



# MUSIC CITY RECON



# EMPLOYEE HANDBOOK



# Employee Handbook

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Congratulations on your new employment with Music City Recon. We are excited to have you on board, whether you are a new hire or an employee that has been with us now for a lengthy period of time.

We believe that your success is our success. That's why we've developed this Employee Handbook to help outline our policies and procedures and to help

guide you throughout your relationship with us.

This Employee Handbook is not a promise or contract of employment, but a tool to help you learn about the rules and expectations around your employment with us. As an employee of Music City Recon, please be advised this Employee Handbook and all of its contents should be kept completely confidential.

We'd like to express the following:

We are thrilled to have you join the Music City Recon team.

Please take the time to view, read and review this Employee Handbook as thoroughly as possible, specifically the sections that relate to the type of work you will be doing or the particular employment relationship you have with us. If you have any questions, please reach out to your supervisor.

Welcome!

## **SECTION 1: INTRODUCTION**

**1.1 Basic Company Information:** The company you are beginning work for is listed at the beginning of this Employee Handbook ("Handbook"). The company name is as follows: Music City Recon, and its subsidiaries, Auto Paint Specialists Inc., The Wheel Guys Inc., The Wheel Guys DBA Wheel Repair of TN, Master Colours Inc. and Complete Car Care (the "Company"). The primary business address of the Company is as follows:

**3821 Dickerson Pike  
Nashville TN 37207**

The primary contact number of the Company is as follows: **615-397-5758**.

**1.2 This Employee Handbook:** This Handbook describes, summarizes, and explains the Company's policies, procedures, benefits (if applicable) and expectations regarding employees and their employment. This Handbook will cover rules related to employment. Complying with all of the provisions of this Handbook is a necessary requirement and condition of employment.

While this Handbook strives to give as much information as possible regarding the Company's practices, there may be situations that it does not cover. As such, please do not consider this Handbook a comprehensive, all-encompassing document. The policies and procedures outlined in this Handbook are meant to be a basis for and supplement to other official Company documents, the human resources division of the Company, and any other specific information as may arise from time to time.

If there are any specific questions about anything contained in this Handbook, the employee should consult the appropriate individual or department within the Company.

This Handbook is also subject to other official documentation regarding the Company's benefits (including insurance and plan documents, if applicable).

This Handbook replaces and supersedes any and all previous employee handbooks, rules, practices, or other policies, written or oral, expressed or implied. Individual employment agreements between an employee and the Company may, however, control over the terms of this Handbook.

**1.3 Policy Changes:** The Company may, at various points in time, and in our sole and exclusive discretion, change the terms of this Handbook. We have the expressed right to change, revise, revoke, modify, amend, add to, or otherwise vary the terms of this Handbook and any other Company paperwork, documentation, or information. The terms can only be changed in writing and updated in this Handbook, no terms will be changed orally. If we change the terms herein, we will send written notice to all

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employees and change the "Last Updated" date at the top of this Handbook for future publication. All employees will be responsible for being aware of any policy changes after notice is received. If there are any questions or issues arising from or relating to anything contained within this Handbook, employees should ask their supervisor or the human resources subdivision within the Company.

**1.4 At-Will Employment:** Unless a specific, contrary written employment agreement is

received by the employee and signed by an authorized representative of the Company (which shall only be the Company's highest officers, including the CEO or President), all employees of the Company are to be considered at-will employees. In other words, either the Company or the at-will employee may terminate the employment relationship at any time for any reason, with or without notice. Nothing in this Handbook shall be construed to change or modify the at-will relationship between the Company and employee. Further, nothing in this Handbook shall be construed to limit the Company's right to change the terms of the at-will employment relationship, including wage alterations, promotions, demotions, benefit changes or any other material change.

**1.5 No Guarantees & Interpretation:** The Company's interpretation of anything contained within this Handbook will govern and be absolute. Further, nothing contained herein should be construed to guarantee any kind of employment, any terms of employment, any continued employment or any specific relationship between any current employee and the Company. Only an executed, written employment agreement can alter the terms of this general Handbook.

**1.6 Disputes:** As consideration for your continued employment, you agree that any disputes between you and the Company shall first be submitted to the Company for possible personal and good faith resolution. If these personal resolution attempts fail, you agree that any disputes between you and the Company shall be submitted to binding arbitration. The arbitration shall be conducted in the primary county where the Company operates. The arbitrator shall have no authority to add Parties, vary the provisions of this Agreement, award punitive damages, or certify a class. The arbitrator shall be bound by applicable and governing Federal law as well as the law of the primary state of business for the Company. Claims necessitating arbitration under this section include, but are not limited to, wage and benefit claims, employment termination claims, breach of contract claims, confidentiality claims, claims based on Federal and state law, and claims based on local laws, ordinances, statutes or regulations. *Intellectual property claims by the Company will not be subject to arbitration and may, as an exception to this subpart, be litigated.*

## **SECTION 2: EMPLOYMENT POLICIES**

**2.1 Employment Classification:** All employees at the Company are classified into two primary categories, as required under federal law, specifically including the Fair Labor

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Standards Act ("FLSA"). The two categories of classification are exempt employees and nonexempt employees.

*Exempt Employees:* Exempt employees are those that meet specific conditions under the FLSA, the primary of which is to hold a certain position. Normally, exempt employees are those in high-level roles, such as executives, professionals,

administrators and others, who receive a salary. "Exempt" under the FLSA means exempted from the minimum wage and overtime sections of the FLSA.

*Nonexempt Employees:* Nonexempt employees are those that are not exempt from the minimum wage and overtime sections of the FLSA. These employees must be paid at least the minimum wage per hour and qualify to receive additional payments for overtime.

Employees are further categorized at the Company into additional classifications, as described below.

*Regular Full-Time Employees:* Regular full-time employees are those who are not temporary employees, consultants, or independent contractors and are those employees who are regularly scheduled to work the following number of hours per week: 40.

If employees are unaware of their classification or have not been notified, they should inquire to their supervisor or a human resources manager.

Independent contractors and consultants are not considered employees of the employee of the Company in any way. Instead, they are self-employed. Independent contractors and consultants are not eligible to receive Company benefits and will be subject to the specific terms of the written agreement between themselves and the Company.

