

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

A General Disclaimer and Introduction	4
Benefits	6
401K Plan.....	7
Breaks	8
Breaks-in-Service.....	9
COBRA Benefits Continuation.....	10
Charging to Employee Accounts Receivable Policies.....	11
Discounts on Purchases from Bergstrom Cars.....	12
Demonstrators	13
Educational Assistance	14
Team member Lease Program	15
Team member Lounge	16
Team member Referrals.....	17
Team member Shop Use During Non-Work Hours	18
Insurance	19
Parking	21
Service Club Assistance.....	22
Bereavement Leave.....	23
Holidays	24
Jury Duty and Witness Appearances	25
Leaves of Absence	26
Military or Military Related Leave	27
Sick Leave.....	29
Vacation Benefits.....	30
Voting - Time Off.....	32
Employment Expectations	33
Physical and Verbal Altercations - Prohibited Conduct	33
Prohibited Conduct	34
Introductory Period of Employment	36
Attendance	37
Code of Professional Conduct	39
Company Property-No Expectation of Privacy	40
Compliance- Federal and State Agencies	41
Corrective Discipline	42
Dress, Personal Appearance and Grooming	43
Employment At-Will	46
Employment of Relatives.....	47
Equal Employment Opportunity Employment	49
Alcohol Policy	50
Drug and Alcohol Education Program.....	51
Drug-Free Workplace Policy	52
Drug Testing	53
Smoking Policy.....	54
Employment Compliance.....	55
Grievance Procedure.....	55
Family Medical Leave Act.....	56

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

FMLA Coordination	67
Accommodating Team members and Applicants with Disabilities.....	68
Victims of Violence	69
Discrimination, Harassment, and Sexual Harassment Policy.....	70
Discipline Regarding Sexual Harassment, Harassment in General, or Discrimination	72
Discrimination and Harassment Policy- General.....	73
Investigating Complaint-Procedures.....	74
Insubordination and Work Expectations.....	77
Complaint Procedures	78
Complaint Confidentiality Regarding Discrimination and Harassment	80
Personnel Management.....	81
Performance Appraisals	81
Personnel Information, Privacy, and Disclosures	84
TERMINATION.....	88
References and External Employment Information Requests	90
Payroll Management	91
Child Support, Tax Liens, and Court Ordered Garnishment Policy.....	91
Debt to BAM and Confession of Judgment.....	93
Deductions from Exempt Team members' Salaries	94
Deductions and Final Pay	95
Direct Deposit	96
Lost or Stolen Paychecks	97
Lunch (Meal) Policy	98
Overtime Compensation	99
Payday Schedule	100
Pay Grid Wage Determination.....	101
Timekeeping	102
Classifications	104
Safety	105
Health and Safety Policy.....	105
Weapons-Free Workplace.....	107
Designation of Emergency Closing	109
Medical Emergency Preparedness	110
Tornado Procedures	111
Accident Reporting Requirements.....	112
Chemicals in Unlabeled Pipes	113
Container Labeling.....	114
Hazard Abatement	115
Hazard Communication and Training Policy	116
Hazard Management	118
Hazardous Non-routine Tasks.....	119
Safety Data Sheets	120
Task Analysis.....	121
Worksite Hazard Inspection.....	122
Commercial Motor Vehicle Driver Requirements.....	123
Driver Qualifications	124

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Driving –Safe Operation Requirements	125
Safety Belts	126
Vehicle Accidents	127
Workers Compensation.....	128
Coordination with Attending Physician – Workers Compensation	130
Team member Incident Report	131
Fraud in Workers Compensation	132
Injury Reporting - Workers Compensation.....	133
Permanent Disabilities - Workers Compensation	134
Restrictions Regarding Light-Duty Assignments –Workers Compensation	135
Return-to-Work Options - Workers Compensation	136
Return-to-Work Policy.....	137
Treatment Facilities-Designated Medical Providers- Workers Compensation	138
Leave Coordination.....	139
Workplace Security.....	140
Care of Property	141
Cell Phone And Electronic Device Usage	142
Building Access	143
Camera and Audio-Video-Recording Devices	144
Electronic Communications Equipment and Media, Generally	145
Office Keys	149
Security and Monitoring of BAM-provided Electronic Communications Equipment, Systems, and Media	150
Telephone Use	152
Expense and Training Documentation.....	154
Mileage Reimbursement - Local Travel	155
Training Commitment.....	156
Travel Expenses	157
Miscellaneous Policies.....	159
Team members Seeking Public Office	159
Outside Employment	160
Lobbying - Campaign Funding Restrictions.....	161
Solicitation-Literature Distribution by Team members and Nonteam members.....	162
Entertainment, Gifts, Favors, and Gratuities	163
Forms	164
Form I-9	164
ALCOHOL POLICY AND DRUG USE POLICIES - ACKNOWLEDGEMENT ..	166
Communication Systems Policy- Acknowledgement and Agreement to Comply with Policies.....	167
Discrimination, Harassment and Sexual Harassment Policies –Acknowledgment	169
Safety Policy And Hazardous Materials Policies Acknowledgement	170
Receipt and Understanding of Employment Handbook Provisions - Acknowledgement	171
Confession of Judgment.....	172
Receipt Of Policy Modifications Acknowledgement	173

A General Disclaimer and Introduction

This handbook is designed to acquaint you with BAM and provide you with information about working conditions, team member benefits, and some of the policies affecting your employment. From time to time, this handbook may use either the full name, Bergstrom Automotive Management, Bergstrom Cars, or the Company, interchangeably. As used in this handbook, Management refers to Renard Bergstrom.

Neither this handbook nor any of the policies it contains is a contract, agreement, guarantee, or assurance of employment or any right to an employment-related benefit or procedure. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as a team member and outlines the programs developed by BAM to benefit its team members.

One of our objectives is to provide a work environment that is conducive to both personal and professional growth. No team member handbook can anticipate every circumstance or question about policy. As BAM continues to grow, the need may arise to revise, modify, supplement, or rescind any policies or portion of the handbook. BAM reserves the right to revise, modify, supplement or rescind any policies or portion of the handbook, which it deems appropriate, in its sole and absolute discretion. Team members will be notified of any such changes to the handbook as they occur.

Your employment with BAM is *at-will*. The at-will policy is explained in more detail in the separate "Employment At-will Policy. In general, it allows either you or BAM to end our relationship for any reason at any time. Similarly, BAM can terminate your employment at any time and for any reason, with or without cause. Your employment is not for any definite or specific term or amount of time. BAM reserves the right to hire, transfer, promote, discipline, terminate, and otherwise manage its team members as it deems appropriate. No coach or supervisor of BAM has the authority to enter into an agreement for employment for any specified period of time, or to make promises or commitments which are different from the policy stated above.

If you have questions concerning these guidelines, please consult with your supervisor or the office coach.

Customers are among our organization's most valuable assets. Every team member represents BAM to our customers and the public. The way we do our jobs presents an image of our entire organization. Customers judge all of us by how they are treated with each team member contact. Therefore, one of our first business priorities is to assist any customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

BAM will provide customer relations and services training to all team members with extensive customer contact. Our personal contact with the public, our manners on the telephone, and the communications we send to customers are a reflection not only of ourselves, but also of the professionalism of BAM. Positive customer relations not only

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

enhance the public's perception or image of BAM, but also pay off in greater customer loyalty and increased sales and profit.

BAM wants to ensure that you get the proper start on the job. To acquaint you with our policies and operations, the Office Coach will schedule an on boarding session with you during which BAM policies, procedures, and benefits will be discussed.

At that time you will also review the team member handbook. Read the handbook carefully and direct all questions to the Office Coach. You will be provided with an "Team member Acknowledgement Form." After you have read the handbook, please sign the acknowledgement and give it to the Office Coach.

Benefits

Eligible team members at BAM are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all team members in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including team member classification. Your supervisor can identify the programs for which you are eligible. Details of many of these programs can be found [here](#).

The following benefit programs are available to eligible team members:

- 401(k) Savings Plan
- Vacation Benefits
- Holidays
- Workers Compensation Insurance
- Sick Leave Benefits
- Time Off to Vote
- Bereavement Leave
- Jury Duty
- Witness Duty
- Cafeteria
- Health Insurance
- Dental and Vision Insurance
- Flex
- Educational Assistance
- Auto Lease Allowance
- Team member Discounts

Some benefit programs require contributions from team members, but most are fully paid by BAM.

401K Plan

BAM currently sponsors 401K investment plan that allows team members to save money on a pretax basis to supplement their retirement income. Team members in the following employment classifications are eligible to enroll in BAM's 401K investment plan:

- Regular full-time team members

This policy is only a brief description of BAM's retirement plans. For complete information about these plans, team members should consult the Summary Plan Description. In the event that there are any discrepancies between the Summary Plan Descriptions and this policy, the Summary Plan Descriptions are controlling. The Summary Plan Description is available in the BAM office.

Team members begin participating in BAM's retirement plan when they are at least 21 years of age.

When team members have worked for BAM for 6 years after starting contributions, they are fully *vested* (team members right to the full amount of money contributed by the employer) in their retirement benefits. Team members that are fully vested are entitled to receive benefits from the retirement plan even if their employment with BAM ends before retirement.

Under this plan, team members can contribute between 1 percent and 15 within limits set by the federal government for total contributions. BAM matches team members' contributions up to 3%, a 2:1 ratio (example: if team member contributes 4%, BAM will match 2%). Team members are immediately and fully vested in their own Section 401k plan contributions.

Breaks

Work breaks are provided to Bergstrom Automotive Management team members to relax, refresh, and revitalize you. Team members may take up to two (2) paid work breaks, not to exceed fifteen (15) minutes each, one in the morning and one in the afternoon. These breaks are optional and are in addition to the mandatory unpaid one-half hour lunch break. These optional breaks may not be accumulated, nor can they be used to work late or leave work early.

Because breaks, other than lunch breaks, are paid, you must remain on the Bergstrom Automotive Management work premises during these optional breaks.

Breaks include, but are not limited to, time taken for:

- a. Smoking, which can only be done pursuant to the Smoking Policy; and
- b. Cell phone usage.

Breaks-in-Service

A team member who experiences a break-in-service of less than five years regains accrued seniority for purposes of benefit eligibility after completing six months of full-time service following his or her rehire date.

COBRA Benefits Continuation

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives team members and their qualified beneficiaries the opportunity to continue health insurance coverage under BAM's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of a team member; a reduction in a team member's hours or a leave of absence; a team member's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the team member or beneficiary pays the full cost of coverage at BAM's group rates plus an administration fee. BAM provides each eligible team member with a written notice describing rights granted under COBRA when the team member becomes eligible for coverage under BAM's health insurance plan. The notice contains important information about the team member's rights and obligations. (Form 0016)

Charging to Employee Accounts Receivable Policies

Employees making purchases from the Dealership must pay for them at the time of the purchase or if Payroll

Deduction is authorized by management, the Employee's A/R account must be settled and paid in full at the end of month payroll.

The Employee's direct supervisor and the General Manager must approve any amounts greater than these:

Time Employed	Maximum A\R Allowed Per Month
Zero-6 Months	\$50.00
6 Months-12 Months	\$100.00
12 Months and beyond	\$200.00

Approval for amounts greater than these limits must be made by the General Manager and the Employee's department supervisor prior to the purchase.

These approvals are not replacing, but are in conjunction with the Confession of Judgment Form and the Payroll Deduction Forms. Confession of Judgment forms must be in place for any amount above these amounts.

Discounts on Purchases from Bergstrom Cars

Team members are eligible for discounts from their first day of employment. Some discounts from the manufacturer may require a longer term of employment and when that is the case the longer term applies.

Team members may purchase up to two new vehicles per year at the manufacturer purchase price or invoice price if there is no applicable manufacturer program. Some models may be excluded from this policy at the discretion of the General Manager and Company President. When a vehicle is being traded in as part of the transaction the appraisal amount must be approved by the General Manager or Company President.

Team Members may purchase up to two used vehicles per year at a price of 2.5% below the advertised internet price for that vehicle.

Team Members can purchase parts at 10% over cost.

Team Members can purchase labor in the service department at a 25% discount from the established rate. One exception to this rule is work in the body shop which must be paid at the normal rate to satisfy our agreements with our insurance partners.

Demonstrators

Some team members may be provided with the use of a company vehicle (“demonstrator”). Under certain circumstances, salespeople (and certain coaches who engage in sales activities and are treated as salespeople for this purpose) can use demonstrators. (Form 0009)

The following statements outline BAM's policy regarding use of demonstrators. It is our intention to strictly enforce this policy.

- This dealership provides a demonstrator to salespersons primarily to facilitate their performance of services for this dealership. Accordingly, each salesperson provided a demonstrator must have that demonstrator available for showing to customers during that person's working hours.
- The salesperson is not permitted to allow friends, family members, or associates to use his or her demonstrator. Further, use of the car generally is limited to the sales area in which this dealership is located, which area is the larger of (a) a 50-mile radius from the dealership, or (b) a radius equal to the salesperson's one-way commuting distance from his or her residence to the dealership.
- The salesperson must comply with the following substantial restrictions on the personal use of the car:
 - The salesperson may not store personal possessions in the car.
 - The salesperson may not use the car for vacation trips.
 - For travel other than demonstration rides, the salesperson's use of the car is limited to 1000 miles per month.
 - The salesperson must keep adequate records or other sufficient evidence to substantiate that his use of the car complies with these restrictions. A log or other record which is maintained on a weekly basis that contains all required information to account for all use during the week generally will be adequate. Nonetheless, it is advisable to make entries as close in time as possible to actual use.

Attention: Be advised that, even if a salesperson satisfies these requirements, there is no assurance that such person will be able to use a demonstrator on a tax-free basis. This uncertainty results from the fact that the law is unclear regarding the number of non-demonstration miles a salesperson can use a demonstrator and still satisfy the requirement. Thus, notwithstanding this dealership's 1000 mile limit, salespersons using demonstrators should limit their non-demonstration use as much as possible. Moreover, be advised that if a salesperson's non-demonstration use is excessive (i.e., because it exceeds either the dealership's 1000 mile limit or a lower IRS limit), or if the salesperson otherwise fails to comply with this dealership's policy, the salesperson and this dealership could be exposed to liability for additional tax, penalties, and interest.

Team members are required to sign a pledge acknowledging that, in order to use a dealer-provided company vehicle on a tax-free basis, they agree to comply with the dealership requirements. (Form 0062)

Educational Assistance

BAM recognizes that the skills and knowledge of its team members are critical to the success of the organization. The educational assistance program encourages personal development through formal education so that team members can maintain and improve job-related skills or enhance their ability to compete for reasonably attainable jobs within BAM.

BAM may provide educational assistance to eligible team members who have completed 180 calendar days of service in an eligible employment classification. To maintain eligibility team members must remain on the active payroll, be performing their job satisfactorily, and successfully complete each course. Team members in the following team member classification(s) are eligible for educational assistance:

- Regular full-time team members

Individual courses or courses that are part of a degree, licensing, or certification program must be related to the team member's current job duties or a foreseeable-future position in the organization in order to be eligible for educational assistance. BAM has the sole discretion to determine whether a course relates to a team member's current job duties or a foreseeable-future position. Team members should contact the General Manager for more information or questions about educational assistance.

While educational assistance is expected to enhance a team member's performance and professional abilities, BAM cannot guarantee that participation in formal education will entitle the team member to automatic advancement, a different job assignment, or pay increases.

BAM invests in educational assistance to team members with the expectation that the investment be returned through enhanced job performance. However, if a team member separates from BAM's employment within one year of the last educational assistance payment, the cost of the education must be repaid. Accordingly, the team member will be required to repay up to 100 percent of the original educational assistance payment.

Generally, when the educational assistance is initially provided, the team member shall agree to sign a Confession of Judgment for the amount of the educational assistance payment, and the payment owed will be reduced as set forth in the Confession of Judgment Policy. The Confession of Judgment will be satisfied in full if the team member continues to be employed by BAM one complete year after the last educational session.

Team member Lease Program

Full time team members are eligible for assistance with a new vehicle lease from the dealership at which they are employed. A lease allowance will be paid for each month that the team member is employed at the dealership and the lease is in effect. This offer is not available with other marketing offers that the dealership may use, unless specifically approved by BAM.

Program guidelines are as follows:

1. Fulltime team members are eligible.
2. All credit decisions will be made by the leasing institution.
3. Lease payment will be made in each month that the team member is employed at the dealership and makes a payment on the lease.
4. The lease must be kept current with the lending institution.
5. The vehicle must be leased from the BAM dealership at which the team member is working ~~for~~ at the time of purchase. Transfers made after a purchase will result in the lease payment being made by the BAM dealership that currently employs the team member.
6. You can receive two lease incentives at any one time.
7. The amount of the payment depends on the term of the lease; the payment listed below is for leases with terms that are for equal to or less than these months:

<i>24 months</i>	<i>\$110</i>
<i>30 months</i>	<i>\$100</i>
<i>36 months</i>	<i>\$90</i>
<i>42 months</i>	<i>\$80</i>
<i>48 months</i>	<i>\$70</i>

9. Longer term leases are not eligible for this program.

Team member Lounge

A team member lounge is provided for your convenience. You may use the lounge for your meal and/or break periods. Smoking is not permitted in the team member lounge. Please keep the lounge neat and clean. Eating is prohibited in the showroom, customer lounge, and any other customer area except in the case of promotional events.

Team member Referrals

Because BAM believes its own workers often can identify qualified candidates for open positions, it encourages workers to refer candidates for job vacancies. To reward workers for referring qualified candidates who subsequently are hired, BAM pays the referring worker a cash bonus of \$875 for each successful referral made in accordance with the following general provisions:

For each qualified candidate referred, the referring team member must complete a team member Referral Form (Form 0014) and submit it to the office coach. This form is logged in, and a record of the referral is included in the team member's personnel record. Team members making a referral also are responsible for informing the candidate of the vacancy, obtaining the individual's consent to having their name submitted, and where possible, having the individual submit an up-to-date resume and completed application form. Once a final decision about the candidate is made and communicated to the applicant, the referring team member is informed of the final disposition.

Team members who refer a qualified candidate who subsequently is hired and remains employed for at least a year are eligible for a referral-bonus payment of \$875. This bonus is paid in four installments: (1) a cash payment of \$25 after the new hire completes a job application; (2) the second installment of \$100 will be paid after the referred team member completes training and works no less than 90 days; (3) another \$250 will be paid after team member completes 6 months of work; (4) the last installment of \$500 will be paid after the team member completes one full year of work.

To be eligible for the referral-bonus payments described above, the referring worker must still be on the company's payroll at the specified dates or qualify as an official retiree of BAM. Additionally, to avoid possible conflicts of interest, referral bonuses are not paid for job candidates referred by management who are in charge of hiring, or anyone involved in the hiring process. BAM reserves the right to deny bonus payments to any team member who improperly makes promises or assurances of employment to prospective or actual candidates, or otherwise engages in improper or inappropriate conduct related to this program or other workplace activities.

The office is responsible for administering the team member referral program, including processing all referral forms and bonus applications and resolving any disputes.

Referral of vehicle sales to Bam dealerships will result in birddog fees being paid provided the person referring the work is not already paid by the department that is issuing the referral payment. This includes spouses of team members of the department.

Team member Shop Use During Non-Work Hours

BAM team members who are technicians may use BAM dealership shops during non-work scheduled hours to perform repairs or service on personal vehicles, but limited to only vehicles owned by their immediate family members (hereafter “personal vehicles”). For all personal vehicles brought by a team member into any BAM dealership shop for repairs to be made by the team member during his or her non-work hours, there shall be a work order written. There are no exceptions to this requirement.

