



EMPLOYEE HANDBOOK

November 30, 2015

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Johnson Motors of Menomonie, Inc.
Johnson Motors of St. Croix Falls, Inc.
Johnson Ford of New Richmond, Inc.**

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WELCOME TO THE COMPANY

Johnson Motor Sales, Johnson Motors of Menomonie and Johnson Motors of St. Croix Falls (the “company”), has prepared this handbook to provide you with an overview of the Company’s policies, benefits, and rules. It is intended to familiarize you with important information about the company, as well as provide guidelines for your employment experience with us in an effort to foster a safe and healthy work environment. Please understand that this booklet only highlights company policies, practices, and benefits for your personal understanding and cannot, therefore, be construed as a legal document and/or contract. It is intended to provide general information about the policies, benefits, and regulations governing the employees of the company, and is not intended to be an express or implied contract. The guidelines presented in this handbook are not intended to be a substitute for sound management, judgment, and discretion.

It is obviously not possible to anticipate every situation that may arise in the workplace or to provide information that answers every possible question. In addition, circumstances will undoubtedly require that policies, practices, and benefits described in this handbook change from time to time. Accordingly, the company reserves the right to modify, supplement, rescind, or revise any provision of this handbook from time to time as it deems necessary or appropriate in its sole discretion with or without notice to you.

No business is free from day-to-day problems, but we believe our personnel policies and practices will help resolve such problems. All of us must work together to make the company a viable, healthy, and profitable organization. This is the only way we can provide a satisfactory working environment that promotes genuine concern and respect for others including all employees and our customers. If any statements in this handbook are not clear to you, please contact Human Resources for clarification. This handbook supersedes any and all prior policies, procedures, and handbooks of the company.

OUR VISION

Our standards are guided entirely by our commitment to exceptional service and our customers’ evaluation of our performance. We are not driven to the “the biggest” or “the first”. Our future will be defined by our faith in and commitment to our mission and operating principles. We feel there is no future for our company if we do not respond to customer needs quickly. We seek customer suggestions and use that information to modify our services. There is a significant difference between customer satisfaction and customer loyalty. We must establish loyal customers who want to return to us.

We must welcome the constant changes that affect our work environment. We change to improve our customer relationships, our profitability, and most importantly, to survive.

OUR OPERATING PRINCIPLES

Our Customers – should see us as a caring, professional organization, consistently meeting and exceeding their expectations. At every opportunity, our customers will be reminded that our Company appreciates the privilege to serve them.

Our People – are individuals who take responsibility for every customer contact to ensure a consistently positive impression. Our policy is to deal with our employees with respect and to recognize each as an individual. We welcome and reward our employees for their contributions and encourage them to present new ideas and suggestions.

Our Products and Services – We are dedicated to creating products and providing services of value for our customers.

Our Reputation – will be governed entirely by our ability to serve the needs of our customers.

Our Profitability – our goal is to consistently maintain an acceptable return of our investment. This will be achieved by continually improving our products and services.

OUR HISTORY

Johnson Motor Sales, Inc., New Richmond

As a new employee, you are joining a vital team of people who serve a customer base extending out over a 60-mile radius of New Richmond since 1925, Menomonie since 1998, and St. Croix Falls beginning in 2005.

Following is a brief history, starting with Joye L. Johnson, from whom this dealership got its name. While the Anderson family has been an integral part of the company since 1950 and owners since 1983, Joye's spirit, work ethic and customer service philosophy remains at the core of the company. Curt and Mick Anderson worked side-by-side with Joye for decades, leading growth and change that is vital to the company's existence while upholding its stable Operating Principles. Curt, Mick and Greg Anderson have ensured that Joye Johnson's legacy continues as Johnson Motors continues to be widely recognized and respected in its growing marketplace.

Joye L. Johnson entered the auto business in 1915 when his father, J.P. Johnson, opened a garage in Star Prairie selling Maxwells and Studebakers. J.P. sent Joye to the Studebaker factory to get some knowledge of auto mechanics along with being a salesman. "I remember the day," said Joye, "when I went out in a cutter and sold three Studebakers in one day."

In the next few years, the Johnsons also had garages in Glenwood City and Cylon. Following that, Joye sold Fords in Los Angeles. "I noticed at that time that the Chevrolet was coming out with a few refinements including longer springs, and I felt that Chevrolet was the car of the future." So Joye went back to New Richmond, stopping in Minneapolis on the way to get the Chevrolet dealership. When Joye got the dealership on March 25, 1925, he started out with the modest capital of \$300. Selling from his home, the first year he sold 112 cars!

The company informed him the next year that he had to have a garage and provide repair service. So Joye moved into what was known as the LaVenture building in New Richmond. It had no back door, but had a hand-moved turntable for turning the cars around. Those were golden days for the car dealer. Joye would drive up to Clear Lake, sometimes twice a day, and come home on the "Twilight Limited" train.

In 1929, Joye bought the old New Richmond Opera House on Main Street (now Wells Electric). He dug a basement under it with a team of horses and made a modern garage out of it. He made his way through the Great Depression, a couple of recessions and World War II when few cars were available. "When I didn't have cars to sell, I sold tires. I sold three carloads of tires one time when I didn't have cars."

In 1933, Joye added Buick to his present dealership and shortly thereafter, Cadillac (discontinued in 1951).

In 1950 Curtiss Anderson started working for Joye as a mechanic. A hard-working young man, by 1963 Curt had worked his way into sales and by 1968 was General Manager for Joye with approximately 30 employees. It was at this time that the need for additional elbow-room was felt. As Curt recalls, "The customers had no place to park, competition was fierce, we needed to make room for our customers."

In 1969, Joye and Curt visited with one of the local farmers and purchased 3 acres of corn field for the new Johnson Motor Sales location. In 1970, at the age of 74, Joye with Curt's assistance built the new facility, joining Polfus Implement as the first businesses at the northern edge of New Richmond. Since that time, 2 additional acres have been purchased to provide the service department additional expansion to the south, twice. The show room had 30 feet added to the west, and the office area was completely remodeled in 1995. In 2012, the dealership underwent another extensive remodel, adding more space to the body shop and service departments, and adding a 2nd floor office space.

In 1971, Klayte Evans decided to sell his Oldsmobile dealership, then located at the intersection of N. Fourth Street and N. Knowles Avenue in New Richmond. Johnson Motors not only purchased the Oldsmobile division, but put Klayte to work with them as well. Shortly thereafter, the Pontiac dealership was added when Johnson Motors purchased Orvie Wert's dealership which was located on West 2nd Street.

It wasn't until 1983 that Curt Anderson officially purchased the dealership from Joye. With the support of his wife, Elaine, and children, Curt has been blessed with over 65 successful years in the auto industry. Curt and Elaine have three children: Michael (Mick), Michele (Hermansen), and Marin (Hansch). Curt maintains an active management and directorship role in the Company, and continues to be among the first to start each business day.

When asked what has contributed to his success, Curt responded with "starting from the bottom, washing cars and servicing them gave me product knowledge and the rest comes from establishing a customer base for referrals and repeat business. Without that you won't make it. It's your present customers that give you your future ones."

In 1970 Mick started working with his father and like him got a feel for all aspects of the dealership before getting into sales and then becoming General Manager. Mick succeeded Curt as Dealer when he began purchasing the dealership in 2002. Mick and his wife, Connie, are the parents of five children:

Chris, Greg and Chad, who are all active full time employees in the business, and Stephanie and Scott.

Johnson Motors of Menomonie, Inc.

In February of 1998, Mick and his father, Curt, purchased what has been previously known as Northside Motors, Inc. Northside Motors came to Menomonie in 1960 as a Buick dealership located on North Broadway in Menomonie. In 1976, they acquired the Pontiac franchise and moved to the present facility. In 1987 they acquired the GMC light-duty franchise. Pontiac was discontinued by GM in 2009. The dealership now owns the Buick and GMC light-duty truck franchises.

Johnson Motors of St. Croix Falls, Inc.

The St. Croix Falls store was opened under the Johnson Motors banner on August 4, 2005 when the dealership was purchased from Renard Bergstrom of North Dakota who owned it under the name of Hilltop Auto Center. Upon purchase, the store was a dual branded store, selling both Chrysler/Jeep/Dodge as well as Buick/Pontiac/Chevrolet. In 2009, the Chrysler franchise was discontinued, and GM stopped selling Pontiac as well. It is now a franchised Chevrolet and Buick store.

Johnson Ford of New Richmond, Inc.

The Ford store became part of the Johnson Motors family on December 4th, 2015 when the dealership was purchased from Brian Cox who owned it under the name of Cox Motors.

