All supervisory personnel will be held responsible and accountable for their efforts to reduce incident occurrences which may result in bodily injury, damage to company property or ineffectiveness/inefficiency of operations.

The reporting of incidents make the management of Tower Motor Co. aware of hazardous conditions, accident situations or other unusual occurrences. All employees are expected to actively participate in this effort.

Accident/Incident Reporting Procedures

Accident/Incident reports are to be completed when the following conditions are encountered:

1. Injuries
2. Close Calls
3. Property damage
4. Theft
5. Fires
6. Procedural errors
7. Dangerous equipment
8. Violations of safety standards

In the event of one of the aforementioned situations occurs, the employee will immediately notify his or her supervisor.

In the event of any potentially serious incident involving the employee or his co-workers, the employee shall immediately notify his/her supervisor.

509 On the Job Injury

When an employee is injured on the job, his/her supervisor must be informed immediately. Failure to do so may result in disciplinary action.

The supervisor shall complete the accident/incident report and submit the results to the management of Tower Motor Co. within 48 hours of the occurrence.

With the exception of medical emergencies, it is required that all employees inform the office of Tower Motor Co., prior to seeking medical attention for work related injuries or illnesses so that a notice to physician can be obtained.

510 Personal Protective Equipment

Personal Protective Equipment

All personal protective equipment (hard hats, footwear, hand protection, eye protection, hearing protection, etc.) shall be properly used and maintained as required. Any violation may result in disciplinary action.

Employees using respiratory protection equipment must refer to Tower Motor Co.'s separate respiratory protection program.

Employees subject to asbestos exposure must refer to Tower Motor Co.'s asbestos program.

511 Non-Employees in Work Areas

For safety and efficiency, Tower Motor Co. does not allow any non-employees in work areas of all shops (service, body, detail, recon, back of parts, etc.). This includes customers, tool salesmen, friends, etc. (Laundry, welding supply, UPS, paint and parts delivery, etc. are exceptions).

This is a rule that must be adhered to. Please help with compliance.

512 Occupational Accident and Illness

OCCUPATIONAL ACCIDENT AND ILLNESS PROCEDURE

A. Treatment of Injury or Illness

1. All injured workers who need treatment during their shift will be transported to a clinic or Bay Area Hospital by their supervisor or another designated employee
2. If possible, before the employee leaves the dealership for treatment, the employee shall be given a "Notice to Physician" form to take to the attending physician, with directions on when and where to return the report.
3. An employee who is unable to complete the shift, as a result of an industrial injury or illness can be excused from work only by a medical provider or the employee's supervisor.

Employees treated within their work shift shall report immediately to their supervisor if released within that scheduled shift. If released after the shift, the employee shall contact the supervisor at the beginning of the next shift. In all cases, employees are required to return the "Notice to Physician" release to their immediate supervisor upon return to work, or within 24 hours.

Failure to report to work, contact the employee's supervisor, or a company representative after treatment of injury will lead to disciplinary action.

If an employee cannot report because of extent of injury (such as being admitted to the hospital, or ordered to home by the doctor), it shall be the supervisor's responsibility to contact the injured worker at the hospital or at home. If an employee is not released to his/her next regular shift, it will be the supervisor's responsibility to contact personnel within the workday with the employee's status.

The supervisor shall provide the following information to personnel:

1. Name of attending physician
2. Medical status, including any recommendations for light duty.
3. All accident report forms, including 801 forms.

B. REPORT OF INJURY

All work related injuries or illnesses shall be reported immediately to the department supervisor.

A supervisor's incident report will be completed for all injuries or illness, regardless of whether treatment is necessary. An 801 will be completed for *every* on-the-job injury that requires medical treatment.

Incident Reports (intra-company, 801's) will be forwarded to the personnel office by the next workday.

C.EMPLOYEE TIME LOSS

An employee who has been excused from work as a result of an injury or illness will be required to report to their supervisor or a company designated person by phone or in person. If unable to come to the office because of your physical condition, you will be required to call the *office manager* each week. When able to physically report to the office, this same schedule will apply.

D.WAGE AND PAYMENT

1.Employees injured in the course of work will receive regular wages for the time lost from from work while receiving medical attention on the date of their accident. Wages will be paid as if the employee completed the regular scheduled shift.

2.Worker's compensation insurance will cover the medical treatment expenses and loss of wages expenses that arise from industrial injury or illness.