In addition, for safety reasons, at all times that a team member is working on any such personal vehicles in the BAM dealership shop there shall be no person other than BAM team members present, and there shall be at least one additional BAM team member present who voluntarily agrees to be present, with no right to compensation, and who agrees to perform no work for the BAM dealership itself during this time.

A team member’s voluntary presence so that another team member can use a BAM dealership shop for these personal vehicle repairs shall not be a requirement for employment with any BAM dealership. If no other team member is willing to be present as an unpaid volunteer during non-work hours while another team member works on their personal vehicle, then there can be no use of the BAM dealership shop for such personal vehicle repairs at that time.

Prior to any team member bringing such a personal vehicle into the dealership for repairs, the team member shall discuss with his or her coach what type of repairs are anticipated to be performed, identify what BAM team member will be in the shop premises with them, indicate when the work will be performed, and identify what shop materials, supplies, and parts are anticipated to be used in the repairs. If approved by the coach, then the work order shall be written. The work order shall specify all shop materials, supplies, and parts which are anticipated for use in the repairs, and shall indicate the team members who will be present.

When the work is completed, the work order shall be closed, with no charge for labor. The operation code to be used for the work order shall be “E TIME team member performing miscellaneous repairs on personal vehicle.” It shall include the date, time, and team members who were present, and shall be signed by each team member who was present. There shall be a minimum \$10 charge for shop supplies used, and may be additional charges as determined by the service coach, in consideration of the actual repair work performed.

BAM and its team members who participate in use of BAM dealership premises to perform any repairs on personal vehicle work orders under this provision acknowledge that:

- (1) The time incurred by team members present during this use of BAM dealership premises is not compensable work time,
- (2) All labor performed under this provision shall not constitute work performed for the benefit of BAM, but rather
- (3) All labor performed under this provision is performed by the respective team members who have the benefit of use of the BAM facility and equipment without incurring any charge for that use while performing repairs under this provision,
- (4) There is no warranty, either express or implied, from BAM and its dealerships for any work performed pursuant to a work order under this provision,
- (5) BAM does not provide insurance coverage or Workers Compensation benefits for any injuries the team members may sustain while using the BAM dealership premises, materials, or equipment for repair of personal vehicles and the team members performing any such work orders agree that he or she and/or their personal insurer shall be responsible for any such injuries, including but not limited to medical costs.

Insurance

1. Health Insurance

BAM's health insurance plan provides team members and their dependents access to medical insurance benefits. Team members in the following employment classifications are eligible to participate in the health insurance plan:

- Regular full-time team members

Eligible team members may participate in the health insurance plan subject to all terms and conditions of the agreement between BAM and the insurance carrier. As an added benefit to all eligible BAM team members, BAM will pay half of the monthly insurance premium.

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

Details of the health insurance plan are described in the Summary Plan Description (SPD). An SPD and information on cost of coverage will be provided in advance of enrollment to eligible team members. Contact the Office Coach for more information about health insurance benefits.

2. Dental Insurance

BAM's dental insurance plan provides team members and their dependents access to dental insurance benefits. Team members in the following employment classifications are eligible to participate in the health insurance plan:

- Regular full-time team members

As an added benefit for team members and their dependents BAM will pay 75% of a single premium whether the team member is on a single or family plan.

3. Vision Insurance

BAM's vision insurance plan provides eligible team members and their dependents access to vision insurance benefits. Team members in the following employment classifications are eligible to participate in the health insurance plan:

- Regular full-time team members

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

As an added benefit for eligible team members and their dependents BAM will pay 50% of a single premium whether the team member is on a single or family plan.

Parking

Free parking is provided to all BAM team members for one vehicle that is used for transportation to and from work. You may park your vehicle on dealership property in designated team member parking as long as it does not interfere with the daily business operation of the dealership. You may use the parking area at your own risk, and you should keep your vehicle locked. BAM assumes no liability for any damage to or theft of team member vehicles or personal property. Team members who choose to leave vehicles on dealership property which are not used as a method of transportation will be charged five dollars a day for a storage fee.

Service Club Assistance

Team members who wish to join a local community service club are encouraged to do so. As an added incentive, BAM will pay half of the membership to an approved service club.

Bereavement Leave

Team members who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. Unpaid time off will be granted to allow the team member to attend the funeral and make any necessary arrangements associated with the death.

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

BAM defines "immediate family" as the team member's spouse, parent, child, or sibling.

Holidays

BAM will grant holiday time off to **all** eligible team members on the holidays listed below:

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

Using coach discretion, the sales department may choose to be open Memorial Day or Labor Day. If the decision is made to be open, the store must be fully staffed with a General Manager, Sales Manager, F&I Coach and sales staff.

BAM will grant paid holiday time off to all eligible team members immediately upon assignment to an eligible employment classification. Eligible team member classification(s):

- Regular full-time team members

To be eligible for holiday pay, team members must work the last scheduled day immediately preceding the holiday and the first scheduled day immediately following the holiday. Pay will be calculated in the same manner as vacation earnings.

If a recognized holiday falls on a Sunday, eligible team members will receive holiday pay with their next regular paycheck. BAM may at its discretion elect to observe the holiday on the last business day before or after the holiday.

If a recognized holiday falls during an eligible team member's paid absence (e.g., vacation, sick leave), the team member will be ineligible for holiday pay.

If eligible nonexempt team members work on a recognized holiday, they will receive holiday pay plus wages at their straight-time rate for the hours worked on the holiday.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

Jury Duty and Witness Appearances

1. Jury Duty

BAM encourages team members to fulfill their civic responsibilities by serving jury duty when required. Team members may request unpaid jury duty leave for the length of absence. If desired, team members may use any available paid time off (for example, vacation benefits).

Team members must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Team members are expected to report for work whenever the court schedule permits.

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

BAM will continue to provide health insurance benefits for the full term of the jury duty absence.

Vacation, sick leave, and holiday benefits will continue to accrue during unpaid jury duty leave.

2. Witness Appearances

BAM encourages team members to appear in court for witness duty when subpoenaed to do so.

If team members have been subpoenaed or otherwise requested to testify as witnesses by BAM, they will receive paid time off for the entire period of witness duty.

Team members will be granted unpaid time off to appear in court as a witness when requested by a party other than BAM. Team members are free to use any available paid leave benefit (such as vacation leave) to receive compensation for the period of this absence.

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

Leaves of Absence

Team members do not lose their accrued seniority because of an authorized leave of absence. However, seniority does not accrue after a team member has been on leave for more than six consecutive weeks.

Military or Military Related Leave

Uniformed Services Employment And Re-Employment (USERRA) Leave

Bergstrom Automotive Management will abide by all the provisions of the Uniformed Services Employment and Re-Employment Act (USERRA) and will grant military leave to all eligible full-time and part-time team members. Military leave may be granted to full-time and part-time team members for a period of four (4) years plus a one-year voluntary extension of active duty (5 years total), if this is at the request and for the convenience of the United States Government.

As with any leave of absence, team members must provide advance notice to Management of their intent to take military leave and must provide appropriate documentation.

A team member's salary will not continue during military leave unless required by law. Benefit coverage, if any, will continue for 31 days as long as team members pay their normal portion of the cost of benefits.

Upon return from military leave, team members will be reinstated with the same seniority, pay, status, and benefit rights, if any, that they would have had if they had worked continuously. Team members must apply for employment within ninety (90) days of discharge from the military. Team members who fail to report for work within the prescribed time after completion of military service will be considered to have voluntarily terminated their employment.

National Guard and Reserves

In compliance with federal and state law, Bergstrom Automotive Management allows members of the National Guard and Military Reserves to take unpaid leave to attend military training regardless of part-time or full-time status. There is no limitation as to how many hours the team member can take for such leave. Team members should request military leave through Management with as much advance notice as possible. Additional information is available from the respective military reserve offices.

Civil Air Patrol

Unless the leave would unduly interrupt its operations, Bergstrom Automotive Management allows members of the Civil Air Patrol to take unpaid leave to render services with the Civil Air Patrol requested by the State or any of its political subdivisions.

Leave for Injury or Death of Family Military

If a team member's immediate family member has been injured or killed while engaged in active service as a member of the United States Armed Forces, that team

member may take up to ten (10) days unpaid leave. “Immediate family member” in this paragraph means a team member’s parent, child, grandparent, sibling or spouse. The team member must provide Management as much advance notice as practicable of their intent to exercise this leave.

Leave for Military Ceremonies

- a. Unless the leave would unduly interrupt its operations, Bergstrom Automotive Management allows unpaid leave to a team member whose immediate family member has been ordered into active service as a member of the United States Armed Forces in support of war or other national emergency. Such unpaid leave shall be limited to the actual time necessary for the team member to attend a send-off or homecoming ceremony for the mobilized service member, not to exceed one day’s duration in a calendar year. For this paragraph, “immediate family member” means a team member’s grandparent, parent, legal guardian, sibling, child, grandchild, spouse, fiancé or fiancée.
- b. Bergstrom Automotive Management allows unpaid leave to a team member if the team member is invited or called upon to attend by proper military authority, events relating to the military service of the team member’s spouse, parent or child. Those events include:
 - i) Departure or return ceremonies for deploying or returning military personnel or units;
 - ii) Family training or readiness events sponsored or conducted by the military; and
 - iii) Events held as part of official military reintegration.

Unpaid leave under this paragraph shall not exceed two (2) consecutive days or six (6) days in a calendar year. The team member must provide Management with reasonable notice of intent to use this leave.

Sick Leave

BAM provides paid sick leave benefits to all eligible team members for periods of temporary absence due to illnesses or injuries. Eligible team member classification(s) are:

- Regular full-time team members

Eligible team members will accrue sick leave benefits at the rate of 4 days per year (.33 of a day for every full month of service). Sick leave benefits are calculated on the basis of a "benefit year," the 12-month period that begins when the team member starts to earn sick leave benefits.

Paid sick leave can be used in minimum increments of one half day. An eligible team member may use sick leave benefits for an absence due to his or her own illness or injury, or that of a child, parent, or spouse of the team member.

Team members who are unable to report to work due to illness or injury should notify their direct supervisor before the scheduled start of their workday if possible. The direct supervisor must also be contacted on each additional day of absence. If a team member is absent for three or more consecutive days due to illness or injury, a physician's statement must be provided verifying the disability and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well and may be required as a condition to receiving sick leave benefits.

Sick leave benefits will be calculated in the same manner as vacation pay is calculated.

Unused sick leave benefits will be allowed to accumulate indefinitely.

Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Unused sick leave benefits will not be paid to team members while they are employed or upon termination of employment, but are paid upon retirement. To be eligible for payment at the time of retirement, team member must have worked for BAM for a minimum of 10 years, and must be at least 62.5 in age.

Vacation Benefits

Vacation time off with pay is available to eligible team members to provide opportunities for rest, relaxation, and personal pursuits. Team members in the following employment classification(s) are eligible to earn and use vacation time as described in this policy:

- Regular full-time team members

The amount of paid vacation time team members receive each year increases with the length of their employment as shown in the following schedule:

- During the 1st year of eligible service the team member is entitled to 5 vacation days each year, accruing monthly.
- During the 2nd year of eligible service the team member is entitled to 10 vacation days each year, accruing monthly.
- After 15 years of eligible service the team member is entitled to 15 vacation days each year, accruing monthly.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when the team member starts to earn vacation time. A team member's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation.

Once team members enter an eligible employment classification, they begin to earn paid vacation time according to the schedule. Earned vacation time is available for use once it has been accrued. Vacation time may be used in advance of it being accrued up to a maximum of two days vacation. Any time vacation is used in excess of accrued days available the team member must sign a confession of judgement for the excess days used, and those days are due back at their full value if the team members employment is terminated.

Paid vacation time can be used in minimum increments of one day. To take vacation, team members should request advance approval from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

Vacation time off is paid at the team member's base pay rate at the time of vacation for hourly team members. Vacation pay for salespeople and technicians will be based on their annual income for the previous year (excluding annual bonuses); total income will be divided by 2080 for the number of hours worked for the year, each vacation day will be paid 8 hours at this rate. Vacation time will be paid as commission. Coaches and service advisors are paid on their department's performance in their absence.

To request your vacation time, you must fill out the Vacation Request form (Form 0012) and submit it to your supervisor in advance. If the slot you have requested has been previously selected, it will be first come, first serve basis.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

As stated above, team members are encouraged to use available paid vacation time for rest, relaxation, and personal pursuits. Team members are allowed to accrue vacation up to a maximum of one and one half years accrual. Any days that exceed one and one half years accrual will be forfeited by the team member at that month end.

Upon termination of employment, team members will be paid for unused vacation time that has been earned through the last day of work. However, if BAM, in its sole discretion, terminates employment for cause, forfeiture of unused vacation time may result. If an employee separates within their first year of employment and gives less than 5 days notice before leaving the team member will forfeit their unused vacation time.

Coaches that retire or terminate with remaining accrued vacation will be paid on the performance of their department during the days that follow the termination of their employment, or on their average annual income from the previous year as calculated above for sales people and technicians. Management will determine which method is used to calculate vacation pay at the time of separation.

In the year 2017 a waiver of the maximum days accrual allowed will be granted to all team members until their anniversary of employment date has passed in 2017.

Voting - Time Off

BAM encourages team members to fulfill their civic responsibilities by participating in elections. Generally, team members are able to find time to vote either before or after their regular work schedule. If team members are unable to vote in an election during their nonworking hours, department coaches may grant unpaid time off to vote as required. Workers who anticipate needing to vote during working hours are recommended to consider voting absentee.

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

Team members are strongly encouraged to vote absentee in the rare occurrence that they are unable to leave to participate in the election.

Employment Expectations

Physical and Verbal Altercations - Prohibited Conduct

To ensure both safe and efficient operations, BAM expects and requires all of its team members to display common courtesy and engage in safe and appropriate behavior on the job at all times. Any involvement in incidents of physical violence or strenuous horseplay is considered dangerous and unacceptable behavior that violates this standard of appropriate behavior in the workplace.

Racial or ethnic slurs, sexually harassing remarks, harassing or threatening comments or actions, threats of violence, and any other provocative comments, language, or actions are not tolerated. Team members who make provocative comments or otherwise engage in provocative conduct towards co-workers or other individuals ordinarily are held at least equally responsible for any ensuing physical altercation, even if they do not strike the first blow or otherwise initiate a physical confrontation.

Team members are responsible for their conduct on BAM's premises, whether they are on or off duty. BAM's general rules of conduct and behavior expectations also apply when team members are traveling on BAM's business, as well as any time team members are working for or are representing BAM away from the premises.

BAM promptly investigates any physical or verbal altercation, threats of violence, or other conduct by team members that threatens the health or safety of other team members or the public or otherwise might involve a breach of or departure from the conduct standards enunciated in this policy. All incidents of physical altercations are treated as gross misconduct and can result in disciplinary action, up to and including termination of employment. Pending the results of its investigation, BAM can suspend team members who are involved in physical altercations that result in injuries, create a significant risk of injury, or have a significant adverse impact on productivity, safety, or morale.

Prohibited Conduct

Prohibited conduct includes, but is not limited to:

- Injuring another person physically;
- Engaging in behavior that creates a reasonable fear of injury in another person;
- Engaging in behavior that subjects another individual to extreme emotional distress;
- Possessing, brandishing, or using a weapon while on BAM premises or engaged in BAM business, except as specifically permitted in the Weapons-Free Workplace Policy, and North Dakota law;
 - This policy applies to the following weapons or devices:
 - Except as is provided in the Weapons-Free Workplace Policy, Firearms, including, but not limited to, handguns, rifles, pellet guns, and similar devices;
 - Knives, with the exception of pocket knives;
 - Instruments capable of inflicting a heavy blow, including, but not limited to, nightsticks, clubs, and similar devices;
 - Explosive devices, including, but not limited to, bombs, grenades, and similar devices; and
 - Other devices whose primary purpose is the infliction of bodily harm.
- Damaging company or personal property willfully or intentionally;
- Threatening to injure an individual or damage property; and
- Committing injurious acts motivated by, or related to, domestic violence or sexual harassment.
- The solicitation or distribution of literature that is discriminatory, hateful, harassing, illegal, defamatory, profane, or obscene.
- Failure or refusal to respect the desires of co-workers who do not wish to receive handouts or talk to team members who solicit their support for causes, products, interests, or organizations; BAM specifically prohibits such actions.
- Pressuring co-workers to contribute to or get involved in any causes or activities, even if BAM supports the causes or activities; BAM specifically prohibits such actions.
- Theft of company or personal property.
- Unauthorized use of company vehicles, equipment, property or charge accounts which shall constitute theft.
- Being under the influence of intoxicants or drugs.
- Failing a drug test.
- General violation of DOT anti-drug and alcohol policies.
- Misuse, abuse of, or reckless driving of Company vehicles and equipment.
- Smoking in violation of Bergstrom Automotive Management's Smoking policy.
- Poor job performance.
- Excessive tardiness.
- Excessive absence.
- Insubordination.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

- Illegal acts.
- Dishonesty.
- Falsification of Bergstrom Automotive Management records.
- Destruction of Bergstrom Automotive Management property.
- Performing unauthorized personal work on Bergstrom Automotive Management time.
- Unauthorized use of Bergstrom Automotive Management telephone, computer, property or equipment for personal use.
- Misuse or removal from Bergstrom Automotive Management property of any confidential records or information.
- Fighting or provoking a fight during work hours.
- Punching another team member's time card or allowing another to punch yours.
- Any falsification of time sheets.
- Use or possession of alcohol or contraband.
- Sexual harassment or any other harassment or discrimination.
- Threatening or intimidating another team member.
- Immoral or indecent language or conduct.
- Falsifying reports, personal records, etc.
- Wasting time anywhere on Bergstrom Automotive Management property during work hours.
- Abusing property of Bergstrom Automotive Management or other team members.
- Leaving Bergstrom Automotive Management during work hours without prior permission of Management or supervisor.
- Bad mouthing Bergstrom Automotive Management or other team members.
- Creating or contributing to unsafe or unsanitary conditions.
- Soliciting or collecting contributions of any kind on Bergstrom Automotive Management's property without Management's authorization.
- Indulging in pranks or horseplay during work hours while working for Bergstrom Automotive Management.
- A serious accident that could have been avoided by the use of good judgment or commonsense.
- Failure to properly or promptly report any accident or incident involving injury and/or property damage.
- Failure to follow or violation of the policies and procedures of Bergstrom Automotive Management.
- Any other matter determined solely in the discretion of the employer to be sufficient justification for termination.
- Violations of the confidentiality provisions of this Handbook, or any other portion of this Handbook.

This list is not inclusive. Any team member who engages in any listed prohibited conduct is subject to discipline up to and including immediate discharge.

Introductory Period of Employment

The introductory period serves as a training or familiarization period for team members. It is also a time for team members to be closely observed by their supervisors. The decision to dismiss or retain team members is based on team member's quality and quantity of work performed, cooperativeness, dependability, initiative, punctuality and attendance, and attitude.

Your employment is “*at-will*” at all times. Accordingly, BAM reserves the right to terminate without notice and at any time, including during the introductory period, any introductory team members it finds to be unsuitable for the job.

The first 90 calendar days of employment are an introductory period. At the end of 90 days, the team member's supervisor will prepare a performance review and make a determination as to whether team member should be dismissed or retained. At the supervisor's discretion, one 30-day extension of the introductory period may be permitted. If the extension is granted, a detailed outline of areas needed for improvement must be provided and signed by the introductory team member.

During the introductory period, team members will be paid for all holidays. Team members are eligible for health and life insurance benefits at the time of employment or during the introductory period. Introductory team members are not eligible for unemployment compensation. At the conclusion of an introductory period, your employment with BAM remains “*at-will*.” However, you may become eligible to earn benefits to the extent as may be provided in these policies.