COMPANY PHILOSOPHY

OPEN-DOOR POLICY

In keeping with the company's philosophy of open communication, all employees have the right and are encouraged to speak freely with management about their job-related concerns.

We urge you to go directly to your supervisor to discuss your job-related ideas, recommendations, concerns and other issues which are important to you. If, after talking with your supervisor, you feel the need for additional discussion, you are encouraged to speak with the HR Director.

The most important relationship you will develop at the Company will be between you and your supervisor. However, should you need support from someone other than your supervisor, the entire management team, including the company president, and the HR Director are committed to resolving your individual concerns in a timely and appropriate manner.

EQUAL EMPLOYMENT OPPORTUNITY

It is the policy of the Company to provide equal employment opportunity to all employees and applicants for employment and not to discriminate on any basis prohibited by law, including race, color, sex, age, religion, national origin, disability, marital status, sexual orientation, arrest/conviction record, or veteran status. It is our intent and desire that equal employment opportunities will be provided in employment, recruitment, selection, compensation, benefits, promotion, demotion, layoff, termination and all other terms and conditions of employment, including reasonable accommodation of disabilities. The President of the Company and all managerial personnel are committed to this policy and its enforcement.

Employees are directed to bring any violation of this policy to the immediate attention of their supervisor, the HR Director or the company president. Any employee who violates this policy or knowingly retaliates against an employee reporting or complaining of a violation of this policy shall be subject to immediate disciplinary action, up to and including termination. Complaints brought under this policy will be promptly investigated and handled with due regard for the privacy and respect of all involved.

HARASSMENT POLICY

The Company will not tolerate harassment or intimidation of our employees on any basis prohibited by law, including race, color, sex, age, religion, national origin, handicap, disability, marital status, or veteran status. Moreover, any suggestions made to any employee that sexual favors will affect any term or condition of employment with the Company will not be tolerated. It is the policy of the Company that any harassment, including acts creating a hostile work environment or any other discriminatory acts directed against our employees, will result in discipline, up to and including termination. The Company also will not tolerate any such harassment of our employees by our clients or vendors.

For purposes of this policy, sexual harassment is defined as any type of sexually-oriented conduct, whether intentional or not, that is unwelcome and has the purpose or effect of creating a work environment that is hostile, offensive or coercive. The following are examples of conduct that, depending upon the circumstances, may constitute sexual harassment:

- Unwelcome sexual jokes, language, epithets, advances or propositions;
- Written or oral abuse of a sexual nature, sexually degrading or vulgar words to describe an individual;
- The display of sexually suggestive objects, pictures, posters or cartoons;
- Unwelcome comments about an individual's body;
- Asking questions about sexual conduct;
- Unwelcome touching, leering, whistling, brushing against the body, or suggestive, insulting or obscene comments or gestures;
- Demanding sexual favors in exchange for favorable reviews, assignments, promotions, or continued employment, or promises of the same.

Employees must bring any violation of this policy to the immediate attention of their supervisor, the HR Director, or the company president. The Company will thoroughly investigate all such claims with due regard for the privacy of the individuals involved. Any employee who knowingly retaliates against an employee who has reported workplace harassment or discrimination shall be subject to immediate disciplinary action, up to and including termination.

WORKING AND COMPENSATION

EMPLOYMENT ON AN AT-WILL BASIS

All employees of the company, regardless of their classification or position, are employed on an at-will basis. This means that each employee's employment is terminable at the will of the employee or the company at any time, with or without cause and with or without notice. No officer, agent, representative, or employee of the company has any authority to enter into any agreement with any employee or applicant for employment on other than on an at-will basis. Furthermore, nothing contained in the policies, procedures, handbooks, manuals, job descriptions, application for employment, or any other document of the company shall in any way create an express or implied contract of employment or an employment relationship on other than an at-will basis.

ATTENDANCE AND REPORTING TO WORK

Each employee is important to the overall success of our operation. When you are not here, someone else must do your job. Consequently, you are expected to report to work on time at the scheduled start of the workday. Reporting to work on time means that you are ready to start work, not just arriving at work, at your scheduled starting time.

The company depends on its employees to be at work at the times and locations scheduled. Excessive absenteeism and/or tardiness will lead to disciplinary action, up to and including termination. The determination of excessive absenteeism will be made at the discretion of the company. Absence from work for three consecutive days without properly notifying your supervisor or a "no call, no show" will be considered a voluntary resignation. After an absence, you may be required to provide documentation from your physician to support an injury- or illness-related absence, and to ensure that you may safely return to work.

If you expect to be absent from the job for an approved reason (e.g., paid time off or a leave of absence), you should notify your supervisor of your upcoming absence as far in advance as possible. If you unexpectedly need to be absent from or late to work, you must notify your supervisor prior to the start of your scheduled workday that you will be late or absent and provide the reason for that absence or tardiness. If your supervisor is not available, you should contact the company's main office prior to the start of your scheduled workday. Leave your number so that your supervisor can return your call. Failure to properly contact us will result in an unexcused absence for disciplinary purposes. Your attendance record is a part of your overall performance rating. Your attendance may be included during your review and may be considered for other disciplinary action up to and including termination.

Where possible, medical and dental appointments should be scheduled around your assigned work hours; otherwise, they may be considered absences without pay. If you are unable to schedule an appointment before or after your shift, you are required to talk to your supervisor to make special arrangements.

HOURS OF WORK

It is the policy of the Company to establish the time and duration of working hours as required by work load and customer service needs, the efficient management of human resources, and any applicable laws.

The normal workweek is Sunday through Saturday, beginning and ending at midnight on Saturday, and consisting of forty (40) hours. The normal workday will consist of eight hours of work with thirty (30) minutes of unpaid time with full relief from duties allowed for a meal period. Rest or coffee breaks are considered as time worked.

Core hours for the office and shift schedules are set by department and location as required by workload, product flow and customer service needs.

RECORDING HOURS WORKED

All employees are required to complete an individual time card showing the daily hours worked. Time records cover one workweek and must be completed by the close of each workday. The following points should be considered when filling out time cards:

1. Employees should punch in on the designated time clock for their starting time and quitting time, unless another method has been determined by the departmental manager. They should also record time out for lunch, time in from lunch, and total hours worked for each workday;
2. Employees are **NOT** permitted to sign in or begin work before their normal starting time or to sign out or stop work after their normal quitting time without the prior approval of their supervisor;
3. Employees are required to take scheduled lunch or meal breaks;
4. Unapproved absences should not be considered as hours worked for pay purposes. Supervisors should inform employees if they will not be paid for certain hours of absence;
5. Any hours or days that are not accounted for should be noted as a non-scheduled day or a time off slip must accompany the time card with a manager's signature. Any holes in the timecard without an accompanying slip may be charged against an employee's available PTO balance.
6. Filling out another employee's time card or falsifying any time card is prohibited and may be grounds for disciplinary action, up to and including termination.

PAY PERIOD AND PAYDAYS

Payroll is processed on a semi-monthly basis. Please see your supervisor or HR Director if you have questions whether your position is paid bi-weekly or semi-monthly in the New Richmond location.

All pay checks are processed via direct deposit. Please ensure that you notify the payroll department if your account information changes. All employees are required to sign ACH authorization paperwork.

Employees' payroll is processed beginning the first business day following the 15th and the first

business day following the last day of each month. Processing is completed over 4 business days, and uploaded to the bank on the 4th business day. Funds are usually reflected in your account on the 5th business day.

WORKWEEK AND OVERTIME

The company's workweek begins on Sunday at 12:01 a.m. and ends on Saturday at 12:00 midnight.

Occasionally it may be necessary for an employee to work beyond his or her normal workday hours. Overtime pay is paid only when work is scheduled, approved, and made known to you in advance by your supervisor. Under no circumstances shall an employee work overtime without the prior approval of his or her supervisor.

Hourly employees will receive overtime pay at a rate of one-and-one-half times their regular hourly rate for all hours worked in excess of 40 in a workweek.

To the extent possible, overtime will be distributed equally among all employees in the same classification and position, provided that the employees concerned are equally capable of performing the available work. Decisions regarding overtime work will be made by management. Any employee asked to work overtime will be expected to rearrange his/her personal schedule to work the requested overtime.

HOLIDAYS

It is the policy of the Company to designate and observe certain days each year as holidays. Eligible full time employees will be given a day off with pay for each holiday observed. Eligibility for pay for Company holidays commences ninety (90) days after employment for all employees.

The Company observes the following holidays for which eligible non-exempt, hourly-paid employees will receive holiday pay in the amount of eight (8) hours at their straight-time rate, exclusive of shift differentials: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas Day.