3.An employee assigned to accompany an injured or ill employee will be paid for the time spent on such an assignment.

E.LIGHT DUTY

Light duty positions are short-term transition jobs that help the injured worker return to his or her regularly job. All light duty jobs are to be evaluated each week or 2 weeks as to whether the light duty job should be continued. If a light duty job pays less than the injured worker's regular job, the insurance company will make up the difference as required by law.

513 Early Return to Work Policy

EARLY RETURN-TO-WORK POLICY

In an effort to minimize serious disability due to on-the-job injuries and reduce workers' compensation costs Tower Motor Company has developed an Early Return-to-Work Program.

The program will consist of a team effort made by:

1. Company management
2. Supervisors
3. The physician
4. The injured worker
5. The insurance carrier

All team members will be asked to take an active role in returning the injured worker to a productive status.

Supervisors will assist by directing the employee to appropriate care, assisting in proper reporting of injury or incident, and maintaining a positive and constant flow of communication with the injured worker. They will also assist in arranging light duty work, as needed, to reduce lost time. The Personnel Department will work with the insurance carrier to ensure timely payments and assessment of employee's return to work. Together they will actively encourage the treating physician to release the injured worker to work as soon as possible.

By this joint effort, Tower Motor Company will help the injured worker to recover at a more rapid rate and gain more production for wages paid.

EARLY –RETURN-TO-WORK-PROCEDURES

In order to minimize serious disability due to on-the-job injuries and to reduce worker's compensation costs, Tower Motor Company has developed procedures to deal with time loss claims in which the worker can be offered light duty or modified work temporarily.

Light duty jobs will be identified after obtaining and examining the injured worker's physical limitations or restrictions. "Light Duty" might be the worker's regular job, modified by removing heavier tasks and reassigning these to other workers; a different regular job currently existing at the workplace; or a job that is specifically designed around the worker's restrictions.

A light duty job offer will be made only when the work is available and of benefit to the company. The light duty job, if offered, will end with the date the worker receives a regular release, and may at any time if there is no longer a need for the light duty work. Each case will be assessed individually based on need. Light duty and modified work may not be implemented in every time loss claim. Wage rate will not necessarily be the same as that of the regular job.

On-the-job injuries and occupational diseases will be handled by a team consisting of the injured worker, his or her supervisor, the general manager, the office manager, the company owners, the insurance company, and the injured worker's physician. The team approach is the most effective method for achieving a return to productive work at the earliest opportunity. Responsibilities of the injured worker, the supervisor, and the office manager are outlined in the following pages.

EARLY-RETURN-TO-WORK PROCEDURES

Coordination by Office Manager

1. When injury occurs, office manager determines if medical treatment was provided
2. If no treatment provided, office manager requests incident report from supervisor.
3. If medical treatment was obtained, office manager requests incident report and injury report form. He/She sends injury report form to insurance company as soon as possible.
4. Office manager follows up on the "Notice to Physician" form the date the worker goes to the doctor.
5. If worker is released with restrictions, which prohibit return to work at the regular job, office manager discusses the possibility of light duty with company management as soon as possible.
6. If light duty is available, coordinate with Worker's Comp carrier and prepare job analysis.
7. When physician has signed the job analysis, prepare a formal job offer to worker. If worker cannot accept offer in person, send formal job offer by regular or certified mail.
8. Office manager monitors any light duty job by checking periodically with worker's supervisor.
9. If worker cannot return to regular work and light duty is not available, make sure worker is reporting to office at least once per week.
10. Office manager should coordinate progress on the claim until worker is released for regular work. Office manager relays information to appropriate worker's comp insurance carrier.
11. If restrictions change, office manager and supervisor discuss need to change light duty job. If change is made, contact your worker's comp insurance carrier of a new job analysis, and repeat step 7.