Attendance

Generally:

Your attendance is a key function of your job. The smooth flow of work depends upon the cooperation and coordination of all team members. Nobody knows your job like you do and a stand-in, unfamiliar with your job, cannot possibly do the job as well. The absence or lateness of one person can delay and interfere with the work of others.

All team members are expected to maintain satisfactory attendance and report to work on time every day. Unscheduled absences, late arrivals, and early departures are grounds for discipline, up to and including immediate termination. BAM, in its discretion, may require workers to provide a doctor's certificate justifying absences due to illness or injury.

Providing notice:

If, for any reason, you are unable to be present for work at your usual time, or you will be absent without prior approval, you must notify your supervisor within 15 minutes of your scheduled starting time and keep them currently informed as to the necessary length of your absence. In addition, team members who fail to provide proper notification of late arrivals and unscheduled absences are subject to discipline, up to and including immediate termination. If your absence is unreported for a period of three (3) days, Management, in the exercise of its discretion, will consider you have voluntarily terminated your employment.

Team members should call personally and speak directly with the supervisor. Team members should not rely on friends, relatives, or co-workers for communicating their absence to the supervisor. Team members who will be absent for an indefinite period due to illness or emergency must inform their supervisor and keep the supervisor informed of when they likely will return to work.

Nonexempt team members who are late reporting to work by 15 minutes or more, with their supervisor's approval, may be allowed to make up the lost time. Team members, who have recurring late arrivals, whether more or less than 15 minutes, are subject to disciplinary action, up to and including immediate termination.

Inclement Weather - Notice

If weather or other emergency conditions prevent team members from reporting to work on time, they are responsible for notifying their supervisor, within the first hour of the workday. If possible, such notification should be made by a telephone conversation directly with the supervisor. If direct contact is not possible, leaving a detailed voice mail message or message with another team member is acceptable. Team members should leave a phone number where they can be reached.

Illness at Work

Team members who become ill at work are encouraged to see a doctor, report to the nearest hospital, or return home. Coaches will assist team members in any way possible, including aiding in making necessary transportation arrangements. Team members that need help with personal or professional issues should contact their supervisor. Any team member who is unable to attend work, either due to sickness or to care for an ill family member must fill out BAM Form 0012 - Absence Request Form.

FMLA and attendance:

BAM operates in accordance with the Family and Medical Leave Act (“FMLA”). More details about leave and attendance under that policy are contained in the specific FMLA policy. Absences or instances of lateness covered by team members' use of approved FMLA leave are not considered grounds for disciplinary action.

Code of Professional Conduct

It is the goal of Bergstrom Automotive Management to provide a work environment in which team members and clients are treated with respect and courtesy. Such an environment is free from negative or disrespectful comments directed toward others or about others. It is expected, and required, that all Bergstrom Automotive Management team members will promote a productive work atmosphere, and treat all individuals with whom they come in contact with respect and courtesy.

Company Property-No Expectation of Privacy

All areas of Bergstrom Automotive Management premises, vehicles, and equipment are the property of Bergstrom Automotive Management. No team member has the right to expect privacy in the use of any such property on Bergstrom Automotive Management's premises, including, but not limited to, lockers, desks, computers, e-mails, cell phone and landline telephones, including but not limited to all telephone conversations, voice mail messages, and text messages, blogs, tweets, e-mail messages and any other electronic communication, whether sent from or received on any Bergstrom Automotive Management owned property, nor in any such property which may be used off the premises of Bergstrom Automotive Management.

Management reserves the right to inspect all such property at any time without notice.

Compliance- Federal and State Agencies

Any team member whose regular duties do not include contact with federal or state regulatory agencies or other government officials should consult with BAM's President before responding to any inquiry from government officials. Team members also should contact BAM's President before initiating contact with a government agency with respect to any non-routine or nontrivial compliance matter.

Corrective Discipline

At the discretion of Bergstrom Automotive the following is a list of actions that may occur in the event that corrective discipline becomes necessary. This list is not inclusive:

1. Verbal warning;
2. Now Drops
2. Written warning;
3. Suspension without pay; and
4. Termination.

One or more of these actions may be taken, either in the order listed above or in any order which, in the discretion of Management, is appropriate for the circumstances, and there may be circumstances which, in the exercise of its discretion, Management may require immediate termination without notice.

Management will endeavor to document any warning, whether verbal or written.

Dress, Personal Appearance and Grooming

BAM requires all team members to present a professional image to the public and clients. Take pride in yourself and your surroundings. The impression we make in public and private while conducting our business reflects upon you personally and also upon BAM as a business in the community. It is imperative that we present a positive image to others.

Accordingly, each team member is required to follow the guidelines below:

A. Office area:

- i. Your office area must be kept neat and clean.
- ii. Each team member also must assist with maintaining cleanliness and neatness throughout the general business premises.

B. Dress Requirements:

- i. Uniform shirts and pants must be worn with store logo and your name embroidered name on them.
- ii. A nametag must be worn during working hours, unless your work uniform has your name embroidered opposite the store logo.
- iii. You may dress in business attire in lieu of uniform shirts. Business attire is defined as a dress shirt and tie for men or a pants suit or dress suit for women.
- iv. Shoes must provide safe, secure footing, and offer protection against hazards.
- v. Tank tops, tube or halter tops, or shorts may not be worn under any circumstances.
- vi. Jewelry should not be functionally restrictive, dangerous to job performance, or excessive.
- vii. Facial jewelry, including but not limited to eyebrow rings, nose rings, lip rings, and tongue studs are not acceptable professional attire, and may not be worn during business hours without management consent.
- viii. Torso body piercings with visible jewelry or jewelry which can be seen through or under clothing must not be worn during business hours.
- ix. Visible tattoos and body art must be covered during business hours unless management approval is received. Tattoos must not be vulgar, pornographic, obscene, or offensive. No tattoos above the neck line are acceptable.

C. Unacceptable Attire:

- i. The following are each unacceptable attire:
 - jeans, except on designated jean days
 - t-shirts
 - jogging suits
 - sportswear

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

- | | |
|--|-----------------------|
| -shorts | -short skirts/dresses |
| -jumpsuits | -sheer clothing |
| -garments that are unnecessarily revealing | -slippers |
| -tennis shoes | -casual loafers |

- ii. If you choose to dress in unacceptable attire, your supervisor or coach will counsel you.

D. Grooming:

- i. Mustaches and beards must be clean, well-trimmed, and neat.
- ii. Hairstyles must be in good taste. Spiked hair, shaved heads, unnaturally colored hair, or other extreme hairstyles do not present an acceptable professional appearance and must receive management approval.
- iii. Long hair styles must be worn with hair pulled back off the face and neck to avoid interfering with job performance.
- iv. Perfume, cologne, aftershave, and lotion should be used moderately or avoided altogether because some individuals in the workplace may be sensitive to certain fragrances or scents.
- v. Offensive body odor and poor personal hygiene are not acceptable professional appearance.

E. General Conduct

- i. Team members shall follow the Professional Code of Conduct and shall present a professional image of the Dealership to all customers, not just the customer with whom you may be speaking.
- ii. It is inappropriate and offensive to some customers and co-workers to hear team members use cursing, or swear words, or tell off color jokes. Such conduct shall never be done while on Dealership property or while conducting business for the Dealership, even if the customer or others around you are doing so.

F. Application of Dress Requirement, Unacceptable attire, and grooming Requirements:

- i. Repeated violations of the above policies can result in disciplinary action up to and including termination of employment.
- ii. Violations of the Dress Requirements which are unprofessional or unsafe can result in your being sent home without pay.
- iii. Team members are expected to adhere to the required dress and grooming requirements when in the Dealership for any work-related purpose, unless you are scheduled to be off. In those situations, casual attire will be acceptable. However, if you are meeting a customer at the store on your

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

day off, you should follow the dress requirements and grooming policies stated above.

- iv. Team members who require a reasonable accommodation for dress or grooming directly related to his or her religion, ethnicity, or disabilities, should present and discuss any such needed accommodation requests with their coach. BAM will consider all such accommodations and will provide a reasonable accommodation to an eligible team member to the extent it can be made without creating an undue hardship, and to the extent required under applicable federal or state law.

Employment At-Will

Your employment with Bergstrom Automotive Management is an employment *at-will*. Although a two week notice is preferred, either Bergstrom Automotive Management or you may terminate your employment relationship with Bergstrom Automotive Management at any time, with or without cause. Such termination by either Bergstrom Automotive Management or by you may include immediate termination.

Furthermore, in the event of immediate termination by either Bergstrom Automotive Management or you, such termination may be without further compensation other than accrued compensation, if any, to which you may be entitled by law.

No manager or supervisor of BAM has the authority to enter into an agreement for employment for any specified period of time, or to make promises or commitments which are different from the policy stated above. Again, your employment with Bergstrom Automotive Management is not for a definite or specific term or amount of time, but is to be considered an employment *at-will* by either party.

Employment of Relatives

a. Hiring relatives of current team members

Relatives of a currently employed worker generally are considered for employment on the basis of their qualifications. However, where the hiring or employment of a worker's relative would result in the types of employment relationships identified below, the company discourages, but will consider, such applications for employment.

The hiring of relatives is discouraged if the employment of such an individual would result in the creation of:

- A supervisor/subordinate relationship between a relative and a team member. If a direct supervisory or managerial relationship would be established, relatives of a currently employed worker cannot be considered as applicants for an open position.
- An actual conflict of interest or the appearance of a conflict of interest. Generally, this includes the hiring or employment of a team member's relatives in any position that has an auditing or control relationship to the team member's job.

For the purposes of this policy, relatives include the following: spouse, parent, child, sibling, in-law, grandparent, grandchild, aunt, uncle, cousin, step-relative, or any individual with whom a team member has a close personal relationship, such as a domestic partner, co-habitant, or significant other.

b. Marriages or Relationships Between Existing Team members

If a team member marries or establishes a close personal relationship with another team member, they can continue in their current positions. However, management reserves the right to reassign either team member as necessary if the relationship becomes a detriment to dealership performance. If this situation occurs, attempts will be made to find another position within the company to which one of the team members can transfer. All practical efforts will be made to arrange such a transfer at the earliest possible time. If accommodations of this nature are not feasible BAM will decide which team member must resign their position.

Team members who become subject to this policy's provisions due to marriage or commencement of a close personal relationship must inform their supervisor or the General Manager as soon as practical of the changed relationship. Upon learning of the changed relationship, the involved team members may be contacted to ensure the relationship is consensual. Both a close personal relationship and marriage are prohibited to be a term of condition of any team member's employment.

All questions and issues relating to an employment-of-relatives situation or concern should be addressed first to the department coaches. All decisions and personnel actions

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

taken as a result of this policy must be reviewed and approved by the General Manager and the Company President.

Equal Employment Opportunity Employment

It is the policy of Bergstrom Automotive Management to recruit, hire, train, promote, and administer all other personnel actions without regard to race, color, creed, religion, sex (including pregnancy, childbirth, and disabilities related to pregnancy or childbirth), national origin, citizenship, ancestry, age, mental or physical disability or marital status, status with regard to marriage or public assistance, veteran's status, or participation in lawful activities off the employer's premises during non-working hours, or any other characteristic or class protected by federal, state, or local law, which does not directly conflict with the essential business-related interests of BAM, and in accordance with applicable laws.

BAM does not tolerate any discrimination or harassment, and any such discriminatory or harassing conduct is prohibited. BAM also prohibits any form of discipline or retaliation for reporting any incidents of harassment, discrimination or participation in the investigation of any such incidents.

BAM requires all new team members to undergo training on complying with BAM's EEO policy. Thereafter, training on this policy is provided for all team members annually.

Alcohol Policy

BAM has a special concern about the use and abuse of alcohol. Alcohol can affect a team member's productivity and efficiency, can jeopardize the safety of the team member, co-workers, and the public, and can harm the reputation of the BAM and its team members. Accordingly, BAM strictly enforces the following rules:

Team members are prohibited from reporting to work under the influence of alcohol. The consumption or possession of alcoholic beverages on BAM property, except for officially sanctioned functions, is prohibited. When a team member is involved in a workplace accident or when there is a reasonable suspicion that a team member is intoxicated on-the-job, BAM can require the team member to submit to an alcohol and drug test. Team members who test positive will be subject to disciplinary action up to and including immediate termination.

The serving of alcohol at company functions must be approved in advance by the appropriate department coach or unit head or, for companywide events, the President of the company. The department coach or unit head is responsible for seeing that events comply with state and local alcohol regulations, and that the event is planned with the safety of team members and the public in mind.

Off-the-job use of alcohol that adversely affects either a team member's job performance or that adversely affects BAM, including but not limited to its business reputation, or which jeopardizes the safety or property of team members or the public is prohibited.

BAM has a zero tolerance for driving under the influence of alcohol. Team members, including but not limited to those team members who drive a motor vehicle as a part of their work, will be removed from their positions if they plead to a driving under the influence charge or if they are found guilty of driving under the influence, regardless whether the driving under the influence occurred on duty or off duty.

Violations of this policy will result in disciplinary action, up to and including termination.

Drug and Alcohol Education Program

Each BAM facility has established a drug and alcohol education program to inform team members about:

- The dangers of drug and alcohol abuse;
- BAM's policy of maintaining a drug-free environment;
- The availability of drug or alcohol counseling, and rehabilitation; and
- Penalties for violations of this policy.

BAM will make a good faith effort to continue to maintain a drug-free environment through the implementation of this policy and ensure that all new team members are informed of the policy.

Drug-Free Workplace Policy

BAM believes that illegal drugs and the abuse of alcohol have no place in the workplace. Furthermore, the Drug-Free Workplace Act requires federal contractors to certify adoption and implementation of programs to prevent unlawful possession, use, or distribution of illicit drugs and alcohol by team members. For these reasons, BAM adopts the following regulations:

The unauthorized and/or unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is strictly prohibited in all BAM facilities, on all BAM property, in any BAM-owned vehicle, and at any BAM-sponsored activity.

All team members must provide written notification to their department coach or the BAM Office Coach of any criminal drug or alcohol conviction within three (3) business days of the conviction.

Within thirty days of receiving notice of any team member conviction as described above, BAM will:

- Take appropriate action against such team member, up to and including termination of employment; or
- Require such team member to participate satisfactorily in a drug or alcohol abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement, or other appropriate agency.

Drug Testing

The Company will conduct drug testing under any one of the following circumstances:

- **RANDOM TESTING:** Team members may be selected at random for drug testing at any interval determined by the Company.
- **FOR CAUSE TESTING:** The Company may ask a team member to submit to a drug test at any time it has reason to believe that the team member may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the team member's person or in the team member's vicinity, unusual conduct on the team member's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness.
- **POST-ACCIDENT TESTING:** Any team member involved in an on-the-job accident or injury under circumstances that suggest possible use or influence of drugs or alcohol in the accident or injury event may be asked to submit to a drug and/or alcohol test. "Involved in an on-the-job accident or injury" means not only the one who was injured, but also any team member who potentially contributed to the accident or injury event in any way.

If a team member is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, the team member will be subject to appropriate disciplinary action, up to and including termination.

Smoking Policy

BAM is committed to providing its team members with a comfortable working environment. In accordance with North Dakota State law and due to the increasing evidence of the dangers of tobacco smoke, BAM is a smoke-free workplace. Although team members are strongly encouraged not to smoke, BAM recognizes, however, that the decision to smoke is a personal one. While BAM does not wish to interfere with that decision, it does want to protect those who have chosen not to smoke, and to ensure that its business is operated according to North Dakota law.

Therefore, on any BAM owned premises, smoking will be permitted only while outside of any building and more than 20 feet from any entrance. Specifically, there shall be no smoking in any part of any building, including, but not limited to the office or either part of the shop. In addition, there shall be no smoking in any company owned car.

All enclosed areas are designated as NON-SMOKING, including Company owned buildings and vehicles. Team members can smoke only in designated smoking areas and must place all butts in designated receptacles. No cigar or pipe smoking is allowed.

Any team member who fails to comply with this policy will be subject to disciplinary action, which may include, but is not limited to, written warnings, suspension, or termination. Management reserves the right to exercise its discretion in determining what discipline will be imposed.

Employment Compliance

Grievance Procedure

Bergstrom Automotive Management encourages the resolution of disputes in an informal manner whenever possible. When a workplace conflict or concern arises, you should use the following communication sequence in an attempt to resolve the situation:

1. Attempt to handle the dispute with the team member directly;
2. Talk with Management. Generally, an investigation will be conducted as expeditiously and confidentially as possible and a resolution implemented;
3. If you are dissatisfied with the proposed resolution, or Management is unable to help you, or if your grievance is with Management at your office location, then contact the Office Coach.

Generally, your problems can be resolved at the first level or with Management, but you may begin the communication process at any level in the above sequence. However, **all** concerns of harassment and discrimination should be reported to Management. If the person harassing the team member is Management at the team member's office location, then report the harassment concern to the Office Coach.

If you are not satisfied with the remedy or process, you may request assistance from the North Dakota Department of Labor.

Family Medical Leave Act

This policy is intended to implement the terms of the Family and Medical Leave Act (FMLA). Eligible team members are entitled to family and medical leave on the terms and conditions stated in this policy, under regulations issued by the U.S. Department of Labor (DOL) under the FMLA, and as contained in the Company's other applicable leave policies. Although explained in more detail below, in general, the FMLA provides eligible team members with up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12 month period. During this leave, an eligible team member is entitled to continued group health plan coverage as if the team member had continued to work. At the conclusion of the leave, subject to some exceptions, a team member generally has a right to return to the same or to an equivalent position.

Definitions:

“Spouse” means all legally married couples, whether opposite-sex or same-sex. An eligible employee in a legal marriage who resides in a State that recognizes the employee's marriage will have consistent federal family leave rights.

“Eligible Team member” means individual who has been employed by the Company for at least 12 months (which need not be consecutive), has worked for at least 1,250 hours during the 12 month period immediately preceding the commencement of the requested leave; and is employed at a worksite with at least 50 team members within 75 miles of the worksite.

“FMLA Leave” means leave that qualifies under the Family and Medical Leave Act of 1993, as amended by the National Defense Authorization Act of 2088, Pub. L. 110-181, and the DOL's regulations, and which is designated by The Company as so qualifying.

“Leave Year” means the 12-month period measured backward from the date each team member's leave commenced.

"Serious health condition" means an injury, illness, impairment, or physical or mental condition that involves either inpatient care or continuing treatment by a health care provider with healthcare incapacity for more than three full consecutive calendar days, and either (a) two (2) in-person visits with a provider or (b) one (1) in-person visit with a healthcare provider with a regimen of continuing treatment, provided that the in-person visits to the healthcare provider must be within seven (7) days of the onset of leave.

“Inpatient Care” means an overnight stay in a hospital, hospice or residential medical care facility, including a period of incapacity or any subsequent treatment in connection with the inpatient care.

“Continuing Treatment” includes one or more of the following:

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

- a. A period of incapacity of more than three (3) consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:
 - i. Treatment by a health care provider two (2) or more times within 30 days of the first day of incapacity; or
 - ii. Treatment by a health care provider on at least one occasion, which results in a regimen of continuing treatment under the supervision of a health care provider;
- b. A period of incapacity due to pregnancy or prenatal care;
- c. A period of incapacity or treatment for such incapacity due to a chronic serious health condition;
- d. A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective; or
- e. Any period of absence to receive multiple treatments by a health care provider.