Thanksgiving Eve, Christmas Eve and New Year's Eve, depending on which day of the week they fall, we may close early and employees will receive holiday pay accordingly. The actual time of closing will be determined by management and communicated to you via memo.

Should a holiday fall on a Saturday or Sunday, a 'floating day off' will be allowed for employees to take at another time considered acceptable by the employee's supervisor. This 'floating day' will not be part of an employee's PTO and may not be carried forward as such.

Good Friday we are open, however, any employee who wishes to attend services of their choice may do so. This is considered an approved absence without pay and must be approved by your supervisor ahead of time.

An employee must work the last scheduled workday before and first scheduled workday after the holiday to qualify for holiday pay, unless excused by the Company. If an employee is absent on one or both of these days because of an illness or injury, the Company may require verification of the reason

for the absence before approving holiday pay.

The Human Resources Director and/or the General Manager must approve any variations from the above. Supervisors do not have the authority to make benefit changes. The Company may schedule work on an observed holiday as it considers necessary. Normally, work on an observed holiday will be paid as if the day were a regularly scheduled day. Employees will be paid their regular pay plus holiday pay.

EMPLOYMENT CLASSIFICATIONS

Upon being hired by the Company, all new employees must serve a ninety (90) calendar day eligibility period. It is especially important that you make your supervisor aware of any questions or problems you may encounter during this period. Your performance will be carefully monitored during this period. At the end of the eligibility period, your performance will be reviewed, and if it has been satisfactory, you will become a Regular Full-Time or Regular Part-Time Employee. Satisfactory completion of the eligibility period does not entitle you to employment for any specific term, but does entitle you to participation in many of the Company's employee benefits programs.

For the sole purpose of determining the allowance of certain employee benefits, employees are classified as:

1. Regular Full-Time Employees - An employee who has satisfactorily completed the introductory period and is scheduled to work an average of forty (40) hours per week on a regular and continuous basis.
2. Regular Part-Time Employees - An employee who has satisfactorily completed the eligibility period and is usually scheduled to work less than an average of forty (40) hours per week but not less than ten (10) hours per week on a regular and continuous basis.
3. Temporary Employees - An employee whose services are anticipated to be of limited duration falls into this classification. Temporary employees are not eligible for participation in those employee benefits programs made available for the Company Regular Full-Time and Regular Part-Time Employees, although separate benefit plans may be available for certain temporary employees assigned to work at the Company. Any such employees will be separately notified of any such programs. Service as a temporary does not count as service as a Regular Employee for benefit eligibility purposes.

For payroll purposes, employees will be classified as one of the following:

1. Exempt Employees - Certain employees such as executive, administrative, technicians, sales, and professional employees are paid on a salary basis for all hours worked each week. Certain computer professionals may also be exempt, regardless of whether they are paid on a salary or hourly basis. These employees are expected to work whatever hours are required to accomplish their duties, even if it exceeds their normal workweek. No overtime premium pay will be paid to exempt employees in most circumstances.

2. Non-Exempt Employees - All employees who are not identified as exempt employees are considered non-exempt employees. Non-exempt employees are eligible for payment of overtime premium pay.

WORK PERMIT

In accordance with Wisconsin state law, a work permit is required to be on file before anyone under the age of 18 is allowed to work in any job with the company. The cost of obtaining a work permit will be reimbursed to the employee upon receipt of the work permit and a receipt of payment.

MAINTAINING YOUR PERSONNEL RECORDS

It is your responsibility to provide current information regarding your address, telephone number, insurance beneficiaries, change in dependents, marital status, etc. Please use the personnel records form to note any changes in your address, phone number, emergency contact information, marital status, number of dependents, etc. Changes in exemptions for tax purposes will only be made upon the receipt of a completed W-4 form.

PERSONNEL FILES

It is the policy of the Company to maintain personnel records for applicants, employees, and past employees in order to document employment-related decisions, evaluate and assess policies, and comply with government record keeping and reporting requirements.

Employee personnel files are the property of the company, and do not belong to the employee. However, upon request, current and former employees have the right to inspect their "personnel documents" which are used, or which have been used, to determine qualifications for employment, promotion, transfer, additional compensation, termination or other disciplinary action, and medical records. In accordance with state law, we will provide current and former employees with an opportunity to inspect these documents upon receipt of a written request.

Notice of changes to employee information should be given to the company immediately. Failure to provide such notice could have serious effects, such as non-coverage of dependents for insurance.

PERFORMANCE EVALUATIONS

Employees will normally receive periodic performance evaluations. Performance evaluations are designed to increase employee motivation, encourage productivity and to guide succession planning. The frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties or recurring performance problems.

The performance evaluation should help each employee become aware of their individual progress, areas for improvement and objectives and/or goals for future work performance. Performance evaluations do not guarantee salary adjustments or promotions. After the review process is completed, employees will be asked to sign the performance evaluation document simply to acknowledge that it has been presented and discussed, and that the employee is aware of its contents.

STANDARDS AND EXPECTATIONS FOR THE WORKPLACE

SAFETY

The company believes in maintaining safe and healthy working conditions for our employees. However, to achieve our goal of providing a safe workplace, each employee must be safety conscious. We have established the following policies and procedures that allow us to provide safe and healthy working conditions. We expect each employee to follow these policies and procedures, to act safely, and to report unsafe conditions to his or her supervisor in a timely manner.

Reporting Unsafe Conditions or Practices

Employees are expected to continually be on the lookout for unsafe working conditions or practices. If you observe an unsafe condition, you should warn others, if possible, and report that condition to your supervisor immediately. If you have a question regarding the safety of your workplace and practices, ask your supervisor for clarification.

If you observe a coworker using an unsafe practice, you are expected to mention this to the coworker and to your supervisor. Likewise, if a coworker brings to your attention an unsafe practice you may be using, please thank the coworker and make any necessary adjustments to what you are doing. Safety at work is a team effort.

Maintaining a Safe Worksite

We expect employees to establish and maintain a safe worksite. This includes but is not limited to the following applications:

- Maintaining proper fall-protection systems.
- Building and maintaining walkways, handrails, and guardrails.
- Properly lifting and lowering heavy objects.
- Inspecting tools and equipment for defects before use.
- Keeping walkways clear of debris.
- Inspecting, cleaning, and properly storing tools and equipment after use.
- Following established safety rules.

Using Safety Equipment

Where needed, the company provides its employees with appropriate safety equipment and devices. You are required to use the equipment provided in the manner designated as proper and safe by the manufacturer. Failure to properly use safety equipment may lead to disciplinary action, up to and including termination.

If you require safety equipment that has not been provided, contact your supervisor before performing the job duty for which you need the safety equipment.

Reporting an Injury

Employees are required to report any injury, accident, or safety hazard immediately to their supervisor(s). Minor cuts or abrasions must be treated on the spot. More serious injuries or accidents will be treated accordingly. Serious injuries must be reported on the injury or accident report form available in the office.

Hazard Communications

If you believe that you are dealing with a hazardous material and lack the appropriate information and/or safety equipment, contact your supervisor immediately.

Safety Training

All new employees will be required to complete OSHA safety training during their first week of work. Training will consist of reading and discussing OSHA material with management or the HR Director, followed by a quiz to demonstrate understanding of the material.

Current employees will be required to review OSHA safety material monthly under management coordination. Quizzes will be administered to demonstrate understanding of the material. Any employee who is unable to attend these monthly sessions will be required to complete the necessary training under the direct supervision of the HR Director.

CARE OF EQUIPMENT AND SUPPLIES

All employees are expected to take care of all equipment and supplies provided to them. You are responsible for maintaining this material in proper working condition and for promptly reporting any unsafe or improper functioning of this material to your supervisor.

Neglect, theft, and/or destruction of the company's materials are grounds for disciplinary action, up to and including termination.

SMOKING AT THE WORKPLACE

The company's policy is to provide smoke-free environments for our employees, customers, and the general public. Smoking of any kind is *prohibited* inside our office or on the company's premises, unless a designated smoking area has been approved by the store's general manager. Employees may smoke on scheduled breaks or during meal times, as long as they do off the company's premises. Excessive smoke breaks which cause lost productivity will not be tolerated. Employees are also responsible for reporting to their supervisor any violation of this policy.

DRUG-FREE WORKPLACE

The company does not tolerate the presence of illegal drugs or the illegal use of legal drugs in our workplace. The use, possession, distribution, or sale of controlled substances such as drugs or alcohol, or being under the influence of such controlled substances is strictly prohibited while on duty, while on the

company's premises, or while operating the company's equipment or vehicles. The use of illegal drugs as well as the illegal use of legal drugs is a threat to us all because it promotes problems with safety, customer service, productivity, and our ability to survive and prosper as a business. If you need to take a prescription drug that affects your ability to perform your job duties, you are required to discuss possible accommodations with your supervisor. Violation of this policy will result in disciplinary action, up to and including termination.