EARLY-RETURN-TO-WORK PROCEDURES
Supervisor Responsibilities in the Event of an Injury

1. As soon as supervisor is made aware of an injury, he/she coordinates first aid efforts, if appropriate, and then fills out a written incident report.
2. If medical treatment is required, the supervisor also completes injury report form with the worker. The injury report form is also completed if the injured worker insists on filing a claim, even if medical treatment is not required.
3. Supervisor accompanies worker to doctor if at all possible. If worker does not express a preference, worker will be taken to nearest facility, unless he clearly needs emergency room services.
4. Supervisor makes sure "Notice to Physician" form is submitted to the doctor at the first medical visit and requires employee to return the form the same day.
5. Supervisor notifies the office of the industrial injury the day it occurs and turns in a copy of the incident report and injury report form.
6. Supervisor or office manager follows up with the physician the date of the first exam. If supervisor obtains the information, he/she relays this to the office manager.
7. If worker is off work, supervisor contacts him/her at least once per week to express care and concern and to learn the most recent developments in medical condition and work status and relays information as he/she receives it to office manager.
8. When employee is ready to return to work, supervisor makes sure he/she has a release.
9. If worker is on light duty, supervisor makes sure he/she does not exceed restrictions.
10. Supervisor relays any change in restrictions to office manager and discusses possible need for revising job.

EARLY-RETURN-TO-WORK PROCEDURES
Employee's Responsibilities

1. Report all injuries to your supervisor **immediately**. If medical treatment is necessary and you have no preference for a physician, you should go to the "nearest available facility".
2. Take "Notice to Physician" form with you to first medical visit. Tell the doctor the company may be able to place to in a temporary modified job if you cannot return to regular work. Return the form completed by the doctor to your supervisor or to the office within 24 hours. Prior to each subsequent office visit, pick up new form.
3. You and your supervisor must complete forms as soon after the accident as possible. If medical treatment was required, you will complete both an incident report and an injury report form.
4. If you are not released for regular work, but are released for light duty, discuss the possibilities with your supervisor and/or the office manager. If an appropriate light duty job is developed, whether it is a modified version of your regular job or another light duty job, you must report for work at the time designated by the company.
5. If you are taken off work completely, or if light duty is unavailable, you must report your medical condition and your progress to the office manager each Monday at 10:00 a.m. Report in person if possible. Also furnish the office with your current mailing address and telephone number.
6. If you return to a light duty job, you must make sure that you do not go beyond either the duties of the job or your physician's restrictions. If you restrictions change at any time, you must notify your supervisor at once and give your supervisor a copy of the new medical release.

600 Employee Conduct and Work Rules

To ensure orderly operations and provide the best possible work environment, Tower Motor Company expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Falsifying employee application
- Sleeping on duty
- Reckless Driving
- Failure to report an accident or injury
- Failure to follow supervisor's direction
- Failure to be available and ready to work at designated start time
- Stopping work before time specified or overstaying lunch breaks
- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or drugs
- Possession, distribution, sale, transfer, or use of alcohol or drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in prohibited areas
- Sexual or other unlawful or unwelcome harassment
- Excessive absenteeism or any absence without notice
- Unauthorized absence from work station during the workday
- Violation of personnel policies
- Unsatisfactory performance or conduct

Employment with Tower Motor Company is at the mutual consent of Tower Motor Company and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

601 Use of Vehicles

Company owned vehicles, including loaner cars, inventory, shop trucks, etc. are *not* to be used by employees for personal use unless authorized by Sales Management. Certain employees are assigned vehicles, which fall under an agreement. All other personal use is not authorized

602 Computer and E-mail Usage

Computers, computer files, the e-mail system, and software furnished to employees are Tower Motor Company property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization. In addition, no computer equipment is to be removed from the dealership without prior authorization from management. To ensure compliance with this policy, computer and e-mail usage may be monitored.

Tower Motor Company strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, Tower Motor Company prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

Employees should notify their immediate supervisor, the owner or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

603 Internet Usage

Internet access to global electronic information resources on the World Wide Web is provided by Tower Motor Company to assist employees in obtaining work-related data and technology. The following guidelines have been established to help ensure responsible and productive Internet usage. While Internet usage is intended for job-related activities, personal use may be permitted with prior authorization.

All Internet data that is composed, transmitted, or received via our computer communications systems is considered to be part of the official records of Tower Motor Company and, as such, is subject to disclosure to law enforcement or other third parties. Consequently, employees should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

The equipment, services, and technology provided to access the Internet remain at all times the property of Tower Motor Company. As such, Tower Motor Company reserves the right to monitor Internet traffic, and retrieve and read any data composed, sent, or received through our online connections and stored in our computer systems.