“Son or daughter” for purposes of FMLA leave taken for birth or adoption or to care for a family member with a serious health condition, means a biological, adopted, or foster child, a step child, a legal ward or a child of a person standing in loco parentis, who is either under 18 years of age or is incapable of self-care because of a mental or physical disability. “Son or daughter of a Covered Service Member” means the service member’s biological, adopted, or foster child, stepchild, legal ward, or a child for whom the service member stood in loco parentis, and who is of any age. Persons who are “in loco parentis” include those with day-to-day responsibilities to care for and financially support a child, or, in the case of a team member, who had such responsibilities for the team member when the team member was a child. A biological or legal relationship is not necessary.

“Incapable of self-care” means that the son or daughter requires active assistance or supervision to provide daily self-care in three or more of the following activities of daily living: grooming, hygiene, bathing, dressing, eating, cooking, cleaning, shopping, taking public transportation, paying bills, maintaining a residence, using the telephone and directories, and using a post office.

“Parent” means a team member’s biological parent or an individual who has day-to-day care giving and financial support responsibilities to the team member when the team member was a child.

"Qualifying Paid Leave" is leave that leave which has been accrued, such as personal time or vacation time, and which would otherwise be available to the team member for the purpose for which the FMLA leave is taken.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

“Covered Service Member: means a member of the Armed Forces, including a member of the National Guard or Reserves, who 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.

“Covered Military Member” means the team member’s spouse, son, daughter, or parent on active duty or call to active duty status.

“Active duty or call to active duty: means duty under a call or order to active duty (or notification of an impending call or order to active duty) in support of a contingency operation as either a member of the reserve components, or a retired member of the Armed Forces or Reserve.

“Serious Injury or Illness”, in the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness incurred by the member in line of duty 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.

“Qualifying Exigency” means on or more of the following circumstances:

- a. Short-notice deployment – to address any issues that may arise due to the fact that Covered Military Member received notice of the deployment seven (7) or less calendar days prior to the date of deployment;
- b. Military events and related activities – to attend any official ceremony, program, or event sponsored by the military that is related to the Covered Military Member’s active duty; or to attend family support or assistance programs and informational briefings sponsored by the military;
- c. Child care and school activities – to arrange for alternative childcare; to provide childcare on an urgent or immediate basis; to enroll or transfer a child to a new school; and to attend meetings with school staff that are made necessary by the Covered military Member’s active duty or call to active duty;
- d. Financial and legal arrangements – to make or update financial or legal arrangements related to the Covered Military Member’s absence while on active duty; and to act as the Covered Military Member’s representative with regard to obtaining, arranging or appealing military benefits;
- e. Counseling – to attend counseling sessions related to the Covered Military Member’s deployment or active duty status;
- f. Rest and recuperation – to spend up to five (5) days with the Covered Military Member who is on short-term, temporary rest and recuperation leave;

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

- g. Post-deployment activities – to attend ceremonies and reintegration briefings for a period of 90 days following the termination of the Covered Military Member’s active duty status; and to address issues arising from the death of a Covered Military Member; and/or
- h. Other activities that The Company and team member agree qualify as an exigency.

Events Which May Entitle A team member to FMLA Leave

FMLA Leave may be taken for any one, or for a combination of, the following reasons:

- A. An Eligible Team member is entitled to a total of 12 weeks of unpaid leave during each Leave Year in the event of one or more of the following:
 - The birth, adoption or placement for foster care of a son or daughter of the team member and to care for such child. (This leave must be taken during the 12-month period following the birth or placement.)
 - To care for a qualifying family member of the team member, *i.e.* the team member's spouse, son, daughter, or parent (but not in-law) with a serious health condition, if the team member is needed to care for such family member.
 - The team member's own serious health condition that makes the team member unable to perform one or more of the essential functions of his or her job.
 - Any “Qualifying Exigency” arising out of the fact than a team member’s spouse, parent, son, or daughter is on active duty in the Armed Forces in support of a contingency operation.
- B. An Eligible Team member is entitled to a total of 26-weeks of unpaid leave during a single 12-month period to care for a parent, son, daughter, spouse or next of kin who is a Covered Service Member, regardless of whether the team member has taken leave for another FMLA qualifying reason in the past 12-months.

Any leave taken under any one or more of these circumstances in A or B above will be counted against the team member’s total entitlement to FMLA leave for that Leave Year.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

When both spouses are employed by the Company, they are together entitled to a combined total of 12 workweeks of FMLA leave within the designated 12 month period for the birth, adoption or foster care placement of a son or daughter with the team members, for aftercare of the newborn or newly placed son or daughter, and to care for a parent (but not in-law) with a serious health condition. For injured Service Member leave, the team member and their spouse may be limited to a combined total of 26 weeks of leave in a 12-month period, including any other FMLA leaves in this paragraph.

Each spouse may be entitled to additional FMLA leave for other FMLA qualifying reasons (i.e., the difference between the leave taken individually for any of the above reasons and 12 workweeks, but not more than a total of 12 work weeks per person.) For example, if each spouse took 6 weeks of leave to care for a newborn son or daughter, each could later use an additional 6 weeks due to his/her own serious health condition or to care for a son or daughter with a serious health condition.

Intermittent Or Reduced Work Schedule Leave

Intermittent leave is leave taken in separate blocks of time. A reduced work schedule leave is a leave schedule that reduces a team member's usual number of hours per workweek or hours per workday.

Leave to care for a newborn or for a newly placed son or daughter, leave because of a team member's own serious health condition, or leave to care for a team member's spouse, son or daughter or parent with a serious health condition, may be taken all at once or, where medically necessary, intermittently or on a reduced work schedule.

If a team member takes leave intermittently or on a reduced work schedule basis, the team member must, when requested, attempt to schedule the leave so as not to unduly disrupt the Company's operations. When a team member takes intermittent or reduced work schedule leave for foreseeable planned medical treatment, the Company may temporarily transfer the team member to an alternative position with equivalent pay and benefits, including a part-time position, for which the team member is qualified and which better accommodate recurring periods of leave.

Every team member is obligated to make a reasonable effort to schedule medical treatment so as not to unduly interrupt the Company's operations. Any team member who needs an intermittent or reduced schedule leave shall submit an application for such leave on a form supplied by the Company at the time described above. The team member shall also, within the time limits set forth, furnish the Company with the proper medical certification [on Form W-380-E], which will be supplied by The Company, regarding need for such intermittent or reduced schedule leave. As in the case for other FMLA leaves, The Company may require a second or third medical certification. Prior to the commencement of any intermittent or reduced schedule leave, the team member requesting intermittent or reduced scheduled leave must advise the Company of the reasons why the intermittent/reduced scheduled leave is necessary and of the schedule for treatment, if applicable. The team member and The Company shall attempt to work out a

schedule for such leave that meets the team member's needs without disrupting The Company's operations.

Team member Notice Requirement:

Team members are required to provide the Company with sufficient information to make it aware that the team member needs FMLA-qualifying leave, and the anticipated timing and duration of the leave. Sufficient information may include the following: That the team member is unable to perform their job functions; that the team member's family member is unable to perform his or her daily activities; that the team member or their family member must be hospitalized or undergo continuing treatment; or the circumstances supporting the need for military family leave. When a team member seeks leave due to a FMLA-qualifying reason for which The Company has previously provided FMLA-protected leave, the team member must specifically reference the qualifying reason for the leave and the need for "FMLA" leave.

Requests for FMLA Leave

A team member should request FMLA leave by completing the Employer's Request for Leave form and submitting it to the Human Resources Department.

When leave is foreseeable, the team member is required to provide such notice to the Company's Office Coach at least 30 days before the commencement of the leave, unless impracticable to do so under the circumstances, in which case notice must be given as soon as is practicable (i.e., within 1 or 2 business days of learning of the need for the leave). The team member also must follow any Company policy requiring advance notice, reasons for leave and anticipated start and duration of the leave. Failure to provide advance notice or follow Company policy when the need for leave is foreseeable may result in delay or denial of FMLA leave.

When the leave is not foreseeable, the team member must provide the Company with notice of the need for leave as soon as practicable (i.e., within 1 or 2 business days of learning of the need for the leave), and must follow The Company's normal call-in procedures as set forth in the Attendance Section of this Handbook. Failure to follow The Company's call-in procedures, absent unusual circumstances, will result in delay or denial of the leave.

When leave is required for planned medical treatment for a serious health condition, the team member is required to make a reasonable effort to schedule the treatment so as not to disrupt the operations of the Company.

Team members are required to give additional notice as soon as practicable whenever there is a change in the dates of scheduled leave. The Company requires that the team member's health care provider complete a fitness-for-duty certification that specifically addresses whether the team member is able to perform the essential functions of his or her job before the team member can return to work. If the Company has a "reasonable safety concern," it also may require periodic fitness-for-duty certifications prior to the

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

team member's return from intermittent FMLA leave, up to once every 30 days. A "reasonable safety concern" means a reasonable belief of significant risk of harm to the individual team member or others.

Upon receiving sufficient notice of a team member's need form FMLA-qualifying leave, The Company will notify the team member of their eligibility to take FMLA leave within five (5) business days of the request, absent extenuating circumstances. At this time, The Company also will provide the team member written notice of the team member's rights and obligations with respect to the leave (as well as providing copies of the required certification forms.)

Required Documentation

When leave is taken to care for a family member, the Company may require the team member to provide documentation or statement of family relationship (e.g., birth certificate or court document).

"Leave for either the team member's own or a family member's serious health condition must be supported by a medical certification completed by the health care provider of the team member or the covered family member with the serious health condition. A qualifying exigency leave or a leave to care for a Covered Service Member with a serious injury or illness must also be supported by a medical certification. The Company's Human Resources Department will provide the proper certification forms to the team member for each respective leave within five (5) business days of the team member's request for leave.

The team member must return a complete and sufficient copy of the appropriate certification to The Company within 15 calendar days of receiving the certification, unless it is not practicable. If the team member returns an incomplete or insufficient certification, then The Company shall advise the team member in writing what additional information is necessary to make the certification complete and sufficient. To cure the deficiency, the team member then must return a complete and sufficient certification to the Company within seven (7) calendar days. If the team member fails to cure a deficiency in a certification, or fails to return a certification, within the prescribed time period, the Company may deny the taking of leave.

If the Company has reason to doubt the team member's initial certification, the Company may: (i) With the team member's permission, have a designated health care provider contact the team member's health care provider in an effort to clarify or authenticate the initial certification submitted for leave for the team member's own serious health condition or the serious health condition of a family member; and/or (ii) Require the team member to obtain a second opinion by an independent Company-designated provider at the Company's expense. If the initial and second certifications differ, the Company may, at its expense, require the team member to obtain a third, final and binding certification from a jointly selected health care provider. The team member's failure to comply with these requirements will result in the delay, denial or termination of leave.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

A team member who will be on FMLA leave for more than one (1) week is required to call the Company's Office Coach weekly to report when and if the team member expects to return to work. The Company may request recertification at any time during the course of the leave for the team member's own serious health condition, if: (1) the team member requests an extension of leave; (2) the circumstances of the team member's condition as described in the previous certification have changed significantly, or (3) if The Company has reason to suspect that a team member on FMLA leave has fraudulently obtained the FMLA leave. If desired by the Company, a second or third certification in the manner provided above may be required. If the team member's leave to care for his or her own serious health condition or that of a family member is expected to last more than 30 days, the Company will require a new certification from the team member's health care provider when leave is scheduled to expire, or every 6 months, whichever occurs earlier.

If the team member's anticipated return to work date changes and it becomes necessary for the team member to take more or less leave than originally anticipated, the team member must provide the Company with reasonable notice (i.e., within 2 business days) of the team member's changed circumstances and new return to work date. If the team member gives the Company notice of the team member's intent not to return to work, the team member will be considered to have voluntarily resigned.

FMLA leave or return to work may be delayed or denied if the appropriate documentation is not provided in a timely manner. Also, a failure to provide requested documentation of the reason for an absence from work may lead to termination of employment.

Use of Paid and Unpaid Leave

FMLA provides eligible team members with up to 12 workweeks of unpaid leave, or a cumulative total of 26 workweeks of unpaid leave to the extent any leave involves care for Covered Service Members. If a team member has accrued paid time off, such as personal time or vacation time, the team member must first use any Qualifying Paid Leave upon commencement of, and concurrently with, FMLA leave (unless the team member's own serious health condition has caused the leave and the team member is receiving workers' compensation benefits.) Team members may retain up to 40 hours of accrued Qualifying Paid Leave. The remainder of the 12 workweeks of leave, if any, will be unpaid FMLA leave.

Any paid leave used for an FMLA qualifying reason will run concurrently with, and be counted toward the team member's total 12-week or 26 week period of FMLA leave; the substitution of paid leave for unpaid leave does not extend the 12 week or 26 week leave period. This leave includes leave for disability or workers' compensation injury/illness, provided that the leave meets FMLA requirements.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Team members on leave that qualifies both as workers' compensation and FMLA leave who are offered a light duty position will have the option of remaining on FMLA leave without pay (and foregoing the light duty position and potentially, additional workers' compensation benefits, as may be determined under applicable state law) or accepting the light duty position. If the team member accepts the light duty position, then the team member's right to job restoration (as described herein) runs through the end of the applicable Leave Year. If the team member accepts light duty, then they retain the right to be restored to the same position the team member held at the time their FMLA leave commenced or to an equivalent position.

Designation of Leave

The Company will notify the team member that leave has been designated as FMLA leave. The Company may provisionally designate the team member's leave as FMLA leave if The Company has not received medical certification or has not otherwise been able to confirm that the team member's leave qualifies as FMLA leave. If the team member has not notified The Company of the reason for the leave, and the team member desires that leave be counted as FMLA leave, the team member must notify the Human Resources Department within 2 business days of the team member's return to work that the leave was for an FMLA reason.

When the Company learns of an FMLA reason for leave after a leave has commenced under another of the Company's policies, the Company will designate the leave as FMLA-qualifying from the commencement of the leave. Team members are required to cooperate in providing the Company with information needed to make this determination.

Maintenance of Health Benefits

During FMLA leave a team member is entitled to continued group health plan coverage under the same conditions as if the team member had continued to work.

The Company will continue to pay their portion of the group health insurance premiums and team members will be required to pay any share of health insurance premiums as well as other insurance payments, including but not limited to dental, vision, and disability that they normally pay if actively working. The team member should make arrangements with the payroll department for these payments.

If the team member's payment of health insurance premiums is more than 30 days late, The Company may discontinue health insurance coverage upon notice to the team member.

A team member on FMLA leave shall be responsible for the payment of the full premium for all other insurance, pensions, and other benefits. Failure of the team member to pay the entire premium for such items shall result in their lapse for the duration of the FMLA leave. If the team member returns from FMLA leave, all such insurance, pension, and

other benefits shall be restored without any break in service, as permitted under each such respective plan and as permitted by law.

A team member shall not accrue any credit toward vacation or other benefits based upon time worked for the time that he or she is on FMLA.

Return from FMLA Leave

Consistent with the Company practice, before returning to work following a medical leave due to the team member's serious health condition, the team member will be required to present a fitness-for-duty certification from their health care provider that the team member is medically able to resume work and to perform the essential functions of their job. If the date on which a team member is scheduled to return to work from an FMLA leave changes, the team member is required to give notice of the change, if foreseeable to the Company within two (2) business days of the change.

Failure to call the Company Office Coach weekly, to provide the required medical recertification or to return to work immediately upon expiration of a FMLA leave may result in termination of the team member. Failure to furnish a fitness-for-duty certification of the team member's ability to return to work and to perform the essential functions of the job may result in the delay of job restoration or the termination of the team member.

Upon return from FMLA leave, subject to the limitations below, The Company will place the team member in the same position the team member held before the leave or an equivalent position with equivalent pay, benefits and other employment terms. Job restoration may be denied if conditions unrelated to the FMLA leave have resulted in the elimination of the team member's position or if the team member qualifies as a "key team member" (generally the highest paid 10% of the workforce). Key team members may be denied job restoration if it would cause substantial and grievous economic injury to The Company, in which case the key team member will be notified of this decision.

In summary, upon expiration of a FMLA leave, a team member who returns to work shall be restored to the same or an equivalent job, if the team member shall have:

1. Called the Company Human Resource Department in accordance with the terms above;
2. Furnished the Company Human Resource Department with proper certifications and recertifications in accordance with the terms above;
3. Submitted to any second or third examination by a health care provider upon request of The Company;

4. Furnished the Company Human Resource Department with a medical certification of the team member's ability to return to work and to perform the essential functions of the job; and
5. Returned to work immediately upon expiration of the FMLA leave.

Limitations on Reinstatement

A team member is entitled to reinstatement only if he/she would have continued to be employed had FMLA leave not been taken. Thus, a team member is not entitled to reinstatement if, because of a layoff, reduction in force or other reason, the team member would not be employed at the time job restoration is sought.

Failure To Return To Work Following FMLA Leave

If the team member does not return to work following the conclusion of FMLA leave, the team member will be considered to have voluntarily resigned. The Company may recover health insurance premiums that The Company paid on behalf of the team member during any unpaid FMLA leave except that The Company's share of such premiums may not be recovered if the team member fails to return to work because of the team member's or a family member's serious health condition or because of other circumstances beyond the team member's control. In such cases, The Company may require the team member to provide medical certification of the team member's or the family member's serious health condition.

If a team member returns to work after the expiration of the FMLA leave but does not remain an active team member for at least 30 days, the Company may seek to recover from the team member the amount paid for such insurance premiums.

FMLA Coordination

Nothing in this policy should be construed as denying team members their rights under the Family and Medical Leave Act ("FMLA") or any other applicable federal or state law.

It is BAM's policy to designate a team member's leave due to a work-related injury or illness as FMLA leave. To the extent permitted by the FMLA, BAM counts the period of a team member's light-duty assignment toward the team member's FMLA entitlement.

Team members entitled to FMLA leave can voluntarily accept light-duty assignments while they are recuperating, but they cannot be required to do so. Team members who lose their workers' compensation benefits as a result of declining a light-duty assignment are required to substitute any available paid leave, such as accrued vacation, personal, or medical/sick leave, for unpaid FMLA leave.

Until team members have exhausted their 12-week FMLA entitlement, they have the

right to be reinstated to their original job or an equivalent job provided that they are able to perform the job's essential functions.

Additional Information

For further information or clarification about FMLA leave, please contact the Office Coach.

FMLA Coordination

Nothing in this policy should be construed as denying team members their rights under the Family and Medical Leave Act (“FMLA”) or any other applicable federal or state law.

It is BAM's policy to designate a team member's leave due to a work-related injury or illness as FMLA leave. To the extent permitted by the FMLA, BAM counts the period of a team member's light-duty assignment toward the team member's FMLA entitlement.

Team members entitled to FMLA leave can voluntarily accept light-duty assignments while they are recuperating, but they cannot be required to do so. Team members who lose their workers' compensation benefits as a result of declining a light-duty assignment are required to substitute any available paid leave, such as accrued vacation, personal, or medical/sick leave, for unpaid FMLA leave.

Until team members have exhausted their 12-week FMLA entitlement, they have the right to be reinstated to their original job or an equivalent job provided that they are able to perform the job's essential functions.

Accommodating Team members and Applicants with Disabilities

Terms used in this policy have the following general meanings:

Qualified team members and applicants with disabilities are team members or applicants with disabilities who can perform the essential functions of the job which they either are seeking or which they hold, with or without reasonable accommodations.

Team members or applicants with disabilities are those:

- A.) whose physical or mental impairments substantially limit one or more of their major life activities (for example, walking or seeing);
- B.) who have a history of such impairments; or
- C.) who are regarded as having such impairments.

Reasonable accommodations are modifications to applicants' or team members' work environment or schedule that allow them to perform the essential functions of the job they seek or hold unless the accommodations create undue hardship for BAM.