Any employee who is convicted of violating criminal drug statutes must notify an appropriate officer or senior official of the company of that conviction within five days of the conviction. Failure to do so may lead to disciplinary action, up to and including termination.

Under Johnson Motor Sales' Substance Abuse and Testing Policy, all current and prospective employees must submit to drug testing. Prospective employees will only be asked to submit to a test once a conditional offer of employment has been extended and accepted. An offer of employment by Johnson Motor Sales is conditioned on the prospective employee testing negative for illegal substances.

Johnson Motor Sales' policy is intended to comply with all state laws governing drug testing and is designed to safeguard employee privacy rights to the fullest extent of the law.

Before being asked to submit to a drug test, the employee will receive written notice of the request or requirements. Your receipt of this policy statement and signature on the handbook acknowledgment form signify your agreement to comply with this policy.

Any drug testing required or requested by Johnson Motor Sales will be conducted by a laboratory licensed by the state. All expenses related to the test will be incurred by the company. The employee may obtain the name and location of the laboratory that will analyze the employee's test sample by calling Western Wisconsin Medical Associates, S.C. at (715) 531-6860 prior to the scheduled testing date and time.

If the employee receives notice that the employee's test results were confirmed positive, the employee will be given the opportunity to explain the positive result. In addition, the employee may have the same sample retested at a laboratory of the employee's choice.

If there is reason to suspect that the employee is working while under the influence of an illegal drug or alcohol, the employee will be suspended without pay until the results of a drug and alcohol test are made available to Johnson Motor Sales by the testing laboratory. Where drug or alcohol testing is part of a random screening, there will be no adverse employment action taken until the test results are in.

All testing results will remain confidential. Employee must sign a consent form prior to the release of results. Test results may be used in arbitration, administrative hearings and court cases arising as a result of the employee's drug testing. Results will be sent to federal agencies as required by federal law. If the employee is to be referred to a treatment facility for evaluation, the employee's test results will also be made available to the employee's counselor.

VIOLENCE AND WEAPONS

The company believes in maintaining a safe and healthy workplace, in part by promoting open, friendly, and supportive working relationships among all employees. Violence, bullying, intimidation, overt rudeness, or threats of violence have no place in our business. Violence is not an effective solution to any problem. Employees are strictly prohibited from bringing any weapons, including knives, pistols, rifles, stun guns, Mace, etc., to the worksite or office. Neither threats of violence nor fighting will be tolerated. Furthermore, if you have a problem that is creating stress or otherwise making you agitated, you are encouraged to discuss it with your supervisor.

You are expected to immediately report to your supervisor any violation of this policy. Any employee found threatening another employee, fighting, and/or carrying weapons on to company grounds will be subject to disciplinary action, up to and including termination.

RE-EMPLOYMENT

Former employees who are rehired and return to work within three months of their termination will not be required to go through another introductory period, unless the company deems it necessary. Former employees who are rehired and return to work more than three months after their termination will be rehired only as new employees and must complete a new introductory period. They will be considered new employees for any and all benefits. As a general rule, the company will not rehire former employees who:

- Were dismissed by the company
- Resigned without giving two weeks' notice
- Were dismissed for inability to perform job duties
- Had a poor attendance record
- Had a below-average evaluation
- Violated work rules or safety rules

CODE OF ETHICAL CONDUCT

In order to avoid any appearance of a conflict of interest, employees are expected to abide by the following code of ethical conduct. Please consult your supervisor or an official of the company if you have any questions.

Employees of the company should not solicit anything of value from any person or organization with which the company has a current or potential business relationship.

Employees of the company should not accept any item of value from any party in exchange for or in connection with a business transaction between the company and that other party.

Employees may accept items of incidental value (no more than \$25) from customers, suppliers, or others as long as the gift is not given in response to solicitation on your part and as long as it implies no exchange for business purposes. Items may include gifts, gratuities, food, drink and entertainment.

If you are faced with and are unsure how to handle a situation that you believe has the potential to violate this code of ethical conduct, notify your supervisor, the HR Director or the company president.

Violations of this code may lead to disciplinary action, up to and including termination.

APPEARANCE AND DRESS

To present a business-like, professional image to our customers and the public, all employees are required to wear appropriate clothing on the job. By necessity, the dress standards for the business office and sales are somewhat different than other positions within the company. However, extremes of any sort (clothing, make-up, fragrances, hair styling, tattoos, or piercings) are inappropriate and will not be condoned. All tattoos and body piercings, with the exception of ear piercing, are required to be covered and should not be visible while working.

For the business office, casual to business-style dress is appropriate. Employees should be neatly groomed and clothes should be clean and in good repair. Leisure clothes such as cut-offs, halter tops, or flip-flops are not acceptable attire for the business office. Employees are required to wear their company provided name tag or shirts embroidered with the company logo. The company will reimburse employees for clothing which is purchased for logo embroidery. 50% of the cost of the clothing and embroidery will be reimbursed.

Uniforms, employees are expected to wear work clothes appropriate for work to be done. Employees should be sensitive to the location and context of their work and should be ready to adjust their dress if the circumstances so warrant. Employees at a jobsite should wear clothing that protects their safety (steel-toed shoes, for example) and wear clothing in such a way as to be safe (e.g., shirts tucked in when working around machinery). The company will share in the cost of uniform rental and dry cleaning with the employee. The company will pay 50% of these costs. Costs will vary by the number and type of items the employee chooses to rent. Please see the department manager for a current pricing list.

CONFLICTS OF INTEREST

You should avoid external business, financial, or employment interests that conflict with the company's business interests or with your ability to perform your job duties. This applies to your possible relationships with any other employer, consultant, contractor, customer, or supplier.

Violations of this rule may lead to disciplinary action, up to and including termination.

SOLICITATION AND DISTRIBUTION

For the safety, convenience, and protection of all employees, the company has adopted the following rules concerning solicitation and the distribution of materials: The company prohibits solicitation and distribution of non-company materials on Company premises at all times.

GENETIC INFORMATION NON-DISCRIMINATION

The company respects all employees' privacy in their genetic information and enforces a strict policy of nondiscrimination on the basis of genetic information. The company will never discriminate, harass, or retaliate on the basis of genetic information when it comes to any aspect of employment. Additionally, the company will never use genetic information to make an employment decision. According to the

Equal Employment Opportunity Commission, genetic information includes information about an individual's genetic tests and the genetic tests of an individual's family members, as well as information about any disease, disorder, or condition of an individual's family members (i.e., and individual's family medical history). Family medical history is included in the definition of genetic information because it is often used to determine whether someone has an increased risk of getting a disease, disorder, or condition in the future.

Personal Calls, Visits, and Business

The company expects the full attention of its employees while they are working. Although employees may occasionally have to take care of personal matters during the workday, employees should try to conduct such personal business either before or after the workday or during breaks or meal periods. Regardless of when any personal call is made, it should be kept short.

Employees should also limit incoming personal calls, visits, or personal transactions. The company phones should be available to serve the Company's customers, and non-business use of the phones can hurt the company's business. A pattern of excessive personal phone calls, personal visits, and/or private business dealings is not acceptable and may lead to disciplinary action.

Personal cell phones are expected to be used discretely and ring tones should be kept at a minimum level while working.

BUSINESS EXPENSES

Employees may occasionally incur expenses on behalf of the Company. The company will reimburse employees for typical business expenses, such as mileage (for example, when the Company asks an employee to travel to a different location during the workday with their personal vehicle) and certain job-related supplies or materials. The company will pay mileage reimbursements by adding the appropriate amount to the employee's pay check upon receipt of the employee's mileage record. In order to be reimbursed for job-related supplies or materials, employees must deliver a receipt for the supplies or materials to the company's business office within 7 days of the purchase.

Any business expenses incurred as a result of traveling must be approved in advance, including but not limited to: lodging, air, car rental, phone, and meals.

INSPECTION OF PERSONAL AND COMPANY PROPERTY

The company's employees use the property and equipment the company owns and provides, and may also use the company's materials, information, and other supplies. While employees may decorate their office workspaces with their personal possessions (such as pictures, plants, and the like), employees must remember that property supplied by the company remains the property of the company. The company reserves the right to search any Company property (e.g., personal computers, desks, lockers, or other storage areas) at any time. The company also reserves the right to inspect personal property (e.g., tool boxes, purses, briefcases) during the workday or as employees leave their worksites. Refusal to allow inspection may lead to disciplinary action, up to and including termination. ***The employee must also sign the acknowledgement form located under Addendum B.***

AUTOMOBILE USAGE

Employees whose jobs require regular driving for business as a condition of employment must be able to meet the driver approval standards of the Company's insurance provider at all times. Employees must inform their supervisor or the Administration Department of any changes that may affect their ability to meet these standards.