**2.2 Confidentiality:** In the course of employment with the Company, employees may have access to certain non-public Confidential Information (as hereinafter defined). Confidential Information refers to any information which is confidential and commercially valuable to the Company. The Confidential Information may be in the form of documents, techniques, methods, practices, tools, specifications, inventions, patents, trademarks, copyrights, equipment, algorithms, models, samples, software, drawings, sketches, plans, programs or other oral or written knowledge and/or secrets and may pertain to, but is not limited to, the fields of research and development, forecasting, marketing, personnel, customers, suppliers, intellectual property and/or finance or any other information which is confidential and commercially valuable to the Company.

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You, as an employee of the Company, hereby agree that the Confidential Information is secret and valuable to the Company and that the Company desires to maintain the secret and private nature of the Confidential Information.

Confidential Information may or may not be disclosed as such, through labeling, but is

to be considered any information which ought to be treated as confidential under the circumstances through which it was disclosed.

Confidential Information shall not mean any information which:

- I) is known or available to the public at the time of disclosure or became known or available after disclosure through no fault of you;
- II) is already known, through legal means, to you;
- III) is given by the Company to third parties, other than you, without any restrictions;
- IV) is given to you by any third party who legally had the Confidential Information and the right to disclose it; or
- V) is developed independently by you and you can show such independent development.

As consideration for your continued employment, you agree:

- I) Not disclose the Confidential Information via any unauthorized means to any third parties throughout the duration of your employment;
- II) Not to discuss the Confidential Information in any public places;
- III) Not to remove hard copies of the Confidential Information from the physical premises of the Company without authorization;
- IV) Not use the Confidential Information for any purpose except those contemplated and authorized by the Company.

Employees may be required to sign a Non-Disclosure Agreement prior to beginning work with the Company.

**2.3 Conflicts of Interest:** Employees working for the Company must at all times avoid any clear or potential conflicts of interest. In other words, employees must not engage in any relationships, activities, businesses, or other situations which may conflict with the best interests of the Company. Because of this policy, employees must take care to avoid any situation which may even appear to be a conflict of interest. Employees must

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disclose any conflicts, including those which may just be potential conflicts, to the appropriate authority at the company. Conflicts of interest include, but are not limited to, situations where the employee is involved in a business directly competing with the Company or situations where the employee uses confidential or other secret

information of the company.

**2.4 Employment of Minors:** The Company strictly follows the child labor provisions of the Fair Labor Standards Act (FLSA). These provisions were created to ensure that the nation's youth do not work in jobs that may pose risks to their health and safety. The FLSA generally sets minimum ages for work across various sectors, restricts the hours that minors may work, and disallows minors under the age of 18 from working in hazardous jobs. The FLSA also sets wage standards for certain classes of employees, such as full-time students, workers with disabilities, and employees under 20 years of age.

If you believe any of the provisions of the FLSA apply to you, please discuss it with a relevant manager in the human resources department as soon as is practicable.

**2.5 Employment of Relatives & Personal Relationships:** In certain circumstances, relatives or individuals that are close, personal relations may work together. Such work together may include simply working in the same department or it may include managing or supervising each other. Relatives or close relations may even work in a capacity to have access to Company-specific information about the other. The Company allows such work, but only to the extent that it does not jeopardize the business or operations of the Company or otherwise harm any employee or create any conflicts of interest.

If the Company finds any issues among or regarding the work relationships of relatives or close personal relations, the Company may reassign employees. If such issues may be problematic and the Company learns of the relationship during the hiring process, the Company may decline to hire such relative or personal relation at their sole and exclusive discretion.

Relatives under this policy include the following: mother, father, child (natural or adopted), parent, sister, brother, spouse or domestic partner, uncles, aunts, nieces, nephews, any in-laws, any step-relatives, any in-laws of step-relatives, grandparents, or grandchildren.

Close personal relations under this policy include any individuals whom you may be dating, whom you have had a non-work, personal relationship with for a significant amount of time, or any other individual the Company deems may be too close of a personal relation for neutral work together.

All employees of the Company must disclose any relatives or close personal relations that may be joining the Company as employees, contractors, or consultants or that may be suppliers, clients, or customers of the Company. If your status as a relative or close

personal relationship to one of these groups changes during the course of your employment (for example, through marriage or adoption), you agree to notify the Company as soon as is practicable.

The Company reserves all rights to deal with and manage these situations, including through reassignment or request for resignation.

**2.6 Probationary Period:** For all new hires, the following period is considered an introductory or probationary period: 90 Days (the "Probationary Period"). During this time, Management will monitor the new employee's progress and performance. Employees are also expected to ascertain their fit with the Company during this time, including learning specific job duties and getting to know with other employees. After the Probationary Period ends, there will be a performance review for the employee completed by their immediate manager or supervisor. If the Company determines that the employee has satisfactorily performed and opts to continue employment beyond the introductory period, the employee will be given additional details, including information on improvements needed. At this time, the employee is expected to offer any ideas that could improve Company operations. Getting through the Probationary Period does not guarantee employment with the Company for any fixed period of time. All Company employees are considered at-will employees and the employment relationship may be terminated by the employee or the Company at any time with or without cause and with or without advance notice.

**2.7 Privacy:** *The Company takes employee privacy very seriously.*

Employee personal information (including demographics) will only be disclosed as required for business operations. All healthcare benefits information is separately stored from other human resources documents. Claims and healthcare information related to Workers' Compensation is not considered protected health-related data and information will only be released on a need-to-know basis.

If needed, the Company will establish the protocol employees and management are to follow that will maintain compliance with the requirements of the Health Insurance Portability and Accountability Act (HIPAA). Regardless, the Company will not inquire into an employee's protected healthcare information, as that term is used in applicable Federal law. In the event an employee volunteers confidential healthcare information, this information will be kept confidential.