Data that is composed, transmitted, accessed, or received via the Internet must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

Abuse of the Internet access provided by Tower Motor Company in violation of law or Tower Motor Company policies will result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any violations of this policy. The following behaviors are examples of previously stated or additional actions and activities that are prohibited and can result in disciplinary action:

- Sending or posting discriminatory, harassing, or threatening messages or images
- Sending or posting messages or material that could damage the organization's image or reputation
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that defame or slander other individuals
- Sending or posting chain letters, solicitations, or advertisements not related to business purposes or activities
- Engaging in any other illegal activities

604 Overtime

All overtime must be authorized by General Management through your department manager in advance. Regular overtime schedules are permitted only with General Management's authorization.

Normal working schedules are 8:00 a.m. to 5:00 p.m. Monday through Friday with a 10 minute break at 10:00 a.m., an hour lunch break between 12:00 and 1:00 p.m. and a 10 minute break at 3:00 p.m. Any deviation requires prior approval by General Management or your supervisor.

Working through lunch hour requires prior approval from your department manager and should only be authorized to complete certain jobs, etc.

605 Drug and Alcohol Use

It is Tower Motor Company's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Tower Motor Company premises and while conducting business-related activities off Tower Motor Company premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol, marijuana or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Tower Motor Co. recognize that alcoholism and other drug dependencies are highly complex illnesses which under most circumstances can be successfully treated. Accordingly, it is the policy of Tower Motor Co. to maintain an Employee Assistance Program (EAP) to offer help to employees who are impaired by alcohol, drugs or other personal or emotional problems.

The company has established a zero tolerance policy for alcohol, marijuana and/or illegal drugs. Under this policy, employees are strictly prohibited from using, possessing, selling or otherwise providing alcohol, marijuana and/or illegal drugs on Company property. Further, employees are strictly prohibited from being under the influence of alcohol, marijuana and/or illegal drugs while on Company property.

TESTING PROGRAM

All applicants for employment will be required to submit to a urinalysis screening for the presence illegal drugs prior to completion of the application process as per company policy.

Any employee involved in an accident which results in damage in excess of \$500.00 to company owned and/or operated equipment will be escorted by a supervisor to an Occupation Health Clinic and required to submit to a urinalysis screening for the presence of alcohol, marijuana and/or illegal drugs.

Any employee involved in an accident which requires that he/she or a fellow employee receive medical attention beyond ordinary first aid shall be told that if he/she is involved in another accident requiring more than ordinary first aid within the next 24 months, he/she will be required to submit to a urinalysis screening for the presence of alcohol, marijuana and/or illegal drugs and be referred to the Employee Assistance Program for

possible counseling. This shall be documented in writing, signed by the supervisor and the employee and a copy placed in the employee's personnel file.

In the event the Company has reasonable grounds to believe that any employee is under the influence of alcohol, marijuana and/or illegal drugs, that employee will be asked to submit to a urinalysis for alcohol, marijuana and/or drug screening and/or a blood alcohol test.

CONTINUED EMPLOYMENT

Any employee who fails to submit to a urinalysis for alcohol and/or drugs screening and/or blood alcohol test under any of the conditions outlined above shall be immediately terminated without recourse. Any employee who tests positive for the presence of alcohol and/or illegal drugs shall be immediately suspended. The Company shall then take the following steps:

The employee shall be referred to the Employee Assistance Program (EAP) for assessment. The EAP counselor will then make a recommendation to the employer regarding the employee's drug and/or alcohol problem, if any.

The Employer reserves the right to terminate the employee without further testing or accommodation, based upon the EAP counselor's recommendation that treatment and/or counseling will not be effective.

If the EAP counselor recommends further treatment or counseling, the employee shall be reinstated pursuant to the terms of the "Last Chance Agreement" as set forth below.

LAST CHANCE AGREEMENT

All employees who are reinstated following evaluation by the EAP program shall first sign a "Last Chance Agreement". The Company reserves the right to change the form of such agreement from time to time. In addition to signing the Last Chance Agreement, the employee shall:

Submit proof of compliance with all counseling and/or treatment recommended by the EAP prior to returning.

Submit to random urine drug screens and/or blood alcohol tests during the twelve month period immediately following signing of the Last Chance Agreement.

SALE OR POSSESSION

Any employee found in possession of, or found to have sold or provided alcohol, marijuana and/or illegal drugs on Company premises shall be immediately terminated without recourse to the EAP program.