BAM seeks reasonable accommodations for qualified team members and applicants with disabilities that do not result in undue hardship for BAM. In making reasonable accommodations, BAM strives to ensure that the adaptability and accessibility of equipment and facilities for team members and applicants with disabilities will be considered.

For each position in every department, the department coach and BAM Office Coach must identify the essential functions of the position and prepare a job description that lists these essential functions. The BAM Office Coach is responsible for keeping these job descriptions up-to-date and accessible.

Any team member or applicant who becomes aware of any violation of BAM's policies or any applicable law relating to accommodating persons with disabilities immediately should contact the Office Coach. All complaints will be investigated promptly. Cooperation is expected with investigations. Information obtained during such investigations is confidential and will be disclosed only to those who have a need to know the information.

Victims of Violence

Victims of violent incidents in the workplace might have to contend with a variety of medical, psychological, and legal consequences. BAM will assist team members who may be victims of workplace violence by one or more of the following, as determined in the discretion of Management:

- i. Referring affected team members to appropriate community resources, such as medical centers, counseling services, victim advocacy groups, and domestic violence shelters;
- ii. Providing flexible work hours or short-term or extended leave;
- iii. Cooperating with law enforcement personnel in the investigation of crimes and the prosecution of offenders; and
- iv. Providing a debriefing for team members within 24 to 48 hours, or as soon as possible, after a serious violent occurrence to explain what happened and what steps are being taken by BAM to support affected team members.

Discrimination, Harassment, and Sexual Harassment Policy

It is the specific policy of Bergstrom Automotive Management that all forms of harassment are prohibited. It is the policy of Bergstrom Automotive Management to emphasize that sexual harassment by or toward any team member, vendor, or customer is specifically prohibited and will not be tolerated. These same principles apply to any discrimination or harassment based upon race, color, religion, sex, national origin, age, physical or mental handicap, status with respect to marriage or public assistance, or lawful participation in lawful activity off the employer's premises during non-working hours, or any protected class under applicable law. Examples of discriminatory conduct or harassment can include, but are not limited to, ethnic jokes or racial slurs, and sexual harassment as discussed more fully below.

Team members are prohibited from discriminating against or harassing other team members whether or not the incidents of discrimination or harassment occur on BAM premises and whether or not the incidents occur during working hours.

Harassment, and specifically sexual harassment, is prohibited by law. Sexual harassment violates an individual's fundamental rights and personal dignity. Sexual harassment also undermines BAM's deep commitment to the primacy of a reward system based purely on merit, intellectual excellence, and job performance. BAM considers sexual harassment in all its forms to be a serious offense.

Sexual harassment is unwanted sexual attention of a persistent or offensive nature made by a person who knows, or reasonably should know, that such attention is unwanted. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact, or other verbal or physical conduct or communication of a sexual nature when:

1. Submission to such conduct and communications is made a term or condition of employment, either explicitly or implicitly;
2. Submission to or rejection of that conduct or communication by an individual is used as a factor in decisions affecting that individual's employment;
3. That conduct or communication has the purpose or effect of substantially interfering with any individual's employment or work performance, or creates an intimidating, hostile, or offensive working environment.

Sexual harassment can involve males or females being harassed by members of either sex. Although sexual harassment typically involves a person in a greater position of authority as the harasser, individuals in positions of lesser or equal authority also can be found responsible for engaging in prohibited harassment. In a few cases, third parties, such as customers or suppliers, have been found to have committed unlawful sexual harassment.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Examples of sexual harassment include inappropriate touching or feeling which is unwelcome by you; sexual innuendos and comments and sexual comments about a person's clothing, body, or sexual activities; jokes about sex which you find offensive; sexual propositions or demand for sexual favors; posting obscene pictures, drawings, or cartoons in the workplace; or making obscene gestures, or any other verbal or physical conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment. These are some of the common complaints, but many other types of conduct can also constitute sexual harassment.

Incidents involving discrimination or harassment, including but not limited to sexual harassment, should be reported immediately to Management, or if the alleged perpetrator is Management at your office location, then report it to the Office Coach.

All such complaints will be treated in the strictest confidence except as is necessary to investigate the allegation. A team member who is determined to have been harassing another team member in any manner will be subject to immediate disciplinary action up to and including possible immediate termination.

Bergstrom Automotive Management will not tolerate retaliation of any kind against a team member based upon his/her allegation regarding discrimination or harassment. Such retaliation will likewise subject the alleged retaliator to immediate disciplinary action or termination. Conversely, team members should keep in mind that these allegations of harassment, sexual or otherwise, are potentially very serious to the person charged; while such allegations should be made whenever warranted, they should be made with accuracy and veracity.

Consensual sexual or romantic relationships between team members are deemed unwise and are strongly discouraged if one team member has supervisory authority over the other team member.

Discipline Regarding Sexual Harassment, Harassment in General, or Discrimination

All team members, including, but not limited to supervisors and coaches, who violate the sexual harassment, harassment or discrimination policies in this manual are subject to appropriate discipline. The discipline to be applied is left to the discretion of Management, but may include any discipline, up to and including immediate dismissal. At a minimum, if an investigation results in a finding that any sexual harassment, harassment, or discrimination policy has been violated, the mandatory minimum discipline is a written reprimand.

Persons who violate this policy may also be subject to civil damages or criminal penalties.

Monitoring Compliance

The supervisor of a team member found to have violated this policy is responsible for monitoring the team member's compliance with any mediation agreement or recommendation approved in the incident investigation. The supervisor must ensure that the harassment or discrimination does not reoccur and that the complainant is not subjected to retaliation.

Discrimination and Harassment Policy- General

Federal and state government nondiscrimination posters and BAM's EEOC policy are displayed permanently in conspicuous locations in all facilities. Notices, advertisements, forms, job descriptions, and other specifications relating to employment do not indicate any preference, limitation, or discrimination based on race, color, religion, sex, age, national origin, citizenship status, physical or mental disability, status with regard to marriage or public assistance, genetic information, veteran status, or participation in lawful activity off BAM premises during non-working hours which is not in direct conflict with BAM's essential business-related purposes, or any other protected class.

BAM strives to keep its workplace free from all forms of discrimination or harassment. Some examples of conduct that might be considered harassment include, but are not limited to, ethnic slurs, racist jokes, pornographic e-mail, unwelcome touching, display of offensive pictures, or any other verbal or physical conduct that has the purpose or effect of creating an intimidating, hostile, or offensive work environment.

BAM considers harassment in all forms to be a serious offense.

Retaliation Prohibition

BAM prohibits retaliation against any team member or applicant who complains about discrimination or harassment, opposes any discriminatory or harassing practice, or participates in the investigation of such complaints.

BAM does not discourage or obstruct team members or applicants from filing complaints with the federal Equal Employment Opportunity Commission or the state department of labor.

Investigating Complaint-Procedures

1. Supervisors' Responsibilities:

Supervisors must deal expeditiously and fairly with allegations of sexual harassment, inappropriate sexually oriented conduct, and discrimination within their departments whether or not there has been a written or formal complaint. Supervisors must:

- Act promptly to investigate sexual harassment, inappropriate sexually oriented conduct, or discrimination;
- Ensure that sexual harassment, inappropriate sexually oriented conduct, or discrimination is reported to BAM immediately.
- Take corrective action to prevent prohibited conduct from reoccurring.

Supervisors who knowingly allow or tolerate sexual harassment, inappropriate sexually oriented conduct, or discrimination are in violation of this policy and subject to discipline.

2. Office Coach Responsibilities:

Office coaches are responsible for:

- Ensuring that both the individual filing the complaint (hereafter referred to as the complainant) and the accused individual (hereafter referred to as the respondent) are aware of the seriousness of a sexual harassment complaint or any other harassment or discrimination complaint;
- Explaining BAM's sexual harassment policy, harassment, or discrimination policy/ies and investigation procedures to the complainant and the respondent;
- Arranging for an investigation of the alleged harassment or discrimination and the preparation of a written report to be submitted to the appropriate decision makers; and
- Exploring informal means of resolving sexual harassment complaints, or other harassment or discrimination complaints;

Immediately following the completion of the investigation, the Office Coach or designated investigator prepares a written report regarding the factual findings. Except in the most unusual circumstances, the report must be completed within 15 working days after the completion of the investigation. (Form 0030)

The report should include:

- A summary of the complaint;
- A summary of the response by the individual charged with harassment; and

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

- A summary of the statements and evidence obtained during the investigation.

Resolution Procedures

Team members often can stop or prevent sexual harassment or discrimination by immediately and directly expressing their disapproval of an individual's sexually oriented attention or conduct or discriminatory actions. In any case, team members shall report all incidents of sexual harassment, inappropriate sexually oriented conduct, or discrimination to the Office Coach, their supervisor or the General Manager.

In many cases, a supervisor's informal warning to an alleged harasser or to an alleged discriminating party, combined with appropriate follow-up supervision and monitoring of the team member's behavior might be sufficient to prevent or stop sexual harassment or discrimination.

Some complaints can be resolved through informal mediation between the two parties. The Office Coach arranges for or facilitates mediation between the parties and coordinates other informal problem resolution measures.

If mediation is successful, a written settlement agreement must be prepared. Generally, the mediation agreement includes:

- A pledge by the respondent not to engage in any behavior that could be construed as any violation of this policy;
- A promise by the respondent not to retaliate against the complainant;
- The restoration of any employment terms, conditions, or opportunities the complainant lost or was denied because of the harassment and for any other relief necessary to remedy the situation; and
- Procedures for monitoring compliance with the agreement.
- The settlement agreement must be in writing, signed by both parties, and approved by the Office Coach and the General Manager.

If no resolution is reached, the Complainant may wish to contact the North Dakota Department of Labor.

Insubordination and Work Expectations

Team members generally are expected to perform job assignments as outlined in the playbook provided by their supervisors or other appropriate management representatives, even if they object to assignments or instructions. Team members who have such objections can file complaints with their supervisors.

In general, a team member's refusal or failure to carry out lawful assignments or instructions or to comply with BAM's policies and procedures is considered insubordination. Insubordination also includes team member actions such as verbal abuse of supervisors, co-workers, or customers; dishonest statements about BAM or supervisors; ignoring safety rules; and refusing reasonable requests to work overtime. Any team member who engages in such conduct is insubordinate and is subject to discipline up to and including immediate termination.

BAM abides by all appropriate federal and state safety and health laws and regulations. BAM acknowledges that team members can refuse to perform unsafe work as outlined under BAM's refusing unsafe work policy.

Refusal of Unsafe Work

Team members have the right to refuse work or assignments that they believe are unsafe. In such cases the refusal must be immediately reported to their supervisor. Supervisors will investigate the reason behind the refusal to verify that there is a valid declination of work and must immediately correct the problem.

The Occupational Health and Safety Act (OHSA) states that a worker may refuse to work or do particular work where he or she has reason to believe that:

- Any equipment, machine, device or thing the worker is to use or operate is likely to endanger himself, herself or another worker;
- The physical condition of the workplace or the part thereof in which he or she works or is to work is likely to endanger himself or herself;
- Workplace violence is likely to endanger himself or herself; or
- Any equipment, machine, device or thing he or she is to use or operate or the physical condition of the workplace or the part thereof in which he or she works or is to work is in contravention of the OHSA or regulations and such contravention is likely to endanger himself, herself or another worker.

BAM will not discipline a worker who has obeyed the law. However, this provision does not apply if the work refusal was made in bad faith, or if the worker continues to refuse after the team member's department coach finds that the work is not likely to endanger the worker.

Complaint Procedures

A. Discrimination or Harassment, generally:

Team members and applicants should immediately contact their department coach about any violations of BAM's policies or any applicable law relating to prohibited discrimination or harassment. All incidents of sexual harassment or inappropriate sexual conduct, as well as any other harassment or discrimination, must be reported, regardless of their seriousness, and should be reported as soon as possible after the alleged wrongful conduct.

Publicizing information about alleged harassment or discrimination without following the reporting procedures or filing a formal complaint might be considered evidence of a vexatious intent on part of the accuser.

To initiate an investigation into an alleged violation of this policy, team members must file a discrimination or sexual harassment complaint with the Office Coach, their supervisor, or the General Manager. All complaints are promptly investigated. Information obtained during investigations is confidential and only disclosed to those who have a "need to know" the information.

Cooperation is expected with investigations. Where appropriate, informal means to resolve harassment or discrimination complaints will be taken. For example, informal dispute resolution procedures might include counseling alleged violators or serving as a mediator between the two parties.

When a harassment or discrimination complaint cannot be resolved informally, a written report of the investigation is prepared and delivered to BAM. Based upon the investigation, in the exercise of its discretion, BAM will determine what actions or discipline, if any, may be required and whether there should be restoration of any employment terms, conditions, or opportunities which team members or applicants may have lost or which were denied because of alleged discrimination or harassment.

B. Reporting Sexual Harassment

If a team member believes that they have been subjected to sexual harassment or any unwanted sexual attention, or any other harassment or discrimination, to ensure a prompt and thorough investigation they should:

- make their unease and/or disapproval directly and immediately known to the harasser;
- report the incident to their department coach, the business office, or their supervisor;
- make a written record (Form 0031) to include as much of the following

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

information as possible:

- The date, time, location, and nature of the incident(s) and the names of any witnesses;
- The name, department, and position of the person or persons allegedly causing the harassment or discrimination;
- The alleged effect, if any, of the incident(s) on the complainant's position, salary, benefits, promotional opportunities, or other terms or conditions of employment;
- The names of other team members who might have been subject to the same or similar harassment or discrimination;
- The steps the complainant has taken to try to stop the harassment or discrimination; and
- Any other information the complainant believes to be relevant to the harassment or discrimination complaint.

Complaint Confidentiality Regarding Discrimination and Harassment

All inquiries, complaints, and investigations regarding claims of discrimination or harassment, including but not limited to sexual harassment, are treated confidentially. Information is revealed strictly on a need-to-know basis.

Information contained in a complaint is kept confidential, subject to disclosure to those who have a business reason or need to know about it. However, the identity of the complainant usually is revealed to the respondent and witnesses. The Office Coach takes adequate steps to ensure that the complainant is protected from retaliation during the period of the investigation.

A copy of the final decision is included in the personnel file of the respondent only if the investigation and decision-making panel conclude that the individual engaged in prohibited conduct.

No record of a complaint is kept in the complainant's personnel file, unless the investigation concludes that the complaint was reckless, frivolous, or vexatious.

The Office Coach, in a secure file, maintains all information pertaining to discrimination or harassment complaints or investigations.

The Office Coach will explain the procedures for handling information related to all discrimination or harassment complaints and investigations to complainants and respondents.

Personnel Management

Performance Appraisals

BAM believes that performance appraisals help the company and its team members achieve their fullest potential. Performance appraisals measure team members' performance, skills and abilities, training needs, and suitability for promotion. Performance appraisals also serve to help improve communication between team members and coaches and boost job satisfaction.

BAM has designed its Performance appraisals program to ensure that team members:

- know their duties and responsibilities,
- understand the goals that have been set for them as well as their own personal goals,
- receive timely feedback about their performance, and
- are rated and rewarded in a fair and consistent manner.

Formal performance appraisals are conducted every 6 months.

The appraisal process involves:

- setting work plans and performance standards,
- monitoring performance

Setting work plans and performance standards

Coaches devise work plans for each team member so that workers know what is expected of them. These plans include the departmental playbooks, job descriptions, evaluations and grade books for each team member. The plans must be completed and distributed to team members within 30 days of when they are hired or assigned significantly new duties. Coaches also must establish standards of acceptable performance for each task. Standards must be uniformly applied to all team members holding the same position. Team members and coaches must meet to discuss work plans and performance standards to ensure that there is no confusion about what is expected.

Monitoring performance and preparing appraisals

The team member and his or her coach each are responsible for monitoring the team member's performance. Supervisors must document any problems and provide ongoing feedback to team members. Team members are encouraged to discuss problems and success with their supervisors. The BAM office coach will notify coaches thirty (30) days in advance of the date that a team member's formal appraisal is due. Coaches are given an appraisal form and a set of guidelines to use in preparing the evaluation. Team members are asked to prepare a self-appraisal that the supervisor considers before preparing the team member's appraisal. Self-appraisals can help point out aspects of a team member's job or special achievements that might have gone unnoticed by the coach.

Conducting Formal Appraisals

All performance appraisal meetings are conducted in private. Prior to the performance appraisal meeting team members will be given an opportunity to prepare for the topics to be addressed so that they can respond to the issues. At the performance appraisal meeting, coaches must:

- Identify and discuss good performance,
- Identify and discuss areas that need improvement,
- Review the team member's ratings on job performance factors, and
- Review the degree to which the team member was successful in meeting performance goals set out in the work plan.

Performance Appraisal Rating Scale

BAM uses the following scale for rating team member performance:

- ***Greatly exceeds performance standards (E)***

The team member regularly goes beyond what is normally expected of team members in this job. The team member has mastered the skills needed for the job and is highly motivated to achieve desired objectives. Coach can think of no way to improve the team member's effectiveness or efficiency.

- ***Exceeds performance standards (V)***

The team member's performance meets the defined job expectations and in many instances, exceeds job expectations. Errors are infrequent and typically detected and corrected by the team member before they create a problem. The coach is aware that there are areas for improvement, but the team member is performing significantly above the satisfactory level.

- ***Meets performance standards (S)***

The team member meets performance standards expected for team members at this job. The team member is a solid performer who rarely exceeds or falls below performance standards.

- ***Partially satisfies performance standards (ID)***

The team member meets some of the job expectations, but does not fully meet the remainder. The team member is doing the job at a minimal level or is performing less than a good job. The team member's rating must improve to an "S" at the next review or else he or she might be subject to corrective action or discipline.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

- *Fails to meet performance standards (IE)*

The team member consistently does not meet minimum standards. The team member frequently makes errors and requires close supervision. The team member must move to the “ID” level within 30 days or else he or she will be subject to progressive discipline.

Personnel Information, Privacy, and Disclosures

a. General Provisions:

In collecting, maintaining, and disclosing personnel information, BAM makes every effort to protect team members' privacy rights and interests and prevent inappropriate or unnecessary disclosures of information from any worker's file or record.

While complying with its governmental reporting and recordkeeping requirements, BAM strives to ensure that it handles all personal and job-related information about team members in a secure, confidential, and appropriate fashion in accordance with the principles and procedures outlined below.

b. Separate Files:

Bergstrom Automotive Management will maintain separate files for team member medical, team member assistance, and personnel information. All such information shall be maintained in confidence and will not be disclosed except as may be permitted or required by law. Bergstrom Automotive Management personnel will have access to this information only on a “need to know” basis. Team members may sign a release authorizing the transfer of such information to other designated persons or agencies to the extent permitted by law, as set forth below.

BAM treats personal information about team members as confidential and respects the need for protecting each team member's privacy by enforcing our secure information handling procedures on the part of all personnel whose job duties involve gathering, retaining, using, or releasing personal information about the organization's team members.

BAM collects and retains only such personal information as it needs to effectively conduct business and administer its employment and benefit programs. BAM takes all possible steps to make sure that all personal and job-related information about team members is accurate, complete, and relevant for its intended purpose. Wherever possible, BAM notifies affected team members if it needs additional personal information and gives these team members an opportunity to supply the requested data.

c. Maintenance of Records:

All paper-based documents relating to BAM's personnel record system are kept in secure, locked files in the Business Office. These files are accessible only to authorized Business Office staff and executives, coaches, and supervisors who have a valid, demonstrable need to know” specific information from a team member's personnel record. Team members also are granted access to their personnel files and records in accordance with the access procedures outlined below. All personnel files and records must remain in the Business Office at all times.