**2.8 Immigration Issues:** The Immigration Reform and Control Act of 1986, requires that each new employee complete the Employment Eligibility Verification Form I-9 as a condition of employment. The I-9 form must be completed by the newly hired employee

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on the date of hire and the employee is required to provide documentation that verifies their identity and eligibility for employment within three (3) business days of the date of

hire. In the event that a previous employee is rehired, a new I-9 form must be completed if the Company does not have an I-9 form on file completed in the previous three years or if the previously completed I-9 form is unavailable or invalid. Any employee is permitted to ask questions or lodge complaints related to the Company's compliance with immigration law compliance without fear of reprimand or retaliation.

**2.9 Political Neutrality:** Under no circumstances will the Company discriminate against any employee based on their support or participation in any political activity, so long as such activity is within the bounds of the law. The Company will not take any punitive action nor discriminate against an employee based on their lawful political engagement outside of the workplace. If an employee engages in any political activity, the employee must clearly state that such activity and related statements in no way represent the views of the Company. Additionally, all Company employees are entitled to their own personal political position.

### **SECTION 3: PAYROLL PRACTICES**

**3.1 References & Records:** As required by law, the Company keeps a personnel file and all payroll records for each employee. All employee files and payroll data are the sole property of the Company. Such records may not be removed without written consent. Only specific individuals may have access to these records.

The Company will cooperate with requests regarding these records from law enforcement, governmental agencies, or as otherwise legally required. Other than that, access to personnel files and payroll records will be limited and granted on a case-by-case basis.

By appointment only and with reasonable advance notice, employees may review their personnel file and/or payroll records with a Human Resources representative. All employee reviews of personnel files and/or payroll records must be reviewed at the Company's offices during operating hours and in the presence of a Human Resources representative. Only documents previously signed by the employee may be reproduced; no copies are permitted for all other documents. An employee may submit comments to address any disputed information contained in his or her personnel file.

It is Company policy to only provide employment dates and position(s) held at the Company to current and former employees. Current and former employee compensation data will only be disclosed with the written authorization of the employee.

**3.2 Payment Information:** Company employees are paid as follows: *10/29*

Employees of Auto Paint Specialists Inc., The Wheel Guys Inc., and Master Colours LLC will be paid weekly on Friday. Employees of Complete Car Care will be paid on

the 15th and last day of each month.

If the date of pay falls on a Saturday or Sunday or on a Company-observed holiday, all employees will receive paychecks on the business day immediately preceding the holiday and/or weekend.

**3.3 Overtime:** Employees that are non-exempt employees will be paid overtime as per the guidelines set forth in both federal and the law of Tennessee.

Non-exempt employees must receive prior approval to work overtime and only actual time worked will be used to calculate overtime pay.

**3.4 Deductions:** To comply with federal and state tax and insurance laws, several deductions are made from an employee's pay, specifically including, but not limited to, the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance & Family Temporary Disability Insurance, and any other items which may be elected by the employee or required by law (i.e. court-ordered deductions such as wage garnishments). An employee may modify their federal and state income tax withholding by updating and submitting the applicable forms. All employees will receive a Wage and Tax Statement (W-2) at the beginning of each calendar year. The W-2 serves as a statement of earned income and applicable deductions for the prior year.

**3.5 Logistic:** Employees that are not exempt must keep detailed and accurate attendance records as well as keep track of the number of hours worked. Under no circumstances is it permissible for an employee of the Company to falsify timekeeping forms.

Employees are permitted to receive their pay via direct deposit. Employees do not have to use direct deposit, but the Company prefers all Employees do so.

**3.6 Breaks And Meals:** All rest and meal periods shall be in accordance with both federal law and the law of your employment state.

**3.7 Garnishment of Wages:** A wage garnishment or attachment is a court order that requires the Company to deduct a specified amount from an employee's pay and remit the deducted funds to a third party for the purpose of debt settlement. The Company is obligated to comply with all court-ordered garnishments. Deductions to the employee's pay will continue until the amount specified is paid in full or until the Company receives notice from the court that the garnishment should cease. If the employee has satisfied the debt, the garnishment activity cannot be stopped until the Company receives an order from the court to stop the garnishment.

**4.1 Performance Reviews:** Employees may be subject to performance reviews from time to time. During these performance reviews, employees will have the opportunity to discuss any questions or concerns with their immediate supervisor and will be critiqued based on their job performance.

Positive performance reviews do not mean that the employee will receive any increase in pay.

**4.2 Pay Increases:** Employees may, from time to time, receive increases in their pay or bonuses, at the Company's sole and exclusive discretion. The Company does not guarantee any increase in pay or bonus to any employee.

**4.3 Attendance:** All employees are expected to be punctual with regular attendance.

All employees, including salaried administration positions, will clock in and out of the office as well.

In the circumstance that an employee is unable to report to work (or will report to work after their scheduled start time) for any reason, the employee must notify his or her supervisor and/or dealerships prior to his or her set starting time. If an employee needs to leave work for any reason prior to the end of their scheduled workday, they must notify their supervisor in advance. If an employee fails to notify his or her immediate supervisor or report for work for the following number of consecutive days: 5, this absence will be considered a voluntary resignation from employment.

Employees who engage in a pattern of frequent or excessive absenteeism or tardiness may be disciplined or terminated, at the Company's sole and exclusive discretion.

**4.4 Dress Code:** The Company's specific dress code policy is as follows:

Employees will be required to wear company provided shirts and/or pants and maintain a well kept appearance. Company reserves the right to require employees to replace damaged or excessively worn company provided shirts or pants. Failure to do so may result in disciplinary action.

**4.5 Safety:** All employees are responsible for maintaining safe workplaces and generally promoting workplace safety. If an employee discovers, observes, or is involved in any workplace accident, injury, hazard, the condition must be immediately reported.

## **SECTION 5: STANDARDS OF CONDUCT**

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**5.1 Equal Employment Opportunity & Americans with Disabilities Act:** The policy of

the Company is to provide equal employment opportunities (EEO) in each of our Company practices and to all employees and employee applicants. Such equal employment opportunities exist for all, without regard to race, gender, gender identity, national origin, religion, creed, color, sexual orientation, age, genetic information, marital status, pregnancy, military status, ancestry, physical or mental disability, or any other category or classification protected by local, state, or federal law. This policy applies to those associated with or perceived to be within a protected class, regardless of whether the individual is actually within the protected class.