Employees with questions or concerns about substance dependency or abuse are encouraged to use the resources of the Employee Assistance Program. They may also wish to discuss these matters with their supervisor or the owner to receive assistance or referrals to appropriate resources in the community.

Employees with drug or alcohol problems that have not resulted in, and are not the immediate subject of, disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program through Tower Motor Company's health insurance benefit coverage. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all Tower Motor Company policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause Tower Motor Company any undue hardship.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the owner without fear of reprisal.

606 Sexual And Other Unlawful Harassment

Tower Motor Company is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's gender or gender expression, race, color, national origin, age, religion, disability, or any other legally protected characteristic will not be tolerated.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- Unwanted sexual advances.
- Offering employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters.
- Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes.
- Verbal sexual advances or propositions.
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately (within 48 hours after the alleged harassment occurs) to your supervisor. If the supervisor is unavailable or you believe it would be inappropriate to contact that person, you should immediately contact the owner or any other member of management. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser

will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the owner or any member of management so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

The Company recognizes that the decision as to whether a particular action or incident is a purely personal social relationship without a discriminatory employment effect requires a determination based on all facts in the matter. Given the nature of those types of discrimination, the Company also recognizes that false accusations, especially those of sexual harassment, can have serious effects on innocent people. We urge all employees of the Company to continue to act responsibly to establish a pleasant working environment, free of discrimination or harassment. The Company encourages employees to raise any questions they may have regarding discrimination.

607 Attendance and Punctuality

To maintain a safe and productive work environment, Tower Motor Company expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Tower Motor Company. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

ABSENCE WITH GOOD CAUSE

Absence with good cause is defined as personal illness or injury, scheduled vacation or holiday leave, approved leave of absence, approved time off for bereavement, approved time off for jury duty, time off to appear as court witness, and other instances when approved in advance by the supervisor. Vacation/Absentee Request Form may be obtained from the Office Manager and is required of ALL time off.

As to personal illness or injury, it is the responsibility of each employee to make every effort to keep himself/herself healthy and available for work. When an employee has five (5) or more separate illnesses or personal injuries resulting in unscheduled absences in any twelve (12) month period, he/she will be required to take steps to reduce the frequency.

ABSENCE WITHOUT GOOD CAUSE

Absence without good cause will not be tolerated and is a violation of this absenteeism policy. Satisfactory work performance includes being available for work when reasonable to do so.

Falsification of the reason for any absence may result in discharge (See Disciplinary Policy).

All job time missed due to sickness must be verified in writing by the employee and submitted to the office manager. The note should state the date and reason. This will become part of each employees' personnel file.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

608 Drug Testing

Tower Motor Company is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. Refusal to submit to drug testing may result in disciplinary action, up to and including termination of employment.

Questions concerning this policy or its administration should be directed to Amy Larson.

609 Progressive Discipline

Disciplinary Policy

To maintain a safe workplace as well as an efficient and effective organization, it is necessary to set standards of conduct. These are needed to protect fellow employees as well as Tower Motor Company. Violators normally will receive verbal warning, written warning, suspension without pay, probation, or will be discharged in accordance with the disciplinary policy. However, Tower Motor Company reserves the right to discharge without cause if it deems it to be in the best interest of the company. Also, the rules listed below are not an exhaustive or complete list. Other violation of standards which the company reasonably expects may be grounds for discipline or discharge.

Cause for Discipline

A.MISCONDUCT WHICH WILL RESULT IN IMMEDIATE DISCHARGE WITHOUT WARNING

- 1.Theft of property
- 2.Sleeping on duty
- 3.Willful damage to company property
- 4.Absence for one or more days without notifying supervisor
- 5.Insubordination
- 6.Falsifying employee application
- 7.Willfully, recklessly, or negligently endangering the welfare of yourself or another employee
- 8.Possession of drugs, controlled substances or drug paraphernalia
- 9.Reckless driving
- 10.Use of alcoholic beverages or marijuana or under the influence of alcoholic beverages or marijuana while on the job

B.MISCONDUCT WHICH MAY RESULT IN DISCHARGE OR DISCIPLINARY ACTION:

- 1.Failure to follow safe work practices
- 2.Failure to report an accident/injury
- 3.Failure to comply with absenteeism policy
- 4.Unsatisfactory work performance
- 5.Failure to follow supervisors direction
- 6.Failure to be available and ready to work at designated starting time
- 7.Stopping work before time specified or overstaying lunch periods
- 8.Failure to follow smoking restrictions
- 9.Unsatisfactory attitude or other non-productive behavior which leads or could lead to a disruption of work flow.
- 10.Failure to follow standards of performance and/or behavior
- 11.Failure to follow company policy