It is not the Company's policy to offer Demo vehicles to any of their employees. However, from time to time the Company realizes that an employee might be authorized to take a vehicle from the lot for their personal use. Employees who need transportation in the course of their normal work may be assigned a Company vehicle for their use. When no Company vehicles are available, employees may use their own vehicles for business purposes, with the prior approval of their supervisor.

Employees must report any accident, theft, damage, breakdown, or mechanical problem involving a Company vehicle or a personal vehicle used on Company business to the Sales Manager and the Office Manager, regardless of the extent of damage or lack of injuries. These reports must be made as soon as possible but no later than forty-eight hours after the incident. Employees are expected to cooperate fully with authorities in the event of an accident. However, they should not make any statements other than in reply to questions of investigating officers.

Should you be involved in an accident while driving a Company vehicle on personal time and find out that your insurance will not cover you, you will be held responsible for the Company's deductible and Parts and Labor discount. Currently, our policy has a \$1,000 deductible and a 25% discount on Parts and Labor. This is subject to change as we renegotiate with the insurance companies on an annual renewal basis. If it changes, we will notify you immediately.

Customer Demo Drives are covered by our insurance policy. Report any and all accidents and/or damages that occur to both a Sales Manager and the Office Manager immediately so that documentation can be handled immediately.

Use of electronic devices while driving company vehicles (texting, dialing, etc) is prohibited. Any report of irresponsible or unsafe driving may result in disciplinary action.

RESPONDING TO CUSTOMER INQUIRIES AND PROBLEMS

At the company, client satisfaction is the measure of our success. It is the responsibility of each employee, within reason, to interact with the client to achieve this goal.

NETWORK AND ELECTRONIC RESOURCES POLICY

Network and Electronic Resources, such as computers, other hardware, software, e-mail, landline and cellular telephones, fax machines and internet access, are tools that the Company provides its employees to assist them in their work. These Network and Electronic Resources and related access systems are proprietary Company property and subject to review or access by the Company at any time.

All employees who use the Company's Network and Electronic Resources must follow the guidelines below:

1. Use Network and Electronic Resources for Company business purposes only.
2. Messages and communications sent via the Company's Network and Electronic Resources are subject to subpoena and access by persons outside the Company and may be used in legal proceedings. Please consider this before sending any confidential messages or material via the Network and Electronic Resources.
3. E-Mail is not a substitute for face-to-face communication. If you have a conflict with someone or need to discuss an important issue, it should be handled in person or over the telephone if a meeting is not possible.
4. Remember that all of the Company's policies, including but not limited to policies on Equal Employment Opportunity, Harassment, Confidentiality, Personal Conduct and Rules of Conduct, apply to the use of the Company's Network and Electronic Resources. Employees must not review or forward sexually explicit, profane or otherwise unprofessional or unlawful material through the Company's Network and Electronic Resources.
5. Passwords protecting the use of the Company's Network and Electronic Resources are the Company's property and will be assigned to employees as needed. Employees may not change passwords without the consent of the company president. Employees must notify their supervisor or the HR Director of all passwords and encryption keys assigned to or used by them, and must notify their supervisor or the HR Director of any changes to such passwords or encryption keys.
6. Do not install any software or program on any Company computer or other hardware without the express consent of your supervisor, the HR Director or the company president.
7. The company expressly prohibits the unauthorized use, installation, copying or distribution of copyrighted, trademarked or patented material.
8. Employees must not attempt to override or evade any program or measure installed by the Company to protect the security or limit the use of its Network and Electronic Resources.

The Company retains the right to review all communications conducted and data saved – both business or personal, reviewed or accessed via the Company's Network and Electronic Resources, including Company computers, e-mail and internet access. The company does not permit its non-management employees to access or use any Company password, e-mail or internet access other than their own. Inappropriate use of Network and Electronic Resources may result in discipline, up to and including discharge. Employees should be careful to safeguard their passwords, log off their terminals when not in use and not permit others to access Company systems.

CONFIDENTIAL AND PROPRIETARY INFORMATION

The Company considers its confidential and proprietary information, including the confidential and proprietary information of our customers, to be one of its most valuable assets. As a result, employees must carefully protect and must not disclose to any third party all confidential and proprietary information belonging to the Company or its customers. Such protected information includes, but is not limited to, the following: matters of a technical nature, such as computer software, product sources, product research and designs; and matters of a business nature, such as customer lists, customer contact information, associate information, on-site program and support materials, candidate and recruit lists and information, personnel information, placement information, pricing lists, training programs, contracts, sales reports, sales, financial and marketing data, systems, forms, methods, procedures, and analyses, and any other proprietary information, whether communicated orally or in documentary, computerized or other tangible form, concerning the Company's or its customers' operations and business.

Employees should ensure that any materials containing confidential or proprietary information are filed and/or locked up before leaving their work areas each day. During the workday, employees should not leave any sensitive information lying about or unguarded.

If you have any questions about this policy, consult your supervisor or the HR Director. ***The employee must also sign the acknowledgement form located under Addendum B.***

OUTSIDE EMPLOYMENT

The company discourages our employees from taking additional outside employment. Employees who wish to take on outside employment must first obtain permission from the company president. Exceptions to this rule would be outside employment in the Guard, Reserve, and religious, political or labor organizations. Work requirements for the company, including overtime, must take precedence over any outside employment.

The company will not permit any employee to take an outside job with a company in the same or related business as the company, or which is in any way a competitor of the company.

If the company permits an employee to take outside employment, the employee must report to his or her supervisor when the outside job has started. If, as a result of this outside employment, the employee is unable to work when requested by the company, including overtime, or is unable to maintain a high work performance level at the company, permission to work at the outside job may be rescinded, or the employee may be subject to dismissal.

Employees are not permitted to work for any client of the company outside of the regular working hours as described above, without the express approval of the company president or his designated representative.

The company will not pay medical benefits for injuries or sickness resulting from employment by any employer other than the company.

RULES OF CONDUCT AND PROGRESSIVE DISCIPLINARY PROCEDURE

There are reasonable rules of conduct which must be followed in any organization to help a group of people work together effectively. The company expects each employee to present himself or herself in a professional appearance and manner. If an employee is not considerate of others and does not observe reasonable work rules, disciplinary action will be taken.

Depending on the severity or frequency of the disciplinary problems, a verbal or written reprimand, suspension without pay, disciplinary probation, or discharge may be necessary. It is within the company's sole discretion to select the appropriate disciplinary action to be taken. Notwithstanding the availability of the various disciplinary options, the company reserves the right to discharge an employee at its discretion, with or without notice.

The following is not a complete list of offenses for which an employee may be subject to discipline, but it is illustrative of those offenses that may result in immediate discipline, up to and including dismissal, for a single offense:

1. Excessive absenteeism or tardiness.
2. Dishonesty, including falsification of Company-related documents or on an Employment Application, or misrepresentation of any fact.
3. Fighting, disorderly conduct, horseplay, or any other behavior which is dangerous or disruptive.
4. Possession of, consumption of, or being under the influence of alcoholic beverages while on Company or customer premises or on Company business.
5. Illegal manufacture, distribution, dispensation, sale, possession, or use of illegal drugs or unprescribed controlled substances.
6. Reporting for work with illegal drugs or unprescribed controlled substances in your body.
7. Possession of weapons, firearms, ammunition, explosives, or fireworks on Company or customer premises.
8. Failure to promptly report a workplace injury or accident involving any of the Company's employees, clients, equipment, or property.
9. Willful neglect of safety practices, rules, and policies.
10. Speeding or reckless driving on Company business.
11. Commission of a crime, or other conduct which may damage the reputation of Company.
12. Use of profane language while on Company business.
13. Stealing, misappropriating, or intentionally damaging property belonging to the Company or its customers or employees.
14. Unauthorized use of the Company's or its clients' name, logo, funds, equipment, vehicles, or property.
15. Insubordination, including failure to comply with any work assignments or instructions given by any Company supervisor with the authority to do so.
16. Violation of the Company's Equal Employment Opportunity Policy or its Harassment Policy.
17. Interference with the work performance of other employees.
18. Failure to cooperate with an internal investigation, including, but not limited to, investigations of violations of these work rules.
19. Failure to maintain the confidentiality of trade secrets or other confidential information belonging to the Company or its customers.
20. Failure to comply with the personnel policies and rules of the Company.