This policy applies to each and every aspect of employment and the employment process, specifically including, but not limited to, applications, recruiting, hiring, training, compensation, benefits, promotion, assignments, placement, working conditions, discipline, terminations, layoffs, or leaves of absence.

As an employee of the Company, you are expected to act in accordance with and to support this policy and to ensure, to the highest extent possible, a discrimination-free and harassment-free workplace. You are also expected to make, and support the Company in making, all reasonable accommodations for others as required by law. Such accommodations include, but are not limited to, for the observance of religious holidays, as long as it does not pose any undue hardship on the Company.

The Company also provides all reasonable accommodations to those with disabilities in compliance with the Americans with Disabilities Act (ADA). Under the ADA, employers that have 15 or more employees must provide qualified individuals with disabilities equal opportunities. The Company does not discriminate against individuals with disabilities in any portion of the employment process, including but not limited to applications, recruiting, hiring, compensation, benefits, or promotions.

We may require medical documentation of the disability and the request of accommodations needed. If you have a disability, it is your responsibility to bring it to our attention so that we may help. After all, we cannot help with issues that we are unaware of.

Any violations of this policy are taken very seriously. As an employee of the company, you are expected to bring any violations of this policy to the Company's immediate attention. If a violation of this provision is reported to a company manager, whether it is an instance of discrimination or harassment or any other violation, the Company's policy is to swiftly investigate such a report. Retaliation against those employees who may report is strictly prohibited.

**5.2 Discipline For Infractions:** The Company may impose discipline for workplace infractions in its sole and exclusive discretion. Disciplinary action may include, but is not limited to the following

**Verbal Warning:** Failure of an employee to comply with a company policy and/or procedure will result in a verbal warning from the employees direct supervisor

**Written Warning:** Failure of an employee to comply with a company policy and/or procedure for a second time will result in a written warning from the employees direct supervisor, that the employee will be required to sign.

**Written Warning / Termination / Payroll Deduction:** Failure of an employee to comply with a company policy and/or procedure for a third time will result in a final written warning that could also result in the dismissal of said employee from the company verbal or written warnings, paid or unpaid leave, demotion, or reassignment. Employees may also be terminated at any time.

The Company wishes to provide guidelines for employee behavior. Although it may be impossible or very difficult to outline standards of conduct for every possible situation, the Company has established a set of broad guidelines for unacceptable employee behavior. The following list is not meant to be comprehensive and the Company may discipline any employee for any action which is deemed unacceptable. The following list of unacceptable conduct applies to all employees whenever they are conducting Company business both on and off Company premises.

1. Unsatisfactory job performance or lack of professionalism;
2. Abusing, threatening violence, or engaging in violence with another employee or Company staff member;
3. General disorderly or dangerous conduct not becoming of a workplace, such as using abusive language, practical jokes, or horseplay;
4. Fraud in any behavior;
5. Deceit;
6. Stealing or other unauthorized possession of property;
7. The use or possession of illegal drugs or weapons;
8. Failure to do assigned tasks or comply with Company rules;
9. Excessive tardiness or absences;
10. Sexual harassment;
11. Misusing confidential Company information; or

12. Any other violation of any Company rule or policy.

**5.3 Anti-Harassment and Discrimination:** The Company is committed to a safe, respectful, lawful workplace which is free of any form of unlawful harassment or discrimination. The following is prohibited by law and against Company policy: harassment or unlawful discrimination against individuals on the basis of sex, race, color, religion, creed, national origin, sexual orientation, age, pregnancy, identity, ancestry, disability, marital status, genetic information or any other classification protected by applicable law.

The Company does not permit any instance of harassment or discriminatory conduct by or towards anyone. Any employee in violation of this policy will be subject to immediate and severe disciplinary action, including termination.

Specifically, unlawful harassment or discrimination is defined as conduct, whether verbal, visual, or physical, based on a legally protected class such as sex, race, age, national origin, or disability if:

1. The Conduct is made a condition of initial employment, continued employment or, for contractors, continued engagement with the company, whether explicit or implicit.
2. Whether or not the employee submits to the conduct is used as a basis for decisions concerning that employee's status with the Company; or
3. The conduct is directly attributable to a hostile or adversarial workplace.

Behavior classified as harassment includes, but is not limited to, speech or behavior that may be offensive or vulgar or unwanted and unwelcome sexual advances. Examples of offensive behavior include inappropriate jokes, inappropriate visuals, and any unwelcome touching or unsolicited physical contact. In addition, unlawful harassment or discrimination may include racial slurs, epithets, and/or derogatory remarks, stereotypes, jokes, offensive visuals based on race, national origin, age, disability, marital status or other legally protected classifications.

Behavior that violates this policy may include in-person interactions or those that occur on the Internet.

**5.4 How to Make a Complaint:** Employees who feel they have been subjected to harassment or discrimination should immediately report the incident to their supervisor or, if the complaint is concerning their supervisor, to a superior supervisor.

The Company encourages all employees to report violations of this subsection no

matter against whom. No individual member of the Company is exempt from this policy.

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When a complaint has been lodged, the Company will undertake an internal investigation, which may include interviewing witnesses. Upon completion of the investigation, the Company will take any action deemed fit, including termination of the offending employee or reports to law enforcement.

If any employee reporting a complaint under this section believes the Company's response has not been adequate, that employee may involve law enforcement as they deem necessary in their sole and exclusive discretion.

**5.5 Substance Abuse:** The consumption or possession of alcohol, or consumption, possession, sale, or purchase of illegal drugs is strictly prohibited during the undertaking of any work for the Company, whether physically present at the Company's premises or not.

Employees may be permitted to consume moderate amounts of alcohol at specific Company authorized functions.

The Company may provide time off for employees undergoing treatment or rehab for substance abuse disorders. Such time off will be in the Company's sole and exclusive discretion and may be provided along with appropriate discipline if substance issues were discovered during the course of Employee's work.