C.VIOLATIONS

1. First offense-verbal warning shall be issued. The employee, his or her immediate supervisor and a witness shall sign an acknowledgment describing the verbal warning. The employee will receive a copy of the acknowledgment and a copy will be placed in his or her file.
2. Second offense-immediate supervisor shall issue a written warning and the employee may be suspended without pay. The employee, his or her supervisor, and a witness shall sign the written warning. The employee will be informed of the consequences of a third offense. A copy of the written notification shall be provided to the employee for entry into personnel records and to the management of Tower Motor Company.
3. Third offense-Discharge

Tower Motor Company
Written Employee Job Performance Warning

I _____ (employee) acknowledge that
_____ (employer representative) discussed with me today my job
performance, especially concerning a need for improvement
involving _____

I am aware that any further job performance deficiency may result in discharge from
employment at Tower Motor Company.

_____ Date _____
Employee

_____ Date _____
Employer

_____ Date _____
Witness

Tower Motor Company
Verbal Warning Record

On _____ (date) _____ (supervisor) spoke
with _____ (employee) concerning need for improvement involving:

As outlined in the Progressive Discipline policy of the Tower Motor Company Policy Manual, a verbal warning has been issued. A subsequent violation in company policy will be subject to Tower Motor Company's disciplinary policy.

I understand that Tower Motor Company may discharge me from employment for further violations of company policy

Employee Date _____

Employer Date _____

Witness Date _____

610 Problem Resolution

Tower Motor Company is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from Tower Motor Company supervisors and management.

Tower Motor Company strives to ensure fair and honest treatment of all employees. Supervisors, managers, and employees are expected to treat each other with mutual respect. Employees are encouraged to offer positive and constructive criticism.

An employee has a complaint if he or she believes at any time that he or she has not received the benefit of any company policy as set forth in this manual; or, if he or she is being discriminated against or improperly treated. If the grievance is found to be justified, the company will attempt to have the problem corrected.

Measures can be taken in the following order to resolve a grievance or complaint:

1. A visit with your supervisor will generally resolve most problems
 2. If you still fail to receive the satisfaction you seek, or are not satisfied with the resolution that has been recommended to you, see Amy Larson and your case will receive a review.
 3. Grievances cannot be corrected unless you make them known to the company at the earliest possible moment. Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment and helps to ensure everyone's job security.
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611 Clerical Office

To: All Employees

RE: Clerical Office

Due to an increasing incidence of missing documentation from the main office (and upstairs clerical storage area), it has become necessary to mandate that employees that are not office personnel or sales managers stay out of the main office. Any requests for documentation will be fulfilled by *copies* being made by the *office staff*.

Do not remove any documents from the office or attic storage area! No exceptions!

803 Accidents & Damage to Company Vehicles

Company Policy Regarding Accidents and Damage to Vehicles Owned By or in the Care and Custody of Tower Motor Co:

It is the responsibility of the employee to pay for the amount of the repair cost, or the insurance company deductible amount for any repairs to damages caused by the employee.

NOTICE TO ALL EMPLOYEES driving vehicles owned or in the care of Tower Motor Co.

PLEASE BUCKLE UP!

This is a requirement that could save your life!

805 Handicapped Persons Company Policy

It is the policy of Tower Motor Co. to provide access and accommodations to our business for handicapped persons and not to discriminate against handicapped persons both in providing goods and services and employment. As a consequence of this policy, we will accommodate handicapped persons through a program of self and outside evaluation of our facility and practices, and develop a plan for improvement.

Recognition and removal of barriers is a first step. Oftentimes, however, more than this is needed. Our employees will endeavor to provide assistance to handicapped persons by opening door, offering assistance, and recognizing in advance situations that could cause barriers.

Comments, ideas and suggestions to improve our facility are encouraged and should be submitted to management.

816 Outside Vendors or Suppliers

It is the policy of Tower Motor Co. that any offers from suppliers or vendors to provide and incentive or reward our employees for doing Company business with them is to immediately be brought to the attention of Amy Larson. Any employees participating in such an arrangement without the dealer's consent are subject to immediate termination.