If an individual with an authorized “need to know” requires copies of the information in a

team member's personnel file, the Office Coach makes these copies available on written request.

Questions or issues about the application or enforcement of these security measures should be addressed to the Office Coach.

d. Medical Information Disclosure:

All team member medical information is held in strict confidence in accordance with federal and state laws. All medical information relating to a team member is kept in the separate Medical Records System files maintained by the Office Coach. Access to these medical files is tightly controlled. Ordinarily, medical inquiries are limited to those permitted under the North Dakota Worker's Compensation Act and any applicable federal and state law. Medical information about a team member is supplied only to the worker's designated physician, and only in accordance with the worker's written specific request.

e. Internal Disclosure:

When information from a team member's personnel file is to be released or disclosed within the organization, BAM notifies the team member of such disclosure if the Office Coach views the disclosure as possibly intruding on the team member's privacy. However, routine or ordinary employment procedures, including, but not limited to, performance appraisals, merit increase reviews, promotion and transfer consideration, and disciplinary investigations, normally are not subject to this notification procedure.

f. Governmental Agency Disclosure:

On occasion, BAM must provide information and data from its personnel records and files to federal, state, and local government agencies in accordance with recordkeeping and reporting requirements imposed by such agencies. In instances where a government agency requests information beyond that which it normally requires, BAM ordinarily advises the affected team members of the agency's information request.

If, however, an agency's information request occurs in the course of an agency investigation or if an agency asks BAM to keep such a request confidential, BAM, in its discretion, will comply with the agency's request. BAM ordinarily honors subpoenas demanding production of information with respect to any team member, but usually advises a team member of the subpoena and nature of the information requested, unless otherwise prohibited by law.

g. Third Party Requests for Disclosures:

In response to an information request from an outside organization, individual, or other nongovernmental entity, BAM normally verifies only the employment dates and positions held for either former or current team members. This is discussed more fully in

the “References and External Request for Information” Policy.

h. Team member Review of Personnel File:

A team member can review the information contained in their own personnel file, although BAM reserves the right to remove certain sensitive documents, including management planning documents such as succession or promotion plans. To prevent abuses of this access privilege, BAM also reserves the right to limit the number of times a team member can access his or her file to 4 times during a 12-month period. Team members who are interested in reviewing the contents of their personnel file should contact the Office Coach and provide at least two business days' notice of their desire to schedule a mutually convenient time for an appointment. Prior to reviewing their file, the team member will have to must provide a completed form 0022 which will remain in the file once the review is complete. (Form 0022). This review is permitted during normal business hours in BAM’s Business Office, in the presence of designated BAM personnel, and at a time agreed upon by BAM.

Team members can make handwritten notes to record information included in their personnel records. A team member can request photocopies of any documents that the team member himself/herself previously had provided to BAM or that BAM previously had provided to the team member. Copies of the documents will be provided to the team member within a reasonable period of time after a request has been made. In the case of copy requests that are time consuming or involve an extensive number of documents, BAM reserves the right to charge the team member a reasonable fee to cover its copying costs.

i. Changes or Corrections in Personnel Files:

To ensure that BAM's personnel files are up-to-date and contain accurate, complete information, team members are asked to notify their supervisor or the Office Coach of any changes that need to be made in the following categories:

- name,
- telephone number,
- home address,
- marital status,
- number of dependents,
- beneficiary designations,
- scholastic achievements, or
- individual to notify in case of an emergency.

Team members can request correction or deletion of information in their personnel records as appropriate by submitting a written request to the Office Coach. The Office Coach ordinarily checks with the head of the department where the record originated.

Within 30 calendar days of receipt of a written request to amend a record, the Office Coach will notify the team member in writing that the amendment will be made as

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

requested or that the amendment request has been denied. In cases where a requested amendment is denied, the Office Coach must explain the reasons for refusing to make the change. A copy of the Office Manager's response must be placed in the individual's record if the request is denied. If the Office Coach refuses to amend or delete the record, the individual team member has the right to request that the personnel file shall be amended with a copy of the team member's own written statement setting forth the reasons for the individual's disagreement.

TERMINATION

1. Employment is “At Will”

Employment with Bergstrom Automotive Management is “**at-will**” and may be terminated by either party at any time without notice and without cause. Any oral or written statements contrary to the policies and provisions stated in this handbook are disavowed by Bergstrom Automotive Management and should not be relied upon by any team member. Nothing in this handbook is intended to create nor does it create a contract of employment, but rather, this handbook simply serves as a set of guidelines for you to follow in your employment with Bergstrom Automotive Management

By accepting employment with Bergstrom Automotive Management, you agree to conform to the policies and procedures set forth herein, and including any changes, deletions, or additions to these policies and procedures during the course of your employment.

2. Unacceptable Conduct

In addition to the Drug and Alcohol program, Bergstrom Automotive Management has established general responsibilities for all team members regardless of their position. There are times when a team member does not perform to the standards of Bergstrom Automotive Management and is subject to termination. Conduct which is prohibited and shall result in discipline up to and including immediate termination, includes but is not limited to the actions or conduct set forth in the Prohibited Conduct Provisions of this handbook.

All decisions concerning whether to reprimand, warn, or immediately discharge a team member will be left solely to the discretion of Management or the designee of Management. Bergstrom Automotive Management reserves the right to terminate a team member without prior warning for the above reasons and for any other matter determined solely in the discretion of Bergstrom Automotive Management to be sufficient justification for termination in accordance with all laws.

3. Discharge and Termination

Your employment with Bergstrom Automotive Management is “**at will.**” When a team member does not perform to the standards of Bergstrom Automotive Management, they are subject to discipline, up to and including immediate termination, with or without cause, and with or without prior notice. Bergstrom Automotive Management reserves the right to exercise its discretion in making all decisions regarding discharge and termination of team members.

5. Exit Interview and Notices

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

All team members who are leaving their jobs with BAM for any reason are asked to participate in an exit interview with their Department coach. (Form 0013 and 0015) On their last day of employment, team members are required to return all company property to their supervisor. Final paychecks are available for pick up at the dealership on the next regular payday. BAM makes every effort to ensure that all terminations and separations from employment are conducted in accordance with all provisions and requirements of applicable federal and state laws. (Form 0013)

Team members are requested to give their supervisor two weeks' written notice of their intent to resign. Within one week of that notice, resigning workers will be provided with information about their rights to continue participation in BAM's group health plan.

Team members who are terminated, but not "for cause", in their supervisor's discretion, may be given either two weeks' written notice or immediate termination with two weeks' pay. They are advised of their rights to continue participation in BAM's group health plan.

Team members terminated "for cause" or for gross misconduct receive neither advance notice nor pay in lieu of notice and they will only be permitted to continue coverage under BAM's group health plan as may be required by law, but they may be required to pay the premiums.

5. Return of Bergstrom Automotive Management Property

Upon your termination or resignation, Bergstrom Automotive Management requires the return of all Bergstrom Automotive Management property. In addition, Management prefers that a team member submit a written letter of resignation at least two weeks prior to separation.

6. Rehiring

Former team members who were terminated for cause are not eligible for rehire.

References and External Employment Information Requests

Management of Bergstrom Automotive Management will have the sole right to provide any reference concerning an individual's performance at Bergstrom Automotive Management. References from BAM will be limited to the team member's dates of service and position held. Any request for a reference must be directed to Management.

To obtain disclosure of any employment information, a former or current team member must submit a request to the Office Coach, specifying the type of disclosure they are seeking and the identity of the organization authorized to receive the information. The Office Coach reviews and handles these requests on a case-by-case basis. To ensure the confidentiality of its records and protect each individual's privacy, BAM will disclose only the dates of employment and position held.

In no event will any information regarding a former team member be released prior to the receipt of a completed and signed consent and release form. (Form 0021)

Payroll Management

Child Support, Tax Liens, and Court Ordered Garnishment Policy

Wage Garnishment and Assignment, and Tax Lien Policy:

BAM expects its team members to be prompt in the payment of their personal debts. Team members should be aware that a court can order BAM to deduct amounts directly from a team member's pay when that team member has failed to pay his or her personal debts. Any court-ordered garnishment for child support, family support, bankruptcies, and federal or state tax liens, or other judgments rendered against a team member must be forwarded immediately to the store's Office Coach for processing.

Child Support:

State and federal laws require BAM to withhold part of team members' wages to satisfy child support orders. When BAM receives a support withholding notice, it immediately will begin withholding wages as specified in the notice. BAM will continue to withhold wages for child support until otherwise notified by the child support enforcement agency.

Withholding child support takes priority over all other wage garnishments or deductions. For example, if BAM receives a child support withholding notice for a team member whose wages are garnished to repay a loan, the child support withholding will be taken first, up to the legal limits.

BAM will honor and service all out-of-state child support withholding orders it receives, in compliance with federal law.

Noncustodial or custodial team members may enroll their children in BAM'S health insurance plan. Enrollment may take place at any time, not just during the plan's traditional open season.

BAM will inform the state child support agency when a team member subject to child support withholding leaves the company. The notice will provide the team member's last known home address and telephone number, as well as the new name and address, if known.

BAM will assess an administrative fee for each child support withholding notice it services. The fee will be deducted from the team member's wages, not from the child support payment itself.

Team members will not be disciplined or terminated because of a child support withholding order or any other withholding order of an employee's property, earnings, or money. In addition, applicants will not be refused hire because of a support withholding order.

Wage Assignments

A wage assignment is a voluntary agreement between a team member and his or her creditor to have amounts deducted from the team member's wages and paid directly to the creditor. BAM honors agreements that are legally valid and enforceable. Team members are encouraged to discuss wage assignments with their Office Coach before signing an agreement.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Federal Tax Levies

A levy from the Internal Revenue Service must be forwarded immediately by the team member to the store's Office Coach for processing.

Debt to BAM and Confession of Judgment

If a team member becomes indebted to BAM for any reason, the team member is subject to the amount being deducted from his or her payroll earnings, as permitted by applicable state and federal law. The team member will have the opportunity to settle the debt before any amounts are deducted from the team member's wages. Any amount owed at the time of payroll processing will be withheld from the team member's take home pay, to the extent permitted by law, unless Form 0023 is filled out and signed by the General Manager.

At the time the indebtedness is incurred, the team member shall give to BAM a signed Confession of Judgment for the amount of the outstanding indebtedness. That Confession of Judgment will be held in the team member's file so long as the team member remains current in making payments, in which case it shall be held until the debt is repaid in full. When BAM receives the final payment, BAM shall provide the team member with a Satisfaction of Judgment.

In the event the team member defaults on making the payments owed under the Confession of Judgment, BAM shall be entitled to immediately file the Confession of Judgment with a court of competent jurisdiction, without further notice to the team member, and shall be entitled to pursue whatever remedies may be available by law to collect the unpaid amount remaining on the unpaid Judgment.

Confession of Judgment will be completed any time a team member completes training that obligates the team member to repay Bergstrom Cars in the event of their employment termination.

Deductions from Exempt Team members' Salaries

BAM compensates all team members in accordance with state and federal laws, including the federal Fair Labor Standards Act (“FLSA”). Salaried team members who are exempt from overtime pay under the FLSA shall receive a predetermined amount of compensation each pay period that will not be subject to reduction based on variations in the quality or quantity of the work performed.

BAM will not make deductions from exempt team members’ salaries, except as otherwise expressly permitted by applicable state and federal law. Therefore, BAM prohibits all company coaches from making any improper deductions from the salaries of exempt team members. BAM wants team members to be aware of this prohibition and to know that BAM does not allow deductions which violate the FLSA or applicable state laws.

If you have any questions or concerns about your compensation, or if you believe that an erroneous deduction has been made from your pay, you immediately should report this information to your direct supervisor or to the Office Coach. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has been made, you will be promptly reimbursed.

Deductions and Final Pay

a. Payroll Deductions

Federal and state withholding taxes and Social Security taxes are deducted from every paycheck. Voluntary deductions for health care benefits, savings bonds, 401(k) deferrals, and the like can be made after a team member completes the necessary authorization forms.

BAM deducts court-ordered garnishments for personal debts—such as child support—without the team member's prior authorization. Deductions for federal, state, and city tax liens also can be made by BAM without prior team member authorization.

Any debt owed by the team member to the company shall be acknowledged by the team member in a confession of judgment. It shall be paid immediately unless other payment arrangements are agreed to by both the Company and the team member as further described in the

b. Final Wage Payment

Team members separating from BAM are paid for all hours worked and for vacation earned, but not taken, as of the last day worked. Payments of amounts due from separating team members are made as follows:

- A team member who involuntarily terminates his or her employment with BAM is paid all wages earned no later than the next payroll after termination.
- A team member who voluntarily terminates his or her employment with BAM is paid all wages earned no later than the next regularly scheduled payday following the last day worked by the team member.
- If a team member dies, BAM continues salary payments through the end of the calendar month in which the team member dies.
- If a team member owes money to BAM at the time of separation the team member agrees to provide a signed Confession of Judgment for that amount pursuant to the “Debt to BAM and Confession of Judgment” Policy.

Direct Deposit

The Office Coach deposits paycheck proceeds into the personal bank accounts of team members who have completed a direct deposit authorization agreement. Direct deposit authorization agreements are available from the Office Coach, and it is highly recommended that all team members do sign up for direct deposit. Once a team member authorizes direct deposit, a standardized procedure is used to verify account numbers and account types before an actual electronic transfer of funds is processed. Team members are advised to refer to the authorization agreement for detailed information on the regulations and procedures related to direct deposit.

A team member's net pay—that is, wages less mandatory and team member-authorized deductions—is deposited to the team member's bank account so that funds are available for withdrawal on the scheduled payday. Team members should report any delay in the deposit of a paycheck to the Office Coach.

Team members who have authorized direct deposit receive a direct deposit earning statement each pay day. These earning statements include the same pay information that would be included in a paycheck stub—for example, tax deductions.

Lost or Stolen Paychecks

A team member should report a lost or stolen paycheck to the Office Coach immediately. BAM will issue a new paycheck to the team member after payment is stopped on the original check. Unless BAM is at fault, the team member will pay the stop payment fee. Also, if a check is lost through no fault of BAM and BAM is unable to stop payment on the check, BAM is not obligated to indemnify the team member for the loss.

Lunch (Meal) Policy

- a. You are provided a 30 minute unpaid meal break for any shift over 5 hours.
- b. Your meal time starts the minute you stop work and ends when you resume work.
- c. Failure to take a meal break may result in discipline up to and including termination.
- d. Meal breaks may not be accumulated, nor can they be used to arrive late to work, to leave early from work or to make up work time lost due to inclement weather. You must not perform any work duties during this lunch break, but you may leave the premises.
- e. Supervisors may schedule meal breaks to accommodate operating requirements.
- f. Team members who take unauthorized meal periods, extend authorized meal periods beyond the approved limits, or work during meal periods without prior BAM authorization, or who fail in any other way to comply with this meal break policy are subject to disciplinary action, up to and including immediate termination.
- g. Dishonesty on time sheets is the equivalent of theft and is grounds for disciplinary action up to and including immediate termination.

Overtime Compensation

Under the Fair Labor Standards Act, work performed by a team member who is “exempt” is not covered by overtime provisions. Therefore, exempt team members are not entitled to overtime compensation.

Non-exempt team members are defined as those who are entitled to overtime pay. Under the Fair Labor Standards Act this is referred to as a team member whose work performed is covered by overtime provisions.

“Overtime” is paid for non-exempt team members (as defined by the overtime provisions of the Fair Labor Standards Act). Non-exempt team members will be paid one and one-half times their regular hourly rate of pay for overtime which has been pre-approved by Management. "Overtime" hours are those hours of actual work which exceed forty (40) hours per work week.

All team members must obtain Management’s written approval prior to performing any overtime hours of work. Any team member who works overtime hours without Management’s prior written approval will be subject to discipline, up to and including immediate termination.

If at any time you have questions about the overtime policy, please direct them to Management.

Payday Schedule

All team members are paid on the 1st and the 16th of each month. If the 1st or 16th lands on a weekend, or is a holiday, they will then receive their pay on the last working day prior to the holiday or weekend in question.

If time cards and pay changes are not submitted to the office by the deadlines published in the calendar they will not be processed until the next payroll.

BAM does not provide for any advances on pay. There will be **No** early checks.

Pay Grid Wage Determination

The pay grid system is designed to give our team a clear picture of what their current pay is, and what they can do to increase their earnings.

At the option of management, each team member will be designated a position title and level that corresponds to a pay rate on the BAM Master pay grid. This will be referred to as their current “pay slot”. This grid will be updated at the discretion of management, and when the pay amounts in the grid change, the rate of pay for each individual that has been assigned a pay slot will change as well. Each team member’s pay slot will be designated on their pay plan.

When a team member is initially hired they may be placed in a pay slot, or they may be placed on an introductory status and given an hourly rate of pay. In any case, when the introductory period is over, the team member will be assigned a pay slot.

When evaluations are completed each team member will be advised of their current pay slot, and also be advised of the actions they need to take to remain qualified for that pay slot, and what actions they need to take to advance to the next pay slot.

Pay slots can be changed at any time at the sole discretion of management. To change a pay slot management must create a new pay plan specifying the new effective date of the new pay slot and have the pay plan signed by the team member.

Team members who receive a written reprimand may be moved to a lower pay slot, or lowering a pay slot can be the consequence for not correcting behavior in the time required.

Team members can be moved to higher pay slots between evaluations if their performance and capabilities change significantly, or they achieve goals set by management before their next evaluation.

The pay grid system is designed to give our team a clear picture of what their current pay is, and what they can do to increase their earnings.

Technicians who do not have an hourly wage (A, B, and C Techs paid on flat rate wages only) will receive Level 1 D Technician pay for any travel pay.

Timekeeping

BAM must keep accurate records of team members' working hours to:

- Meet requirements under federal and state law;
- Ensure paychecks are written for the correct amounts;
- Adjust team members' accrued leave balances and other benefit accounts dependent on team members' earnings or hours worked; and
- Allocate costs to appropriate BAM accounts.

Accordingly, all team members must keep accurate records of their working hours and report those hours in accordance with this policy.

The Office is responsible for:

- Preparing and distributing a schedule of key events in the payroll processing cycle, including the dates when team member time sheets are due; and
- Developing and supplying time sheets and accompanying written instructions.

A payroll processing schedule is distributed to team members at the beginning of each calendar year and posted conspicuously in work areas. The official schedule prepared by the Payroll Department makes exceptions related to holidays and operational necessities, but generally is based on the following sequence of events:

- Paychecks are issued on the first and 16th of every month
- Supervisors must provide time sheets to the office by 10:00 a.m. one business day prior to payday.

Team members are responsible for making a daily record of their hours worked and ensuring that such information is accurately presented on their time sheets. All team members must be sure to punch in and out whenever they come, or leave the workplace on their designated time clock.

Supervisors are responsible for training all new hires on how to clock in and out. Supervisors must review time sheets completed by their team members for completeness and accuracy and indicate approval of each time sheet with their signature. Specific items supervisors must review include: punch in and punch out time for the day and for lunch breaks, and verifying vacation or sick time used.

Supervisors who will be out of the office on the day time sheets are due should make arrangements with their own coach or another individual so that time sheet duties are carried out while the supervisor is absent.

The accurate recording of team members' working hours is a serious matter. Dishonesty on time sheets is the equivalent of theft; team members who falsify information relating

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

to their working hours are subject to discipline, up to and including termination of employment.

Classifications

Team member classifications are as follows:

Full-time regular team members are team members hired to regularly work 37¹/₂ or more hours each week. Full-time regular team members can be exempt or nonexempt.