**5.6 No expectation of Privacy:** Employees should have no expectation of privacy with respect to Company property (such as computers, desks, file cabinets, lockers, etc. belonging to the Company or Company facilities) and/or items stored on or within Company property. Employees should be aware that Company inspections and searches may be conducted at any time, with or without notice.

Employees may also be subject to search when entering or exiting Company property, or generally as the Company deems fit. Refusing to submit to a search or inspection may be grounds for termination.

## **SECTION 6: HARDWARE & INTERNET POLICIES**

**6.1 Computer, Internet, and Email Use:** A wide selection of communication methods may be used in the Company. At minimum, they include SMS/text messaging, email, media, voicemail and instant messaging, and are on and through electronic devices such as telephones, computers, Internet and mobile devices (cell phones, tablets, etc.). These, as well as their contents, such as physical and digital files, data, and operating programs, will be further referred to as "e-correspondence." All forms of e-correspondence are strictly for professional use as they are the exclusive property of

the Company.

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The following list and standards regarding e-correspondence is not comprehensive as the Company has the right to adjust the rules if necessary. All forms of e-correspondence that: (1) can identify the Company; (2) can be accessed on the Company's property; and (3) can be accessed by using company funds or on equipment provided by the Company will adhere to the following rules:

a. Employees may not, under any circumstances, install personal software on any Company-owned computer system. Employees may not use e-correspondence for any activity such as patent, copyright, or trademark infringement, libel, slander, or unauthorized sharing of trade secrets. E-correspondence shall not be used against the Company's best interest or be activity that can be considered illegal. E-correspondence shall adhere to Company policy and shall not constitute harassment, use of obscene or discriminatory language. Any activity thereof will be subject to discipline up to and including termination.

b. Employees must make all e-correspondence as accessible as possible within the Company. Employees do not own any e-correspondence, be it confidential or password protected. Personal passwords used on company devices are considered Company property and may be overridden at any time, if necessary. The Company may keep all passwords, codes, etc. on record. The Company maintains the rights to all information created by an employee on the property or transmitted to the premises.

c. The Company may ensure violations of Company policy and applicable law do not occur by monitoring the employee and their activity. The Company may view all e-correspondence and digital information, including blogs and other social media, at any time. Any and all information created or obtained by the employee may be disclosed to the Company, if necessary.

d. Employees may not encrypt programs or install encryption software with any email communications. Employees may not use any form of anonymous correspondence. Employees shall not have access to any e-correspondence of third parties or other employees under any circumstances.

e. All devices for receiving and recording information such as computers, telephones of any kind and fax machines or scanners may not be used for transmitting sensitive information or sharing Company secrets. These devices must be used only in accordance with the provisions of this Employee Handbook.

f. Use of Company-funded communication services, websites and the Internet is permissible for Company-related business only. Prior approval must be requested

before any information about the Company, its products, or services can appear in the electronic media to be accessed by others.

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**6.2 Social Media Policy:** The Company is dedicated to enhancing its reputation and public profile through social media and, by supporting a positive environment for client feedback, building a loyal customer base to increase revenue. While adhering to the Company's policies, employees are encouraged to use their social networking platforms to support our activities.

The following definition will be used for social media and networking in the context of this section: mobile and web-based applications for user-generated content, communication and social interaction. This definition may include, but is not limited to the following social media platforms: blogs, online communities, discussion forums, review sites, Twitter, Facebook, LinkedIn, Snapchat, Youtube, Google+ and any other related or similar websites.

The Company and its employees will respect the perspectives and opinions of others and conduct themselves professionally in accordance with the best social networking methods at all times. Employees will listen and respond to customer feedback courteously, committing themselves to being responsible citizens and upstanding members of the community. Social media is for business use only on Company time. Damaging behavior and content considered harassing, dishonest or offensive will not be tolerated and social media for personal use on Company time is strictly prohibited.

The Company reserves the right to any "friends," "followers," or social media contacts that are gained through e-correspondence (email addresses, social networks, blogs, etc. as mentioned in earlier sections) developed on behalf of the Company.

Employees will respect the confidentiality of the clients, suppliers, other employees and the Company as a whole by not disclosing private information on social networks. Prior express permission from the owner must be obtained before any third-party content is published. All company copyrights, proprietary information, trademarks and intellectual property will be respected and maintained with the utmost confidentiality.

Company-related employee social networking activity can and will be monitored. Violation of policy guidelines is subject to employee discipline, up to and including termination.

**6.3 Handheld Electronics (all mobile devices):** Personal cell phone use can be disruptive to others and limit employee productivity. As such, use outside of designated breaks and meal times while at work is discouraged. Conversations should not be held where employees are working or in common areas. Mobile devices brought to work must be kept on silent or vibrate mode in the office. Personal cell phone privileges at

work may be taken away if device use is found to be disruptive or productivity decreases below a satisfactory level. If the Company deems it appropriate, the employee may be subject to further disciplinary action, up to and including termination.

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Employees in certain positions may be provided with cell phone allowance to improve productivity and efficiency. Full compliance with all Company policies (including workplace conduct, discrimination, and harassment policies as previously mentioned) is required when conducting Company business via any mobile device. Cell phone use in public places should be regulated for the consideration of confidential information regarding the Company or the client.

Please place cell phones on vibrate mode, silent mode or completely powered off during work meetings as a courtesy to others.

## **SECTION 7: EMPLOYEE BENEFITS & SERVICES**

**7.1 General:** The Company offers additional benefits for the following category of employees aside from those benefits required by state and federal regulations: full-time employees. The Company reserves the right to make changes such as adding or deleting benefits from a given package.

This Handbook provides a general overview and explanation of Company policies. Employees should contact the Human Resources Department or Benefits Administrator for further information regarding employee benefits and services as this Handbook does not contain the complete terms and/or conditions of any of the Company's current benefit plans.

**7.2 Group Health Insurance:** Group health insurance for eligible employees is offered by The Company. The following organization offers the Company's group health insurance plan: Blue Cross Blue Shield. Refer to the Company's benefits booklet for complete details and benefits for more information on group health insurance benefits and options.