BENEFITS

The company offers competitive pay and benefits programs designed to attract and retain people who share this commitment to excellence. The company provides a comprehensive package of benefit choices that meet employees' financial security needs at an affordable cost for both the employee and the employer. The programs described in this document are designed to promote and maintain good health, to provide for retirement, to help meet the cost of illness and accident, and to help provide financial security for employees and beneficiaries.

Johnson Motors pays the entire cost for some benefits, others require employee cost-sharing, and some are paid entirely by the employee. To the extent feasible, certain benefits are provided on a tax-favored basis.

The information below outlines the benefits that are available to all eligible employees. Coverage for all insurance plans will begin on the first of the month following 60 days of employment. You will have 30 days from your eligibility date to complete and submit the appropriate enrollment forms to the Human Resources Director. Otherwise, you must wait until the next open enrollment period or experience a qualifying event in order to apply for coverage. Please see the HR Director for more details on benefit programs.

HEALTH INSURANCE

Regular full-time and commissioned employees, their spouse and dependent children are eligible to participate in the company sponsored group medical insurance plan the first of the month following 60-days of full-time employment. This plan permits out-of-network provider services with appropriate deductibles and co-pays. Our current health plan is through Medica.

The company pays a fixed contribution towards your coverage. The employee will pay an additional \$1.88 per month for administrative fees. Please refer to the Health Insurance Benefit Summary for more information regarding premium and deductible amounts. This information can be obtained from Human Resources.

DENTAL INSURANCE

Regular full-time and commissioned employees, their spouse and dependent children are eligible to participate in a MetLife Dental Plan the first of the month following 60-days of full-time employment. The employee is responsible for the full monthly premium.

This plan covers 100% Preventive, 80% Basic Restorative, 50% Major Restorative and 50% of Orthodontia procedures. Deductibles and maximum benefit limitations do apply. Please refer to the Benefit Summary for more information regarding premium and deductible amounts.

SHORT-TERM DISABILITY

Regular full-time and commissioned employees are eligible to participate in Johnson Motors' short-term disability plan on the first of the month after 60 days of full-time employment. Johnson Motors pays for the entire monthly premium. The short-term disability benefit pays 60% of your pre-disability earnings to a gross weekly maximum of \$200.00 for a maximum duration of 26 weeks. Johnson Motors will match any short-term disability benefit received from the insurance company up to a maximum amount of \$4,000 annually.

LONG-TERM DISABILITY

Regular full-time and commissioned employees are eligible to participate in Johnson Motors' long-term disability plan on the first of the month after 60 days of full-time employment. The employee is responsible for the full monthly premium. The long-term disability benefit pays 60% of your gross monthly earnings pre-disability, less income you may receive from other sources (such as social security, Workers' Compensation, etc.). The maximum monthly benefit is \$5,000.

BASIC LIFE AND AD&D INSURANCE

Regular full-time and commissioned employees are eligible to participate in Johnson Motors' basic life/AD&D and dependent life plan on the first of the month after 60 days of full-time employment. Johnson Motors pays for the entire monthly premium. The basic life and AD&D Insurance provides the following coverage for the employee and eligible dependents.

Basic Life	\$25,000 Flat Amount
Accidental Death & Dismemberment	\$25,000 Flat Amount
Plan Maximum	\$25,000
Non-Medical Maximum	\$25,000
Age Reduction Formula	Reduces by 35% at age 65, and to 50% of the original amount at age 70
Employee Contribution	0%
Dependent Life	\$5,000 spouse/\$2,000 children
Employee Contribution	0%

SUPPLEMENTAL LIFE INSURANCE

Regular full-time and commissioned employees, their spouse and dependent children are eligible to participate in Johnson Motors' supplemental life and dependent life plan on the first of the month after 60 days of full-time employment. The employee is responsible for the full monthly premium. The

employee may purchase additional life insurance coverage in an amount that best fits their needs through convenient payroll deduction.

CAFETERIA PLAN

Regular full-time and commissioned employees are eligible to participate in Johnson Motors' cafeteria plan on the first of the month after 60 days of full-time employment. The cafeteria plan allows the employee to select individualized benefits on a pre-tax basis (as opposed to after-tax) by utilizing salary reduction. Cafeteria Plan benefits include health and dental insurance premiums, dependent care reimbursement and medical reimbursement for certain health care expenses not covered by insurance. There is no minimum contribution in either the Medical or Dependent Care Reimbursement options. Currently the employee is able to defer the following:

AFLAC SUPPLEMENTAL INSURANCE

Regular full-time and commissioned employees are eligible to participate in Johnson Motors' voluntary AFLAC coverage on the first of the month after 60 days of full-time employment. The employee is responsible for the full monthly premium.

An AFLAC representative will meet with the employee to discuss the details of the products offered. Currently the following AFLAC products are available to employees:

Personal Accident Indemnity Plan
Specified Health Event Protector
Vision Insurance

Personal Disability Income Protector
Specified-Disease Limited Insurance (Cancer)

RETIREMENT PLAN

To be eligible to participate in the Retirement Plan, an employee (regular full-time and commissioned) must be 21 years of age or older and complete 12 months of continuous service with a minimum of 1,000 hours. Please see the HR Director for plan specific information.

SOCIAL SECURITY BENEFIT

The Federal Social Security Act entitles every employee of this Company to the financial protection provided by the Social Security Act.

Under the Act, your yearly taxable earnings are reported to the Social Security Administration and the Company is required to deduct a portion of your salary or wages. This amount, along with an equal sum of money paid by the Company, is sent periodically to the federal government for credit to your account.

WORKER'S COMPENSATION

The Company provides Workers' Compensation Insurance on all employees while working. Although you should use caution in your work and follow all safety requirements and procedures as set forth by your Manager, should you receive any kind of injury while on the job, immediately bring it to the attention of your Manager. An accident report must be completed within 24 hours. This report is to be signed by you and your Manager and forwarded to the Human Resource Department.

EMPLOYEE DISCOUNTS

Regular full time and commissioned employees who have been employed at least 90 days are eligible for discounts on or for their personal vehicles. Eligible employees are able to receive discounts on:

- labor performed in our service or body shop departments (15% off);
- parts purchased in our parts department (15% off); and/or
- the purchase of a vehicle from the company (process must be done with a sales manager or owner).

These discounts are intended for the employee's vehicles; which includes all vehicles in your name, your spouse's name, and/or your dependents names that are living at your household address. The General Manager will provide you with more specific information to your particular needs. The benefits are personal to you and cannot be used and/or purchased for resale to another party. The body shop is excluded from this benefit.

SERVICE WORK DAY/NIGHT ~ WEDNESDAY NIGHT

This allows service technicians time to work on their own vehicles with the benefit of using the company's hoists and having their tools and use of the parts department and discount. Please be aware that you should be working on vehicles within your own household only. The parts discount still applies.

Our insurance requires any vehicle being worked on in the shop to have an open Repair Order. Please make sure this is done prior to putting your vehicle into the service bay area. All parts associated with the work you are doing need to be billed out on the RO with your employee discount.

TRAINING

Continuous education is encouraged and in some positions a requirement at the company. When required to attend educational classes and/or seminars, all expenses associated with the training along with your normal compensation (if defined in your pay plan) will be at the company's expense.

PAID TIME OFF (PTO)

The Company believes that employees should have opportunities to enjoy time away from work to help balance their lives. We recognize that employees have diverse needs for time off from work. Johnson Motors has established this paid time off (PTO) policy to meet those needs. The policy contains provisions for vacation time and sick leave. The benefits of PTO are that it promotes a flexible approach to time off. Employees are accountable and responsible for managing their own PTO hours to allow for adequate reserves if there is a need to cover vacation, illness or disability, appointments, emergencies or other needs that require time off from work.

Employees are encouraged to take all earned PTO to which their length of continuous service entitles them. PTO may not be taken until it is earned. Up to 5 days of earned, unused PTO time will be carried forward into the next calendar year. All remaining PTO in excess of 5 days will be paid out in December. If an employee wishes to be paid in full for all accumulated PTO for the year (NOT carry forward 5 days), they must notify the Payroll department in writing prior to December 15th.

While every effort will be made to give employees the dates they desire, management will determine approval with the Company's business needs in mind. In the event that two or more employees in the same job classification request the same time off, length of service will be the basis of the decision. PTO should be taken one week at a time or more for planned vacations and supervisors must receive a minimum of a two week notice/request. PTO must be taken in a minimum of half day increments. Hourly use of PTO will not be allowed. In order to receive pay for PTO, employees must attach an approved time off form with their time card. Note: any unused, earned PTO shall be forfeited upon termination of employment.