Part-time regular team members are team members hired to regularly work fewer than 37-1/2 hours per week. Part-time team members can be exempt or nonexempt. In general, team members who are regularly scheduled to work 30 or more hours per week are eligible to participate in BAM's team member benefits programs. Some benefits are adjusted on a pro-rata basis to account for the team members' reduced working hours.

Temporary team members are part-time or full-time team members hired by BAM to work for the duration of specific projects or assignments. Temporary assignments generally do not extend beyond a 12-month period, unless approved by BAM. Temporary team members can be exempt or nonexempt.

Exempt and Non-Exempt Status:

BAM classifies each team member or position as exempt or nonexempt.

Exempt team members are not subject to federal and state overtime requirements. A team member is exempt if determined to be an executive, administrative, or professional team member or outside sales representative as defined by the Fair Labor Standards Act.

Nonexempt team members are entitled to overtime pay of one-and-one-half times their regular rate for hours worked in excess of 40 in any workweek. Any team member who is not classified as exempt is nonexempt.

Safety

Health and Safety Policy

Generally:

BAM has implemented a variety of policies designed to ensure a safe and healthy workplace. Team members are expected to act with the utmost regard for the safety and health of their co-workers and themselves at all times. Failure to comply with BAM's safety and health policies can result in disciplinary action up to and including termination.

Safety Training

BAM believes that safety awareness is the key to preventing accidents. BAM's safety training addresses team members' safety and health responsibilities, potential hazards at the work site, and what to do in case of an emergency. Training is provided at team members' orientation and periodically thereafter. Methods of available safety training include workshops, handbooks, videos, and role-playing sessions.

BAM has adopted this policy to ensure that team members and others who perform work at BAM receive the training they need to protect their health and perform their work safely. BAM is committed to providing team members with information about job hazards, possible health effects, and required work practices and procedures.

There are several parts to BAM's safety training program. Training begins with onboarding, which BAM provides to all new team members. Orientation includes an overview of BAM's safety and health policies, practices, and training; team member safety and health rights; and safety and health resources.

Each team member must complete and sign a Hazard Communication Training Certificate, which becomes a permanent part of the team member's personnel file. (Form 0019)

Hazard communication training must include information on:

- Hazard communication requirements under both federal and state law;
- The chemicals present in team members' work areas;
- The location and availability of MSDS's and BAM's written hazard program;
- Physical and health effects of hazardous chemicals;
- Methods and observation techniques used to determine the presence or release of hazardous chemicals in the work area;
- Controls, work practices, and personal protective equipment used to lessen or prevent exposure to hazardous chemicals;
- Emergency procedures to follow if a team member is exposed to chemicals; and
- Reading labels and reviewing MSDS's to obtain appropriate hazard information.

When new chemicals are introduced, supervisors must review with team members the items above as they relate to the new chemical.

NOTE: All team members must understand hazard communication training. Team members with

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

any additional questions should contact the Safety Director.

Weapons-Free Workplace

BAM is committed to ensuring the safety of its team members, customers, clients, and visitors. In furtherance of this commitment, BAM maintains a weapons-free workplace to the extent permitted by law, and strictly enforces the following policy:

1. Prohibition:

BAM prohibits all team members, customers, or invitees from the use, carrying, or possessing of any deadly weapons or destructive devices while on BAM's property or during the course of employment except that this prohibition does not apply in the following circumstances:

- (a) A customer, team member, or invitee may possess any legally owned "firearm", if the firearm is lawfully possessed and locked inside or locked to a private motor vehicle on a BAM owned or operated parking lot and if the customer, team member, or invitee is lawfully on those premises. In this provision, "firearm" is understood to be defined by North Dakota Century Code provisions which address Possession of Weapons; and
- (b) A law enforcement officer who is authorized by law to carry such deadly weapons, destructive devices, or firearms is not prohibited from carrying them on any BAM owned or operated property.

This policy applies to using, carrying, or possessing any of the following weapons or devices:

- Firearms, including, but not limited to, handguns, rifles, pellet guns, and similar devices, except as specifically set forth above;
- Knives, with the exception of pocket knives;
- Instruments capable of inflicting a heavy blow, including, but not limited to, nightsticks, clubs, and similar devices;
- Explosive devices, including, but not limited to, bombs, grenades, and similar devices; and
- Other devices whose primary purpose is the infliction of bodily harm.

2. Searches

To the extent permitted by law, when BAM has reason to suspect the possession of any prohibited weapons or devices, BAM reserves the right to examine a team members' personal belongings, including, but not limited to, purses, briefcases, packages, desks, and lockers.

3. Enforcement

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Team members: Violations of this prohibition of certain weapons and devices is considered gross misconduct and will result in immediate discipline, up to and including immediate termination. A refusal to allow a search pursuant to this policy also is grounds for discipline up to and including immediate termination.

Non-team members.: Customers, clients, or other visitors who violate this policy will be asked to immediately leave BAM's premises.

In addition, team members and nonteam members are subject to arrest and prosecution by law enforcement officials for any criminal acts arising from violations of BAM's policies regarding prohibited weapons or devices. BAM seeks the prosecution of all of those who engage in violence on its premises or against its team members while they are engaged in BAM business.

Coaches: Coaches must immediately investigate any reported discrimination, violence, harassment, or threats committed on BAM premises.

Designation of Emergency Closing

Only by authorization of the President or Executive Vice President for Administration or their designees will BAM cease operations due to emergency circumstances. If severe weather conditions develop during working hours, department coaches can allow their nonessential team members to leave work early.

BAM remains open in all but the most extreme circumstances. Unless an emergency closing is announced, all team members are expected to report to work. However, all team members are urged to use their own discretion in deciding whether they can commute safely to work. When an emergency closing has not been declared, team members who do not report to work because of inclement weather have the option of taking vacation, personal leave, or, in the case of nonexempt team members, leave without pay.

Medical Emergency Preparedness

This policy sets out measures to ensure that appropriate first aid can be administered when medical emergencies arise. First aid is the immediate care given to a person who has been injured or who has suddenly taken ill. Prompt, properly administered first aid can mean the difference between life and death, rapid versus prolonged recovery, and temporary versus permanent disability.

First-Aid Equipment

First-aid kits are kept in locations that are immediately available to team members in the case of workplace injuries. First-aid kits are purchased and maintained with supplies approved by the safety committee.

Supplies necessary to control exposure to potentially infectious body fluids or materials—such as latex gloves, eye guards, soap, and bleach—are kept adjacent to first-aid supplies.

Eye Wash Facilities

Eye wash facilities are installed in all workplaces where injurious or corrosive chemicals are used or stored.

In addition, eye wash facilities must:

- Be flushed out for five minutes at a time, at least twice per month. Supervisors must ensure that these routine flushes are recorded in a log kept in the business office. (Form 0064)

Tornado Procedures

The National Weather Service and local officials, including police and sheriff's department, issue a "tornado watch" or a "tornado warning" to alert the public about potentially hazardous weather conditions.

A tornado watch means that tornadoes are expected to develop.

A tornado warning means a tornado has been sighted or indicated on radar.

BAM monitors these sources on a daily basis and will receive adequate notice when there is a tornado warning that affects BAM's location or when a tornado is sighted.

Instructions for Facilities with Assigned Shelter Areas

When storm warning sirens are sounded (three-minute to five-minute steady blast), team members should remain calm, but immediately proceed to their assigned shelter area:

- Marketplace Motors team members will proceed to the underground area in the Quick Lube department
- Lake GM Auto Center team members will proceed to the underground area in the Quick Lube department
- Lake Toyota will proceed to the parts storage area

Your supervisor will accompany you and your co-workers to the area that has been designated for this purpose.

Remain in your assigned shelter area until you hear the "all clear" announcement.

Accident Reporting Requirements

The federal Occupational Safety and Health Act and state workers' compensation laws require records and reports of illnesses and injuries on the job. All accidents, regardless of their severity, should be reported immediately to the Office Coach (Form 0035).

Chemicals in Unlabeled Pipes

BAM strives to label the contents of all piping; however, some piping might not be labeled. To ensure that team members and contractors who work on unlabeled pipes are informed as to the materials contained within, the policy below has been established.

Prior to starting work on any pipe, team members or contractors must contact the Service Coach for the following information:

- The identity of the chemical in the pipe;
- The potential hazards of the chemical; and
- Safety precautions to be taken.

Container Labeling

No container of hazardous chemicals can be released for use until the following requirements are met:

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

To further ensure team members are aware of the hazards of the materials they are exposed to in their jobs, all secondary containers must be labeled with either an extra copy of the original manufacturer's label or a generic label that has space to enter the identity of the chemical and the hazard warning. (Form 0063)

Supervisors must ensure that labeling requirements are met with respect to all hazardous chemicals present in the work areas for which they are responsible. Supervisors also are responsible on an ongoing basis for reviewing the container labels and MSDSs for all materials used in their work area to determine which products are hazardous and need to be included in the hazard communication program. Common household cleaners should not be overlooked.

Hazard Abatement

Whenever possible, hazards uncovered in connection with a task analysis or worksite inspection should be eliminated by modifying work processes or the work environment. If hazards cannot be eliminated, they must be effectively mitigated through proper training, personal protective equipment, or engineering controls.

The Safety Committee is available to assist supervisors in determining the best approach to eliminate or mitigate hazards discovered in the course of a task or worksite analysis.

Hazard Communication and Training Policy

BAM complies with the Federal Occupational Safety and Health Administration's ("OSHA") hazard communication, which requires BAM to inventory and label hazardous chemicals in the workplace and inform team members about any chemical hazard they encounter on the job. Team members who work near or with dangerous chemicals are trained how to handle them properly.

All team members have a right to know what hazardous chemicals they are using, how those chemicals might affect their health, what precautions are necessary when working with hazardous chemicals, and what emergency procedures to take in case of contact. To ensure that team members are provided with this information, BAM has created the MSDS books located in the Service Coaches office as well as the Parts Departments. It is highly recommended that each and every team member makes themselves familiar with the location and contents of the MSDS book. Every team member will be trained to handle any chemicals that they are required to use in the execution of their duties.

Each team member who works with or might be exposed to hazardous materials must be informed of the provisions of OSHA's Hazard Communication Standard, including the location and availability of a list of hazardous materials, material safety data sheet files, and BAM's written hazard communication program.

Each team member who works with or might be exposed to hazardous materials must receive training on the hazardous properties and the safe use of those materials. Additional training must be provided whenever a new hazard is introduced into the work area. Training on new hazards and specific hazards can be provided by the supervisor or the staff of the Safety and Health Department. The Safety Committee is responsible for scheduling initial training for new team members.

Initial training emphasizes the following elements:

- Requirements of BAM's hazard communication program;
- Identity of hazardous materials and/or chemical hazard types used in the work area;
- Physical and health hazards associated with the materials;
- Means of identifying hazardous materials;
- Symptoms of overexposure to hazardous materials;
- Procedures to protect against hazards under normal use, non-routine conditions, and emergency conditions; and
- Procedures in case of spill or leak of hazardous materials.

The Safety Committee, in cooperation with the appropriate line supervisors, must monitor routine and non-routine tasks for possible chemical hazards. The committee must make periodic checks of work areas to monitor compliance. The Safety Committee oversees any necessary training on the recognition and avoidance of exposures that could result from this monitoring.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

If there is a major emergency, the Safety Committee is responsible for coordinating the safe control and cleanup of hazardous materials spills. Staff assigned to hazardous materials emergency response must have adequate training, including the training required by OSHA's hazard communication standard and hazardous waste operations and emergency response standard. Staff assigned the task of handling hazardous waste must be trained on the chemical hazards associated with the task.

Hazard Management

Supervisors are responsible for working with their team members to identify potential hazards:

- Of jobs and tasks; and
- In the work areas for which the supervisor is responsible.

General Manager is responsible for:

- Assisting supervisors and coaches in identifying hazards and mitigating risks; and
- Providing technical assistance on measures to eliminate or mitigate hazards.

Team members also must be involved in hazard assessment. Team members and supervisors can be aware of different aspects of tasks and their associated hazards and, thus, can contribute complementary perspectives toward finding solutions.

Team members are encouraged to bring their safety concerns and ideas for improving safety and efficiency to their supervisor or to the Safety Committee.

Hazardous Non-routine Tasks

Periodically, team members can be required to handle chemicals for hazardous non-routine tasks. Prior to starting work on such projects, each affected team member must be given information by their supervisor about hazards to which they might be exposed during such an activity.

This information must include:

- Specific chemical hazards;
- Protective/safety measures that must be used; and
- Safety measures that have been taken to lessen the hazards, including ventilation, respirators, presence of another team member, and emergency procedures.

Safety Data Sheets

Copies of Safety Data Sheets for all hazardous chemicals to which team members might be exposed are maintained online and available to all team members.

SDS's also must be available to team members in all work areas during each shift. If SDS's are not available or new chemicals do not have SDS's, the Safety Office should be contacted immediately.

Task Analysis

Task analysis must be conducted for any new tasks or whenever an existing task changes, including changes related to the introduction of new equipment, technology, or procedures. Tasks also must be analyzed after the occurrence of any accident, injury, or near-miss incident. Informally, supervisors and team members should continually examine the tasks for which they are responsible to find ways to make them safer and more efficient.

Task analysis should be systematic. Most hazards are obvious to trained and experienced staff; others are less obvious and can require specialized technical assistance to be evaluated adequately. Some tasks at BAM involve the use of complex machinery or complicated processes and present multiple hazards. Supervisors should consult with the Safety committee as necessary.

Worksite Hazard Inspection

Supervisors are responsible for working with their team members to inspect their work areas for hazards. Informally, supervisors and team members should continually inspect their work areas for potential safety and health hazards. Additionally, supervisors are responsible for working with their team members and the Safety Committee to:

- Conduct a baseline worksite safety and health survey for each work area—assuming a formal baseline inspection has not been conducted;
- Analyze planned and new facilities, processes, materials, and equipment to identify potential hazards;
- Conduct regular (at least annual) site safety and health inspections to identify new or previously missed hazards;
- Provide a reliable system for team members, without fear or reprisal, to notify management about conditions that appear hazardous; and
- Investigate accidents and near-miss incidents

Commercial Motor Vehicle Driver Requirements

In addition to the safety requirements outlined in these policies, team members whose job involves driving commercial motor vehicles must meet specific safety requirements.

These additional requirements include the following:

- Team members in jobs requiring a commercial driver's license must notify their supervisors as soon as possible after being involved in an accident or being charged with any traffic offense other than parking violations. These notice requirements apply whether the accident or traffic offense occurs on or off duty.
- Supervisors are responsible for annually requesting from the North Dakota Division of Motor Vehicles a copy of the driving record of team members responsible for operating a commercial motor vehicle. Driving records are kept confidential.
- Commercial drivers must immediately notify their supervisors if their license is revoked or suspended or if, for any other reason, they become disqualified to operate a commercial motor vehicle—for example, a disqualifying medical condition.
- Bergstrom Automotive Management also complies with any rules and regulations found in the *Commercial Carrier Requirements for North Dakota Auto Dealers* put out by the *Automobile Dealers Association of North Dakota*. These books may be found in each General and Sales Manager's office.

Driver Qualifications

Vehicle accidents can be costly in terms of human injury, lost working time, vehicle repair, and higher insurance premiums. The purpose of this policy is to set minimum qualifications for drivers of BAM vehicles and standards for vehicle operations. Team members may operate a BAM-owned vehicle only if they:

- Are acting at the direction and with the explicit permission of BAM,
- Hold no more than one driver's license,
- Hold a valid license for the class of vehicle in question,
- Are otherwise qualified under federal and state regulations to drive the vehicle in question, and
- Have no major convictions, suspensions or revocations regarding driving privileges in the past three years. "Major" activities under this provision include the following:
 - Evading arrest
 - Illegal possession of alcohol or any controlled substance
 - Reckless disregard
 - Operating without care
 - Driving to endanger life
 - DUI / DWI (alcohol or drug)
 - Refusing an alcohol test
 - Driving while impaired
 - Failure to stop for an accident
 - Participating in a racing contest
 - Speeding 25 miles per hour or more over the posted speed limit
 - Operating a vehicle after license has been denied
 - Misrepresentation to avoid arrest
 - Misrepresentation to obtain driver's license
 - Traffic violation resulting in death
 - Vehicle use in connection with a felony
 - License revocation for any reason
 - Operating a vehicle while license is revoked or suspended

Disqualifying Driving Violations

Team members may not operate BAM-owned vehicles if their state driving records contain the following violations:

- Driving a motor vehicle under the influence of alcohol, controlled substances, or drugs that impair driving ability;
- Refusing to submit to a test to determine alcohol concentration while driving a motor vehicle;
- Using a motor vehicle in the commission of a felony;
- Leaving the scene of an accident unlawfully;
- Committing more than one major traffic offense over the past 24 months, including reckless driving, careless driving, or a major moving traffic infraction;
- Receiving a felony revocation of driving privileges or felony or misdemeanor driver's license suspension within the last 24 months; or
- Transporting a controlled substance unlawfully.

Driving –Safe Operation Requirements

While operating a personal or BAM-owned vehicle on BAM business, team members must:

- Observe applicable speed limits at all times;
- Obey all traffic rules and regulations;
- Drive defensively and anticipate driving hazards, such as bad weather and bad drivers;
- Report any accidents in which they are involved to the police and their supervisors; and
- Team members in jobs requiring a commercial driver’s license must notify their supervisors as soon as possible after being involved in an accident or being charged with any traffic offense other than parking violations. These notice requirements apply whether the accident or traffic offense occurs on or off duty.

Discipline

Team members who drive negligently or fail to comply with this policy's safety requirements are subject to immediate discipline, up to and including termination of employment.

Safety Belts

Drivers must ensure that safety belts are worn by drivers and passengers in all vehicles used for BAM business. Lap belts must be properly secured in those vehicles equipped with automatic safety systems that require the lap portion of the belt to be manually secured. Approved child safety restraints must be used for children of the age, size, or weight for which such restraints are prescribed by law.

Team members who discover an inoperable restraint system promptly must report the defect to the appropriate supervisor. BAM-owned vehicles in which a safety belt is inoperable cannot be used until the safety belt is repaired.

Vehicle Accidents

A printed card titled “In Case of Accident” Form (0061) must be kept in the glove compartment of each BAM-owned vehicle. The card is intended to provide team members with easy access to guidance on what to do when accidents occur. In general, the following requirements apply:

- Team members must report traffic accidents to the local police and then to their coach.
- Team members must not sign or make any statements regarding their responsibility or fault for a traffic accident that occurs while they are driving a BAM-owned vehicle. Team members should avoid explaining or describing the accident to anyone except public safety personnel, their supervisor, or the claims adjuster or attorney for BAM's insurance company.
- Team members must obtain names, addresses, phone numbers, and license numbers of the other drivers involved. Team members also must collect insurance company contact information and the address and phone number of the police department where the accident report is prepared.

Workers Compensation

Team members who sustain injuries or illnesses arising out of their employment with BAM are entitled to compensation under North Dakota's Workers' Compensation Act. This policy sets out rules and procedures related to handling workers' compensation claims.

BAM provides a comprehensive workers' compensation insurance program at no cost to team members. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment.

BAM bears the full cost of providing benefits required under the workers' compensation law. Workers' compensation is the team members' exclusive remedy for workplace injuries or illnesses. For more information regarding benefits under this program, contact the BAM office Manager.

Injury Reporting

Team members who sustain work-related injuries or , regardless of severity, immediately must inform their supervisor. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. You must follow the Injury Reporting and Incident Reporting Policies. Immediate reporting will enable an eligible team member to qualify for coverage as quickly as possible. Failure to report an injury to your supervisor within 24 hours will result in denial of claim benefits.