**COBRA NOTICE:** Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health insurance plan(s) you are automatically entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as a reduction in the number of hours of employment, termination of employment, death of a covered employee, divorce or legal separation, a dependent child ceases to be

dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

**7.3 Group Life Insurance:** A group life insurance plan for eligible employees is offered by The Company, including coverage for accidental death and dismemberment. The

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following Company offers the Company's group life insurance plan: Principal. Refer to the Company's benefits handbook for more information, complete details and benefits.

**7.4 Unemployment Insurance:** The Company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances as defined by law. This insurance is administered by applicable state agencies, which determine the amount, eligibility, and duration of benefits.

**7.5 Profit-Sharing Plan:** The Company does not offer a profit-sharing plan at this time.

**7.6 Flexible Spending Account (FSA):** Under Section 125 of the IRS Code, the Company has established a flexible spending account for employees who wish to take advantage of this provision. Flexible spending accounts allow eligible employees to withhold a portion of their salary on a pre-tax basis to cover the cost of qualifying insurance premiums, out-of-pocket medical expenses and dependent care expenses (child and/or eldercare) such as daycare expenses and in-home dependent care. To cover these expenses, the employee sets the amount to be deducted on a pre-tax basis. After the conclusion of the benefits plan year, any unused amounts in the medical and dependent care account will be forfeited.

**7.7 401(k) Plan:** The Company does not offer a 401(k) at this time.

**7.8 Social Security Benefits (FICA):** Both the Company and the employee contribute funds to the Federal government to support the Social Security Program during the course of employment, which is intended to provide individuals with retirement benefit payments and medical coverage at retirement age.

**7.9 Commuter Benefits:** The Company does not have a commuter benefits plan set up currently.

**7.10 Workers' Compensation:** Workers' Compensation laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of, employment. Each state has Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered during the course of employment. The Company carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance

company for lost wages. Hospital, medical and surgical expenses are covered under Workers' Compensation, in addition to disability payments and payments made directly to the hospital or physician. Workers' Compensation benefits also include assistance to help qualified injured employees return to suitable employment.

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## **SECTION 8: EMPLOYEE TIME OFF & LEAVES OF ABSENCE**

**8.1 General:** Regular attendance is vital to maintaining business operations. However, the Company understands that employees may need time off from work and the Company offers several different types of leaves of absence for a variety of reasons. Some leave types governed by law while others are granted on a case-by-case basis. All leave requests must be approved by Company management which reserves the right to approve or deny any requests unless otherwise provisioned under law. Employees must submit a leave request for planned leaves the following number of days in advance: 14. In case of emergency, an employee should submit the request as soon as they become aware of the need for leave. If an employee applies for unemployment insurance benefits, accepts alternate employment, engages in other employment or consulting outside of the Company during a leave of absence, the employee may be considered to have voluntarily resigned from employment with the Company.

All leave of absence requests will be considered as they relate to the Company and its work requirements, as determined by Company management. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if a leave of absence is an appropriate accommodation based on the employee's circumstances. Recommendation for a medical leave of absence requires an employee to provide a certification from his or her healthcare provider to the Company. The leave request may be delayed or denied in the event that the certification cannot be provided to the Company in a timely manner. An extension of leave must be approved before the expiration of the leave currently approved.

Except as required by law, there is no guarantee that the employee will be reinstated to his or her prior position, however, the Company will make every reasonable effort to ensure the employee is reinstated to their similar or exact position as before the leave.

**Medical Certification:** When leave is requested for medical reasons, the employee must submit a medical certification from the health care provider that establishes the employee is eligible for family and medical leave. The certification must be provided as soon as is reasonably practicable, and not later than the date leave commences or within 15 days of the Company's request, whichever is later. When the leave is requested due to the employee's own serious health condition, the certification must include: (1) the date the serious health condition began, (2) the estimated duration of the serious health condition, and (3) a statement that, due to the serious health

condition, the employee is unable to work and/or needs medical treatment.

When leave is requested to care for a family member who is ill or injured, the certification must contain: (1) verification the family member has a serious health condition or serious injury or illness, as defined above, and the date such condition

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began, (2) the estimated duration of the condition, (3) an estimate of the amount of time the health care provider believes the employee will be needed to care for the family member or covered servicemember, and (4) a statement that the condition warrants the participation of the employee to provide care. The Company reserves the right to contact the health care provider to seek clarification of information in the certification, as needed, and may require recertification, as appropriate.

At the conclusion of a leave due to an employee's serious health condition and prior to an employee's return to work, the employee must provide a certification from his or her healthcare provider regarding the employee's fitness for duty and eligibility to return to work. The employee must provide the required medical certification to the Company in a timely manner to avoid a delay or denial of leave.

Upon returning from such a leave the employee will normally be reinstated to his or her original or an equivalent position and will receive pay and benefits equivalent to those the employee received prior to the leave, as required by law. If the employee does not return to work on the first workday following the expiration of an approved family and medical leave, the employee will be determined to have resigned from his or her employment. In certain circumstances, "key" employees may not be eligible for reinstatement following a family and medical leave. The Company will provide written notice to any "key" employee who is not eligible for reinstatement.

**8.2 Paid Time Off (PTO) Days:** 8.2 Paid Time Off (PTO) Days: After 12 months of employment, all hourly or salaried employees earn the following number of paid time off ("PTO") days per calendar year: 5 PTO days pay for regular full-time non management employees will be calculated based on the employee's base rate of pay multiplied by 8 hours. Up to 5 PTO days can be rolled over yearly. If an employee does roll over PTO days, and has 10 PTO days pending, they can only take 5 PTO days at a time with at least a 90 day break in between.

Each employee after 90 days of employment, will receive 3 sick/personal days paid per year. Any sick/personal days over 3 will not be paid.

**8.3 Inclement Weather:** After 90 days, employees will be paid for 2 inclement weather/act of God day's per year. Over 2 days, will not be paid by the company.