PTO is pro-rated based on an employee's hire date and continuous years of service. PTO is earned each month. The following chart details the paid time off schedule for all locations beginning *January 1, 2009*.

Years of service	PTO days earned per month	Equals how many PTO days earned per year?
0-2	.83 days	10 days
2-5	1.25 days	15 days
5-10	1.41 days	17 days
10-15	1.67 days	20 days
15-20	1.83 days	22 days
20+	2.08 days	25 days

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The company realizes that employees have many stressors outside of work. The Employee Assistance Program (EAP), provided through Medica, can help you get the information and support you need on many different topics. The Medica EAP provides information, support and resources on the following topics: Community Resources, Dependency Issues, Family Issues, Financial Issues, Legal Concerns, and Personal & Work Concerns. All calls made to the EAP are completely confidential. The company does not receive any information regarding your concerns or calls. All employees can access this benefit by calling (800) 626-7944 24 hours a day, 7 days a week.

COBRA

In accordance with Federal law, most employers sponsoring group medical or dental plans are required to offer employees and their families the opportunity for temporary extension of medical/dental coverage (called "continuation coverage") at group rates in certain circumstances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law.

As an employee, or the spouse or dependent child of an employee, of the Company you have the right to choose this continuation coverage if you lose your group medical/dental coverage because of a reduction in your hours of employment or the termination of your employment (for any reason other than gross misconduct on your part).

Under the law, the employee or family member (to include divorced spouse or dependent child) has the responsibility to inform the Company's plan administrator of a divorce, legal separation or a child losing dependent status under the Company's group medical/dental plan.

The Company has the responsibility to notify the plan administrator of the employee's death, termination of employment or reduction in hours or Medicare entitlement.

When the plan administrator is notified that one of these events has happened, the plan administrator will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of the events described above to inform the plan administrator that you want continuation coverage.

If you do not choose continuation coverage, your group medical/dental insurance coverage will end. If you choose continuation coverage, our Company is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The law requires that you be afforded the opportunity to maintain continuation coverage for 36 months unless you lost group medical/dental coverage* because of termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months. However, the law also provides that your continuation coverage may be cut short for other reasons. (See the payroll manager or the controller for details.)

Under the law, you may have to pay part or the entire premium for your continuation coverage. The law also says that, at the end of the 18-month or 36-month continuation coverage period, you must be allowed to enroll in an individual conversion medical plan provided under the Company medical insurance plan. (This does not apply to dental insurance plans.)

Additional information regarding coverage and cost, as well as a complete copy of the COBRA law may be obtained from the HR Director.

General Notice of Cobra Continuation Coverage Rights

****CONTINUATION COVERAGE RIGHTS UNDER COBRA****

Introduction

You are receiving this notice because you have recently become covered under a group health plan (the Plan). This notice contains important information about your rights under COBRA and Wisconsin State continuation laws. COBRA and state continuation laws provide a temporary extension of coverage under the Plan. This notice generally explains COBRA and state continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive an extension under the Plan.

A federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), created the right to continuation coverage. COBRA continuation coverage can become available to you at certain times when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage. COBRA applies to all group health plans (both fully and self-insured) maintained by employers with 20 or more employees including plans established by state and local government units and certain church plans. For additional information about your rights and obligations under federal law, you should review the Plan's Summary Plan Description or contact the Plan Administrator.

Wisconsin State law has similar provisions to COBRA but also has provisions that are very different. Fully insured health plans are subject to Wisconsin State law regardless of the size of the group. To be eligible for continuation under Wisconsin State law an employer must have covered you under an employer sponsored health plan for at least three months before the loss of eligibility. However, fully insured health plans with over 20 employees are subject to both state and federal laws regarding continuation. When both laws apply to the group coverage, the Office of the Commissioner of Insurance has stated that the law with the most favorable provision to the insured applies.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualify events happens:

- The employee dies;
- The employee's hours of employment are reduced;
- The employee's employment ends for any reason other than his or her gross misconduct;
- The employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The employee and spouse become divorced; or
- The child stops being eligible for coverage under the plan as a "dependent child."

Under Wisconsin law the following individuals who have been continuously covered under a group health insurance policy for at least three months have the right to continue their group coverage, or to convert to an individual policy providing similar benefits:

- a former spouse whose coverage ends because of divorce or annulment;
- an employee who voluntarily or involuntarily terminates employment for any reason other than discharge for misconduct, along with the spouse and dependents if covered; and
- a covered spouse and/or dependents of an employee who has died.

When is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee [*and IF the Plan provides retiree health coverage: commencement of a proceeding in bankruptcy with respect to the employer,*] or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to: The HR Director

How is COBRA Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months. Under Wisconsin law if the qualifying event is death, the qualified beneficiaries are limited to 18 months of coverage. (This applies to employer groups of fewer than 20 employees.)

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). (State law does not make any provisions for this event; therefore this does not apply to groups with under 20 employees.)

Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage.

Under Wisconsin State law, the law only allows 18 months of continuation coverage for disabled individuals. (This applies to employer groups of fewer than 20 employees.) Coverage may end if you establish residence outside of Wisconsin or become eligible for another group hospital and medical plan that does not have preexisting conditions.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences a second qualifying event while receiving 18 months of COBRA continuation based on a reduction in hours or loss of employment coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), gets

divorced, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Under Wisconsin State law the maximum amount of continuation coverage available when experiencing the second qualifying event of divorce is variable. The qualified beneficiary may stay on the plan until the former spouse establishes residence outside of Wisconsin, or until the employee loses coverage under the group policy.

In the case of death of an employee, Wisconsin law allows the surviving spouse and dependent children to continue for 18 months, until they establish residence outside of Wisconsin, or until they become eligible for coverage under another group hospital and medical plan that does not have a preexisting condition.

If you Have Questions

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.

Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Plan Contact Information:

Johnson Motor Sales, Inc. 620 Deere Drive New Richmond, WI 54017	Johnson Motors of Menomonie, Inc. 1603 Highway 12 West Menomonie, WI 54751	Johnson Motors of St. Croix Falls, Inc. 2180 Highway 8 St. Croix Falls, WI 54024	Johnson Ford of New Richmond, Inc 1400 Hwy 64 North New Richmond, WI 54017
Local: (715) 246-2261	(715) 235-1000	(715) 483-2000	(715) 246-FORD
Toll Free: (888) 674-6455	(800) 525-8015	(800) 328-8567	
Office Fax: (715) 246-7393	(715) 235-1010	(715) 483-2020	
F&I Fax: (715) 573-6607	(715) 235-8075	(715) 483-9841	

LEAVES OF ABSENCE

Family Medical Leave

The Company will comply with all applicable requirements of the Family and Medical Leave Act (“FMLA”) and similar state provisions. Employees have rights to family and medical leave under the Federal Family and Medical Leave Act of 1993. Employees employed in Wisconsin also have rights to family and medical leave under the Wisconsin Family and Medical Leave Act. The Company provides family and medical leave in accordance with the law.

Federal Employee Eligibility ~ The FMLA defines eligible employees as employees who:

- (1) have worked for the Company for at least 12 months;
- (2) have worked for the Company for at least 1,250 hours in the previous 12 months; and
- (3) work at or report to a worksite which has 50 or more employees or is within 75 miles of worksites that taken together have a total of 50 or more employees

Wisconsin Employee Eligibility ~ The Wisconsin FMLA defines eligible employees as employees who:

- (1) have worked for the Company for at least 12 months; and
- (2) have worked for the Company for at least 1,000 hours in the previous 12 months.

Leave Entitlement ~ Family and medical leave is available to employees for the following reasons:

Family Leave

- (1) For the birth and care of a son or daughter.
- (2) For the placement of a son or daughter with the employee for adoption or foster care.

Medical Leave

- (1) To care for the spouse, son, daughter, or parent of the employee if such spouse, son, daughter, or parent has a serious health condition.
- (2) Because of the employee’s serious health condition that renders the employee unable to perform the essential functions of his or her job.

How and When to Request Leave

If you need family or medical leave, you must provide the Company notice of the need for leave. To request leave, you should fill out an Application for Leave of Absence form, which is available from the Administration Department. When the need for leave is foreseeable (such as for leave following the birth of a child), you should provide at least 30 days advance notice. When the need for leave is not foreseeable, you must give notice as soon as possible. Your notice, when possible, should be in writing, and it should provide the Company with enough information to determine whether the leave qualifies as family or medical leave. Failure to provide proper notice may result in delay or denial of leave.