**8.4 Observed Holidays:** The Company observes the following paid holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Eve
- Christmas Day

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Some divisions within Music City Recon are directly aligned with the business practices and schedules of Automotive Dealerships. As such, paid holidays in these instances are at the sole discretion of division supervisors and based on the needs of the business. For example, employees of Complete Car Care will be required to work their regular hours for any holiday their partner dealership is open. Known holidays to be observed by all dealerships include Thanksgiving, Christmas Eve and Christmas Day. C3 employees will be paid their normal regular hourly pay for 8 hours for each of these observed days. Overtime hours for these holiday weeks will be for actual hours worked and will not include holiday hours paid as a benefit. Any employees who derive 100% of their income from commissions and/or their assistants are NOT eligible for holiday pay.

**8.5 Family and Medical Leave:** Under the federal Family Medical Leave Act (FMLA), eligible employees may request a family and medical leave of absence in the circumstances described below. An employee must have been employed by the Company for at least 12 months (not necessarily consecutive), have worked at least 1,250 hours during the 12 months immediately prior to the family and medical leave of absence and are employed at a worksite where there are 50 or more employees of the Company within 75 miles to be considered eligible.

A planned family and medical leave must be requested at least 30 days prior to commencement of the leave. If the need for the leave is not foreseeable, employees must request the leave as soon as he or she becomes aware of the need for leave. A delay of the start of the leave may result from failure to comply with these requirements.

A family and medical leave may be taken for the following reasons: a.

Employee Illness: the serious health condition of the employee;

b. Childcare: the birth of an employee's child or the placement of a child with the employee for foster care or adoption, provided that the leave is completed within 2

months of the birth or placement of the child;

c. Immediate Family Illness: the care of the employee's spouse or registered domestic partner, child, or parent with a serious health condition;

d. Immediate Family Emergency: due to any qualifying exigency arising out of the fact that the employee's spouse, child, or parent is on active duty, or has been notified of an impending call or order to active duty, in the Armed Forces in support of a contingency operation; or

e. Immediate Family Injury: to care for a covered servicemember (who is the employee's spouse, child, parent or next of kin) with a serious illness or injury.

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\*A serious health condition is defined as one that requires inpatient hospital care or care in another medical facility or continuing treatment or supervision by a healthcare provider.

\*A covered servicemember is defined as a member of the Armed Forces (including the National Guard or Reserves) who is the employee's spouse, child, parent or next of kin, and is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness incurred in the line of duty.

\*A serious illness or injury as it relates to servicemembers is an injury or illness incurred in the line of duty while on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member's office, grade, rank or rating.

Family and medical leave may be taken for up to 12 workweeks during the designated 12-month period for the purposes described in (a) through (d), above. The 12-month period will be calculated based on a calendar year. Leave for the purpose described in (e), above (to care for a covered servicemember), may be taken for up to twenty-six (26) workweeks in a single 12-month period. During the single 12-month period, an eligible employee shall be entitled to a combined total of 26 workweeks of leave for the reasons specified in paragraphs (a) through (d) and (e) above. In other words, any family and medical leave taken for reasons specified in paragraphs (a) through (d) above (up to 12 weeks), will be counted towards the total 26-week entitlement permitted for leave to care for a covered family member with a serious illness or injury during the single 12-month period.

During a family and medical leave, group benefits will be maintained for up to 12 workweeks (or up to 26 weeks when leave is for the purpose of caring for a covered servicemember), as if the employee was continuously employed.

If you and your spouse both work for our Company, both employees will be entitled to

an aggregate total of 12 weeks of leave to care for a newborn, newly adopted child, or recently placed foster child, and to care for a parent with a serious health condition. If you both qualify for the 26-week leave permitted to care for a covered servicemember, you will be entitled to a combined total of 26 weeks of leave for this purpose, as well as to care for a newborn, newly adopted child, or recently placed foster child, or to care for a parent with a serious health condition.

All time off qualified as family and medical leave will be counted against the employees federal and, if applicable, state family and medical leave entitlement to the fullest extent permitted by law.

**8.6 Pregnancy-Disability Leave:** Employees who are considered disabled due to pregnancy, childbirth, or a related medical condition may request a paid leave of

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absence. Such leave will be granted for the period of disability, not to exceed four months. Time off may be requested for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, and childbirth recovery.

Leave provided for pregnancy disability is treated separately from other leave types required by the state family and medical leave law. Pursuant to the federal Family and Medical Leave Act (FMLA) for all eligible employees, the first 12 workweeks of a pregnancy disability leave will be treated concurrently as a leave.

Employees who wish to take a pregnancy disability leave must notify the Benefits Administrator of the effective leave date and the estimated duration of the leave. Notice should be given as previously indicated. The employee must also provide a medical certification of disability to the Company. A delay or denial of leave may result in failure to provide the required medical certification to the Company in a timely manner. The employee is required to provide a medical certification that she is able to resume her specific job duties prior to returning to work. Appropriate certification and leave forms may be obtained from the Benefits Administrator.

Employees who return to work immediately following the expiration of an approved pregnancy disability leave will generally be re-employed in their former position or a comparable job, as required by law.

Under certain conditions, employees who are experiencing or affected by pregnancy may also be eligible to transfer to a less strenuous or hazardous position or duties. Under the advice of the employee's healthcare provider, reasonable accommodations may be requested to assist employees in performing their job duties. Lactation accommodation is also available, upon request. Please contact the Benefits Administrator for more information on pregnancy disability leave or transfer and its effect on the terms, conditions or benefits of employment.

State Leave: State-specific leave laws may be applicable.

**8.7 Workers' Compensation Leave:** Any employee who is unable to work due to a work-related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave as required by law. The first 12 weeks of Workers' Compensation leave will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for employees eligible for FMLA leave.

**8.8 Military Leave:** Military leave is available to eligible employees who enter the Uniformed Services of the United States, including the National Guard and the Commissioned Corps of the Public Health Service, or the state military forces, or the reserve components of the same, to participate in active or inactive duty or training. Time off is also permitted for an examination to determine an individual's fitness for duty in any of the federal armed forces. Such leave will be granted in accordance with

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your state of employment and federal laws, provided all legal requirements are satisfied and the employee returns to work or applies for reemployment within the time prescribed by law. The employee must provide advance notice of the need for leave whenever possible and give their immediate supervisor as much notice as possible to allow the Company to arrange adequate coverage for his or her position.

Employees on federal military leave may be entitled to continue health insurance benefits, at the employee's expense, for up to 24 months from the date of military deployment.

**8.9 Military Family Leave:** During a military conflict, employees with a spouse or registered domestic partner serving in the United States Armed Forces, National Guard or Reserves, may take up to 10 days of unpaid leave when their spouse or domestic partner is on leave from deployment. The employee must work an average of at least 20 hours per week and have a spouse or domestic partner who is either (1) a member of the United States Armed Forces deployed during a military conflict to a designated combat theatre or combat zone; or (2) a member of the National Guard who has been deployed during a period of military conflict; or (3) a member of the Military Reserves who has been deployed during a period of military conflict to be eligible for this leave. Within 2 days of receiving official notice that the spouse or domestic partner will be on a qualified leave, eligible employees are required to notify the Company of their intention to take such leave and provide certifying documentation that the spouse or domestic partner will be on leave from deployment during the time the leave is requested.

**8.10 Bereavement Leave:** In the event of a death in the immediate family, employees may have up to the following amount of time off with pay, at their regular straight-time rate or base salary, to handle family affairs and attend the funeral: 3 days. Immediate

family is defined as an employee's: father, mother, brother, sister, spouse, domestic partner, child, mother-in-law, father-in-law, grandparents and grandchildren.

**8.11 Jury Duty:** U.S. citizens have a civic obligation to provide jury duty service when summoned. The employee must bring in the jury duty notice as soon as it is received so that appropriate arrangements can be made to cover his or her duties. Employees are required to notify the Company or report for work on those days or parts of days when their presence in court is not required.

## **SECTION 9: Vehicle**

**9.1 Company Vehicle:** The company provides vehicles for business use to allow employees to drive on company-designated business and to reimburse employees for

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business use of personal vehicles according to the guidelines below. The company retains the right to amend or terminate this policy at any time. (The term "vehicle," as used in these guidelines, includes, but is not limited to, cars, trucks, vans, trailers, and forklifts.)

**9.2 Vehicle Access:** Employees may not drive any business vehicles without prior approval of their supervisor. Prior to approving a driver and periodically thereafter, supervisors must check the employee's driving record. Employees approved to drive on company business are required to inform their supervisor of any changes that may affect either their legal or physical ability to drive or their continued insurability.

Employees holding jobs requiring regular driving for business as an essential job function must, as a condition of employment, be able to meet the driver approval standards of this policy at all times.

**9.3 Vehicle Operation:** Employees who drive a vehicle on company business must, in addition to meeting the approval requirements above, exercise due diligence to drive safely and to maintain the security of the vehicle and its contents. Use of handheld cell phones (including texting) while behind the wheel of a moving vehicle being used on company business is strictly prohibited. Employees are responsible for any driving infractions or fines as a result of their driving.

**9.4 Non-Employee:** Non-employees and nonbusiness passengers (i.e., family and friends) are prohibited from riding in company vehicles.

**9.5 Personal Vehicle Use:** Employees who operate personal vehicles for company business should obtain auto liability coverage for bodily injury and property damage with a special endorsement for business use, when necessary as determined by their personal insurance agent.

**9.6 Vehicle Incident Reporting:** Employees must report any accident, theft or malicious damage involving a company vehicle to their supervisor and the Personnel Department, regardless of the extent of damage or lack of injuries. Such reports must be made as soon as possible but no later than 48 hours after the incident. Employees are expected to cooperate fully with authorities in the event of an accident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.

**9.7 Operating While Impaired:** Employees are not permitted, under any circumstances, to operate a company vehicle or a personal vehicle for company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time or operate any personal vehicle while on company business while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable

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to operate a vehicle safely or legally because of impairment, illness, medication or intoxication.

**9.8 Vehicle Tracking:** Company vehicles will be GPS tracked at all times. Tampering or removal of GPS tracking devices is strictly prohibited and could result in immediate dismissal from company

**9.9 Vehicle Presentation and Maintenance:** Employees using company vehicles are expected to keep vehicles clean inside and out. Employees are expected to notify their direct supervisor of any maintenance notifications. Employees operating vehicles must also comply with any and all Preventative Maintenance plans. Plans will be introduced to the employee at the time the employee takes possession of the vehicle.

## **SECTION 10: Deduction and Damage**

**10.1 Payroll Deduction:** If during the course of normal work activities, an employee is at fault for damage, said employee will be responsible for reimbursement to the company the exact amount of expenses incurred by the company to repair or replace the damage.

**10.2 Payment Options:** Reimbursement will be in the form of payroll deductions of a mutually agreed upon amount between the employee and the company. If the employee or the company decides to terminate employment, prior to full reimbursement, the company will deduct the remaining balance from the employee's final paycheck. If the outstanding balance exceeds the amount of the employee's final paycheck. The full paycheck will be withheld. \_\_\_\_\_ (Employee Initials)

**Acknowledgment of Receipt of Employee Handbook and At-Will Employment Agreement**

Employee Name: \_\_\_\_\_

I acknowledge that I have been provided with a copy of the Company Employee Handbook, which contains important information on the Company's policies, procedures and benefits, including the policies on Anti-Harassment/Discrimination, Substance Use and Abuse and Confidentiality. I understand that I am responsible for familiarizing myself with the policies in this handbook and agree to comply with all rules applicable to me. I have read and agree to abide by the policies and procedures contained in the Handbook.

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I understand and agree that the policies described in the handbook are intended as a guide only and do not constitute a contract of employment. Nothing in this handbook is intended to modify the Company's policy of at-will employment. I specifically understand and agree that the employment relationship between the Company and me is at-will and can be terminated by myself or the Company at any time, with or without cause or advance notice.

Furthermore, the Company has the right to modify or alter my position, or impose any form of discipline it determines to be appropriate at any time. The at-will employment relationship may not be modified except by a specific written agreement signed by me and an authorized representative of the Company. This is the entire agreement between the Company and myself regarding this subject. All prior or contemporaneous inconsistent agreements are superseded by this agreement.

I understand that the Company reserves the right to make changes to its policies, procedures, benefits and interpretations of the aforementioned at any time at its discretion. However, the at-will employment agreement can be modified only in the manner specified above.

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_



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