Medical Certification Requirement

If your leave is due to a serious health condition, you will be required to furnish Medical Certification from a health care provider. Medical Certification forms are available from the Administration Department. Failure to provide the required certification may result in the delay, denial, or cancellation of leave. If the certification shows that your absence does not qualify under the FMLA, the FMLA designation will be revoked retroactive to the first day of your leave. The Company may require recertification during your leave.

Amount of Leave Available

An employee may take up to 12 weeks of Federal family or medical leave in a year. Under Wisconsin law, in any calendar year an employee may take up to two weeks of leave due to the serious health condition of the employee, up to two weeks of leave for the serious health condition of the employee's child, parent or spouse, and up to six weeks for the birth, adoption, or placement of a child. If the employee is eligible for leave under both state and federal law, the state and federal leaves will run concurrently.

How the Amount of Leave is Calculated

The Company will count Federal family and medical leave on a "rolling 12-month basis." This means that the 12-month period is measured backwards from the date an employee uses any family or medical leave. Each time an employee takes Federal family or medical leave, the remaining leave entitlement would be any balance of the 12-week annual entitlement that had not been used during the immediately preceding 12 months. Wisconsin family and medical leave will be calculated based on the calendar year.

Benefit Continuation

During family and medical leave, your group health insurance will be maintained under the same conditions as if you were working. The Company will continue your short-term disability, long-term disability and company-paid life and accidental death and dismemberment insurance during your leave at no cost to you. If you are on paid leave, your payment will be deducted from your paycheck. If employee premium payments are more than 30 days late, insurance coverage may be terminated. You may be required to reimburse the Company for any premium payments you missed that the Company pays on your behalf.

Reinstatement

When you return from family or medical leave, you will be entitled to reinstatement to your job or an equivalent job with the same pay, benefits, and terms and conditions of employment. However, this right to reinstatement will not apply if your leave continues after your state and federal family and medical leave is exhausted.

Pay Status

Family and medical leave is generally unpaid leave. When you take family and medical leave, however, you may substitute certain types of accrued paid leave, such as vacation. Under these circumstances both the paid and unpaid leave count as family and medical leave. Family and medical leave will run concurrently with worker's compensation or disability leaves.

Fitness for Duty

If you are taking medical leave due to your own serious health condition, you must provide a return to work release from your health care provider before you return to work. The return to work statement should be submitted to the Administration Department.

Status Update

While you are on leave, the Company may require you to periodically confirm your status and your intention to return to work. Any employee who decides, while on leave, that he or she will not be returning to work at the end of the leave should immediately inform the Company.

Fraudulent Use of Leave

If the Company determines that an employee has obtained leave or continued to take leave under the State or Federal family and medical leave laws based on fraudulent, dishonest or misleading conduct of any kind, the employee will be subject to immediate termination.

Personal Leave

The company may, at its discretion, grant an employee a leave of absence without pay when sufficient personal reasons necessitate such a leave. However, employees are not eligible for a personal leave of absence until they have been continuously employed as full-time employees of the company for 12 months.

The company may require an employee to provide documentation, such as a doctor's certification of illness or disability, supporting the employee's need for a leave of absence, and the company may periodically require the employee to provide such supporting documentation on basis during the leave of absence. Prior to or upon an employee's return to work from a leave of absence, the company may also require the employee to provide documentation establishing the employee's ability to return to work.

The Company reserves the right to determine the duration of the leave of absence, but no leave of absence shall exceed 12 weeks. If an employee fails to return to work immediately after his or her leave of absence expires, the employee will be considered to have voluntarily resigned his or her position with the company.

Employees may continue their health insurance benefits while on a leave of absence by paying the full cost of the employee portion of their premium to remain covered each month during the leave.

Employees who wish to continue their insurance coverage should so advise the office manager before beginning their leave.

Leaves of absence will be without pay except that employees may be required to use any accrued paid time off during a leave. While on a leave of absence, employees will not accrue additional paid time off. Employees may be eligible for benefits during a leave under the Company's short-term and long-term disability plans.

Because operations sometimes require that vacant positions be filled, a leave of absence does not guarantee that the job will be available when the employee returns from a leave. The Company will, however, make an effort to place you in your previous position or a comparable job which you are qualified to perform. If no such position is available, you may be eligible for rehire as a new employee if you apply for an available position for which you are qualified and if your prior work history warrants your rehire.

Bereavement Leave

The company will provide up to three days of paid bereavement leave for an employee upon the death of an immediate family member. For purposes of this policy, “immediate family” is defined as the employee’s or the employee’s spouse’s parents, siblings, nieces/nephews, grandparents, grandchildren, the employee’s spouse or children, including step-relations, or any other relative who resides in the employee’s household. If additional leave is needed, vacation may be used with approval.

Employees should direct all requests for Bereavement Leave to their supervisors or to the company president.

While on Bereavement Leave, an employee will be paid at straight time for the hours the employee was scheduled to work on the days missed.

Jury Leave

Employees who are called for jury duty will be granted time off with pay to perform this civic duty. Employees must notify their supervisors as soon as they learn they have been summoned as a juror so that work arrangements can be made. In order to be paid for Jury Leave, an employee must provide his or her supervisor with the jury summons and a note from the Clerk of the Court indicating the times the employee was in court for jury duty. The company will pay employees straight time for their regularly scheduled hours of work, minus the compensation they received from the court for their service as jurors. An employee who is excused from jury duty prior to the end of a regularly scheduled workday must report for work for the remainder of that day, or otherwise notify his or her supervisor of his or her availability to work.

Military Leave

The company will grant employees called into military service an unpaid leave of absence and reemployment rights as provided by the laws of the United States. Employees may use accrued paid time off during a military leave of absence, but are not required to do so.

ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK

I have received the current company employee handbook and have read and understand the material covered. I have had the opportunity to ask questions about the policies in this handbook, and I understand that any future questions that I may have about the handbook or its contents will be answered by the HR Director or his or her designated representative upon request. I agree to and will comply with the policies, procedures, and other guidelines set forth in the handbook. I understand that the company reserves the right to change, modify, or abolish any or all of the policies, benefits, rules, and regulations contained or described in the handbook as it deems appropriate at any time, with or without notice. I acknowledge that neither the handbook nor its contents are an express or implied contract regarding my employment.

I further understand that all employees of the company, regardless of their classification or position, are employed on an at-will basis, and their employment is terminable at the will of the employee or the company at any time, with or without cause, and with or without notice. I have also been informed and understand that no officer, agent, representative, or employee of the company has any authority to enter into any agreement with any applicant for employment or employee for an employment arrangement or relationship other than on an at-will basis and nothing contained in the policies, procedures, handbooks, or any other documents of the company shall in any way create an express or implied contract of employment or an employment relationship other than one on an at-will basis.

This handbook is the company property and must be returned upon separation.

Signature

Date

Employee Name: Printed

Witness

Date

Title

ADDENDUMS

ADDENDUM A

NEW POLICY ACKNOWLEDGEMENT FORM

INSPECTION OF PERSONAL AND COMPANY PROPERTY

The company's employees use the property and equipment the company owns and provides, and may also use the company's materials, information, and other supplies. While employees may decorate their office workspaces with their personal possessions (such as pictures, plants, and the like), employees must remember that property supplied by the company remains the property of the company. The company reserves the right to search any Company property (e.g., personal computers, email, desks, lockers, or other storage areas) at any time. The company also reserves the right to inspect personal property (e.g., tool boxes, purses, briefcases) during the workday or as employees leave their worksites. Refusal to allow inspection may lead to disciplinary action, up to and including termination.

CONFIDENTIAL AND PROPRIETARY INFORMATION

The Company considers its confidential and proprietary information, including the confidential and proprietary information of our customers, to be one of its most valuable assets. As a result, employees must carefully protect and must not disclose to any third party all confidential and proprietary information belonging to the Company or its customers. Such protected information includes, but is not limited to, the following: matters of a technical nature, such as computer software, product sources, product research and designs; and matters of a business nature, such as customer lists, customer contact information, associate information, on-site program and support materials, candidate and recruit lists and information, personnel information, placement information, pricing lists, training programs, contracts, sales reports, sales, financial and marketing data, systems, forms, methods, procedures, and analyses, and any other proprietary information, whether communicated orally or in documentary, computerized or other tangible form, concerning the Company's or its customers' operations and business.

Employees should ensure that any materials containing confidential or proprietary information are filed and/or locked up before leaving their work areas each day. During the workday, employees should not leave any sensitive information lying about or unguarded.

If you have any questions about this policy, consult your supervisor or the HR Director.

By initialing above and signing below, I acknowledge receipt of the following new policies:

- ***Inspection of Personal and Company Property Policy, and the***
- ***Confidential and Proprietary Information Policy***

I have read and understand these policies, and I agree to adhere to their terms.

Signature

Date