Supervisors must notify the Safety Committee immediately in the case of serious injuries. Supervisors also must work with the team member to complete a First Notice of Injury Report, which must be filed with the Workers' Compensation Manager as soon as possible, but in any case no later than 72 hours after the injury occurs.

Neither BAM nor North Dakota Workforce Safety and Insurance will be liable for the payment of workers' compensation benefits for injuries that occur during a team member's voluntary participation in any off-duty recreational, social, or athletic activity even if the event is sponsored by BAM.

Medical benefits

Any medical treatment prescribed by the attending physician to affect a cure of the injured team member is covered in full.

Wage-replacement benefits

If a team member's injuries keep him or her out of work more than seven calendar days, the team member receives wage-replacement benefits. Wage-replacement benefits are established by North Dakota's Workers' Compensation Commission. The maximum compensation threshold is adjusted annually by the Commission.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

BAM is committed to meeting its obligation under North Dakota's Workers' Compensation Act to provide medical, rehabilitation, and wage-replacement benefits to team members who sustain work-related injuries or illnesses.

Team members cannot use group health plans for injuries or illnesses covered under the Workers' Compensation Act. In addition, team members cannot use their accrued leave while they are receiving wage-replacement benefits under workers' compensation.

BAM works with its workers' compensation insurer to investigate any suspected fraudulent workers' compensation claims. BAM seeks the prosecution of any team members filing fraudulent claims or engaging in other workers' compensation fraud.

Prohibition Against Retaliation

BAM does not discriminate or retaliate against team members who have filed legitimate workers' compensation claims. Coaches and supervisors are prohibited from taking or threatening to take any action to compel or persuade team members not to file a workers' compensation claim.

Reemployment Rights

In the event you experience an occupational injury or an occupational illness during your employment with BAM, your re-employment rights will be those provided for by the appropriate state or federal statute.

Coordination with Attending Physician – Workers Compensation

A team member on leave due to a work-related injury or disability can return to work only when BAM receives the attending physician's written medical release authorizing such return. BAM's Office Coach is responsible for providing the physician with a copy of the team member's job description, copies of job descriptions for potential modified duty assignments, and written information explaining BAM's return-to-work program.

Team member Incident Report

Supervisors must complete their portion of the Team member Incident Report before submitting it to the team member's attending physician for additional information regarding:

- The treatment rendered;
- An estimate of the team member's recovery time;
- Any referrals to specialists;
- Any hospitalization required; and
- Any medication prescribed.

Once the Team member Incident Report is completed by the medical facility, the Workers' Compensation Manager arranges for its pick-up and processing. To avoid a delay or denial, the Team member Incident Report must be completed in full. (Form 0036)

Fraud in Workers Compensation

Filing a fraudulent workers compensation claim or engaging in fraudulent representations with respect to workers compensation claims or benefits are serious offenses. Team members found to have engaged in fraudulent activities are subject to disciplinary action, up to and including termination of employment.

Team members that file fraudulent claims also can be criminally prosecuted and subject to imprisonment and/or fines.

BAM's insurer regularly reviews and audits medical claims for indications of fraud. Suspected fraudulent claims are reported to the North Dakota Workers Compensation Commission. In addition, BAM orders investigations or surveillance of team members where evidence of fraud is discovered.

Injury Reporting - Workers Compensation

Responsibilities for injury reporting are as follows:

- ***Team members*** should immediately report all work-related illnesses, injuries, or occupational disease exposures to their supervisor. While under the North Dakota Workers Compensation Act, team members have 30 days to notify BAM of injuries or illnesses. Immediate reporting of injuries and illnesses can be important in establishing that injuries are covered by workers compensation.
- ***Supervisors*** are responsible for ensuring that injured team members receive necessary medical attention. The supervisor also must prepare a First Notice of Injury Report and a team member Incident Report. First Notice of Injury Reports must be filed with the Workers Compensation Manager as soon as possible, but in any case no later than 72 hours after an injury occurs.
- ***The Office Coach*** is responsible for coordinating claims with BAM's workers' compensation insurance carrier.

Permanent Disabilities - Workers Compensation

When reaching maximum medical improvement, a team member can have a permanent disability that impairs the team member's ability, with or without reasonable accommodations, to return to his or her regular position. BAM, in consultation with the team member's attending physician and North Dakota Workers Compensation Department, will evaluate further options available to the team member under the North Dakota Workers Compensation Act.

Team members with permanent disabilities may be entitled to partial or total permanent disability benefits as may be determined by North Dakota Workforce Safety and Insurance under North Dakota's Workers Compensation Act.

Restrictions Regarding Light-Duty Assignments –Workers Compensation

The following restrictions apply to light-duty assignments:

- **No guarantee of work.** BAM will endeavor to return team members to gainful employment as soon as possible by exploring possible light-duty assignments. However, BAM does not guarantee the availability of light-duty work.
- **Pay rates and workers' compensation benefits.** Team members on light duty are not guaranteed the rate of pay they received for the position they held at the time they sustained their work-related injury or illness. The pay rate for a light-duty assignment is based on the knowledge, skills, and abilities required for the job as well as general market conditions. Team members who return to work in light-duty positions before they have reached maximum medical improvement may be eligible for temporary partial disability benefits under the North Dakota Workers Compensation Act if they earn less than they earned in the position held at the time they sustained the work-related accident or illness. Team members in light-duty positions are not permitted to supplement their workers' compensation benefits by using their accrued vacation, personal, or medical/sick leave.
- **12-Week limit.** Light-duty assignments are temporary arrangements intended to complement and facilitate the healing process. Light-duty assignments cannot exceed 12 weeks without approval from BAM's Human Resource Director.

Light duty assignments also will be coordinated and subject to any restrictions or limitations provided by the Family Medical Leave Act and any other applicable state or federal laws.

Return-to-Work Options - Workers Compensation

For a team member who sustained a work-related injury or illness, arrangements to facilitate a team member's early return to work are made under the North Dakota Workers Compensation Act, in consultation with the team member's attending physician and/or other qualified medical professionals retained by BAM or Workforce Safety and Insurance. The following options are explored:

- **Return to prior position.** A team member is offered the opportunity to return to his or her prior position if the attending physician certifies that the team member can perform the essential functions of the job with or without reasonable accommodations. The BAM Office Coach is responsible for working with the team member's supervisor and attending physician (and third-party consultants, as necessary) to provide any reasonable accommodations.
- **Light duty.** Any team members who are not yet able to return to their former duties are offered (subject to the restrictions set out in section 5 of this policy) a temporary light-duty assignment that has been approved by the team member's attending physician. The BAM Office Coach is responsible for working with the team member's supervisor and the team member's attending physician to develop and implement the light-duty assignment. The assignment can consist of the team member's regular job with reduced working hours and/or activities, or an alternative light-duty position.

Return to work options also will be coordinated and subject to any restrictions or limitations provided by the Family Medical Leave Act and any other applicable state or federal laws.

Return-to-Work Policy

This policy covers team members who are on leave due to an occupational injury or illness. Because team members are our most valuable resource, BAM attempts to help team members return to work as soon as possible after their physician certifies their fitness to do so.

***Treatment Facilities-Designated Medical Providers- Workers
Compensation***

When a team member is injured on the job, immediate treatment should be sought at the following facilities:

- Altru Medical Clinic: Monday to Friday, 8 a.m. to 5 p.m.
- Hospital Emergency Room: All other times or for serious injuries.
- Dr. Kirsten Kenner: Monday to Friday, 8 a.m. to 5 p.m.
- The Eye Clinic: Monday to Friday 8 a.m. to 5 p.m.

Leave Coordination

When a team member is injured, he or she becomes eligible to receive weekly workers' compensation wage-replacement benefits after a short waiting period mandated by North Dakota's Workers' Compensation Act. The following rules govern how workers' compensation wage-replacement benefits are coordinated with BAM's other leave programs:

- During the seven-day waiting period, a team member can elect to cover his or her absence by using paid sick leave. Once the team member is receiving workers' compensation benefits, the team member cannot supplement his or her workers' compensation benefits with paid sick, personal, or vacation leave.
- If the injury results in a disability of more than 21 days, the team member is paid workers' compensation benefits from the date when the team member was injured. In such cases, team members who used their paid sick leave to cover their absence during the waiting period receive both paid leave and the workers' compensation benefits for the waiting period.
- BAM counts a team member's leave due to a work-related injury or illness toward the team member's 12-week leave entitlement under the Family and Medical Leave Act ("FMLA"). Because workers' compensation leave is designated as FMLA leave, benefits continuation—for example, continuation of health benefits—is governed by the applicable provisions of BAM's Family and Medical Leave Act policy.
- A team member's paid leave is not charged for time lost from work on the day of the injury. However, team members are expected to return to work, unless the treating physician gives the team member a written statement that he or she is not fit to return to work.
- A team member who returns to a light-duty position while receiving workers' compensation wage-replacement benefits is not permitted to supplement those benefits with paid sick, personal, or vacation leave.

Workplace Security

1. General Policy

BAM is committed to maintaining a safe and secure workplace. This policy assigns security responsibilities to specific BAM departments and sets out basic measures governing building access and the control of office and building keys.

2. Identifying Threats

BAM continually assesses workplace security and, as necessary, improves security measures. Security plans must take into account the following types of threats:

- Theft of physical property, such as tools, plant equipment, inventory, customer property, and computer equipment;
- Theft of intellectual property and proprietary information, such as trade secrets and customer lists;
- Misuse of inside information for personal gain;
- Vandalism of company property;
- Misuse of BAM equipment, software, inventory, or information assets;
- Crimes committed against team members on company property, including robberies in company parking lots and automobile theft; and
- Assaults committed against team members by other team members as well as nonteam members.

3. Responsibility

All team members must comply with BAM's security guidelines.

Care of Property

The following acts of conduct are the responsibility of every team member:

1. Treat others and their property with respect and courtesy.
2. Use care with all property of Bergstrom Automotive Management, including, but not limited to, its equipment and tools.
3. Section 34-02-16 of the North Dakota Century Code regarding "Liability of Team member for Culpable Negligence" provides in part, "A team member who is guilty of a culpable degree of negligence is liable to the person's employer for the damage caused to the latter thereby." Any damage caused by negligence on the part of team member during the scope of his or her employment shall result in the financial responsibility for the damage being borne by the team member through payroll deduction.
4. If there is any such damage as set forth in paragraph 3 above, the team member agrees to sign a confession of judgment for the amount of such damages. In the event such damage has not been repaid fully upon the team member's resignation or termination, the team member agrees that Bergstrom Automotive Management may enter the confession of judgment for repayment of any remaining balance due without further notice to the team member.
5. Obey all traffic laws, including but not limited to, speed limits and stop signs. Reckless driving will not be tolerated by the Company. Mobile phone usage is not permitted while driving.
6. Keep all BAM vehicles, trucks, and equipment clean, both in the interior and on the exterior.
7. Clean up his or her work area after use before leaving at the end of each shift.

Cell Phone And Electronic Device Usage

It is against Company policies to text, email or use a hand-held phone or communication device, I-phone, or any other electronic media while operating a Company owned vehicle or Company owned equipment or when driving a personal vehicle for Company business. This includes, but is not limited to cell phones, laptops, tablets, I-phones, or any other mobile device.

Use of hand-free devices is prohibited except in emergency situations. When essential calls must be made, team members must pull off the road to a safe place before using any cell phone or other mobile device.

Team members bear the sole responsibility for liability incurred for traffic violations involving the use of cell phone or other electronic devices while performing Company business, or while using Company issued or Company owned property.

Team members have no expectation of privacy at any time in any Company provided electronic communications devices. Management reserves the right to inspect and monitor any and all such devices and to listen to, read, review, retrieve, and print communications from such devices, whether incoming or outgoing, at any time and without notice.

Use of cell phones also is subject to the provisions of the general Telephone Use policy.

Building Access

Building entrances are unlocked between the hours of 6:45 a.m. to 7 p.m. Authorized team members can access the building after hours through the main entrance by using a key.

Camera and Audio-Video-Recording Devices

To promote BAM's visibility and products and to recognize team member achievements, BAM may hire photographers/videographers to take official pictures or video of corporate events or other corporate activities for BAM purposes.

BAM does not restrict team member use of personal electronic communications devices while on unpaid lunch or rest breaks. However, BAM does prohibit team members from taking any pictures or audio/video recording with their personal electronic communications devices while on BAM's premises without prior approval of BAM.

Team members who attend off-premises corporate events sponsored by BAM are prohibited from taking pictures and audio/video recordings at such events without prior BAM approval. Team members are expected to abide by BAM's code of professional conduct at all such events.

Team members are reminded that they cannot display photos and audio/video recordings taken on- or off BAM's premises about work-related activities through social media without prior approval from BAM.

BAM strives to maintain a professional work environment and considers harassment in all forms to be a serious offense in violation of BAM's harassment policy. Do not take or share pictures or audio/video recordings to harass, threaten, defame, embarrass, disrespect, or offend co-workers or BAM's customers, business partners, vendors and suppliers, affiliates and subsidiaries, or competitors.

Team members have no expectation of privacy at any time in any Company provided cameras, audio video recording devices, computers, electronic devices, or any other Company property. Management reserves the right to inspect and monitor any and all such devices and to monitor and inspect all Company property, at any time and without notice. Management also reserves the right to listen to, read, review, retrieve, and print audio video recordings, images, photographs, and communications from all such Company provided equipment and property, including but not limited to transmissions or communications, whether stored, incoming or outgoing, at any time and without notice.

Team members who engage in illegal activity through use of personal electronic communications devices for camera functionality or audio/video-recording purposes are subject to immediate termination; they also are subject to appropriate legal action by BAM or governmental entities.

BAM requests and strongly urges team members to report violations of BAM's Camera and Audio/Video-Recording Devices Policy, including security breaches and misappropriation or theft of proprietary business information. Team members can report actual or perceived violations to their supervisor or to any other coach.

Electronic Communications Equipment and Media, Generally

BAM owns and provides electronic communications systems and certain devices to team members, including computer hard drives, monitors, keyboards, laptops, speakers, modems, scanners, printers, software, and personal wireless communication devices. Team members must review, sign, and return the electronic equipment inventory sheet to BAM by the end of the first day of employment. If team members change jobs within BAM, team members receive a new electronic equipment inventory sheet when they begin their new position which must be reviewed, signed, and returned to BAM within the first day of their new position. (Form #0053)

BAM provides team member access to various forms of electronic media, including e-mail and the internet. More specifically, all team members are provided with password protected corporate e-mail accounts and corporate access to the internet on their computer workstations.

All electronic equipment, media, and services provided are designed and intended to foster company productivity and promote organizational goals. BAM encourages use of BAM's electronic communications systems for all business-related activities, for the benefit of BAM.

BAM expects all team members to use reasonable care when using BAM-provided electronic communications equipment, such as not eating food or drinking beverages near equipment to avoid damaging equipment. If any equipment should require repair, please contact your supervisor and BAM's Information & Technology Department. To avoid theft of equipment, any team member whose office can be locked also should lock his or her office at the end of their workday.

BAM owns and operates the corporate e-mail system; therefore, BAM's e-mail system should be used primarily to discuss business-related activities. Team members must use BAM's e-mail system to create, send, receive, and store all work-related e-mails; they cannot use personal e-mail accounts (such as Gmail™ or Yahoo!® e-mail accounts) to create, send, receive, or store work-related e-mail without prior approval. BAM reserves the right to monitor, inspect, and review all e-mails sent or received on corporate equipment. Accordingly, team members **should not** expect any right to privacy when using the corporate e-mail system and are expected to abide by BAM's code of professional conduct when sending e-mails over the corporate e-mail system.

BAM owns and operates its electronic communications systems that provide corporate access to the internet, and BAM expects that access to the internet will be used primarily for business-related activities. BAM reserves the right to monitor, inspect, and review all use of the internet activity upon its corporate equipment. Accordingly, Team members **should not** expect any right to privacy when accessing internet websites. BAM blocks access to certain internet websites that are not work-related.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

While BAM recognizes and promotes BAM-related blogs, social network pages, and various other media outlets via the internet, team members are expected to abide by BAM's code of professional conduct when using the internet and BAM's internet-related use policies. BAM reserves the right to monitor, inspect, and review all blogs, social networking, or other electronic communication upon its corporate equipment. Accordingly, Team members **should not** expect any right to privacy when using corporate equipment to blog or engage in any electronic social networking or communication.

Electronic media provided by BAM cannot be used by team members for knowingly transmitting, retrieving, or storing any communication that:

- Is discriminatory, harassing, defamatory, or otherwise prohibited by federal or state law;
- Appears derogatory to anyone;
- Is obscene;
- Is a chain letter, joke, solicitation, offer to buy or sell goods, or other nonbusiness material of a trivial or frivolous nature;
- Reveals company trade secrets, development plans, or other information that could harm BAM; or
- Is used for any purpose that is contrary to BAM's policies or business interests.

Electronic media provided by BAM also cannot be used by team members for any of the following activities:

- Engaging in illegal, fraudulent, or malicious conduct;
- Working on behalf of organizations without any professional or business affiliation with BAM;
- Monitoring or intercepting files or electronic communications of team members or third parties;
- Obtaining unauthorized access to any computer system;
- Using another team member's account or identity without explicit authorization;
- or
- Attempting to test, circumvent, or defeat security or auditing systems of BAM or any other organization without prior authorization.

Team members have “no expectation of privacy” at any time in any Company provided property or equipment. Management reserves the right to inspect and monitor any and all such property and equipment, at any time and without notice. Management also reserves the right to listen to, read, review, retrieve, and print all communications, images, and transmissions, whether stored, incoming or outgoing, including, but not limited to:

- Access by BAM's Information & Technology Department during the course of system maintenance or administration.
- Access approved by team members, team members' supervisors, or BAM when

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

there is an urgent business reason to access a team member's mailbox, (for example, if team members are absent from the office and supervisors reasonably believe that information relevant to the day's business is located in the team member's mailbox).

- Access approved by BAM when there is reason to believe team members are using e-mail in violation of BAM's policies.
- Access approved by BAM in response to BAM's receipt of a court order or request from law enforcement officials for disclosure of team members' e-mail messages.

BAM strongly discourages team members from storing a large number of e-mail messages. Retention of messages takes up a large amount of space on the e-mail server and can slow down system performance. In addition, because e-mail messages can contain BAM's confidential information, it is desirable to limit the number, distribution, and availability of such messages.

Team members are reminded that while BAM does not control how team members use personal electronic communications equipment when they are off-duty, BAM does protect its name and related business assets that are discussed over the internet or other electronic media at any time.

Team members are prohibited from destroying or disfiguring BAM's electronic communications equipment. Team members are subject to discipline, up to and including termination, according to BAM's discipline policy for intentionally destroying or disfiguring BAM-provided electronic communications equipment.

Team members are prohibited from taking unauthorized pieces of BAM-provided electronic communications equipment with them from BAM facilities. BAM's Information & Technology Department conducts periodic audits of electronic communications systems and devices to ensure that team members have all appropriate pieces of equipment according to their inventory sheet. Unauthorized taking of pieces of corporate equipment from BAM's facilities is considered to be theft, and team members are subject to discipline, up to and including termination, according to BAM's discipline policy for any such actions; they also can be subject to appropriate legal action.

Likewise, team members are prohibited from bringing unauthorized electronic communications equipment to work to use with BAM-provided electronic communications equipment. Such prohibited equipment includes, but is not limited to, any type of external computer drives; any form of "disks," such as CD-ROM disks, to save information from computer drives; and personal laptops and other wireless communications devices. Using such unauthorized equipment with BAM-provided electronic communications equipment is considered to be theft of BAM's intellectual property, and team members are subject to discipline, up to and including termination, according to BAM's discipline policy for any such actions; they also can be subject to appropriate legal action.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Team members who leave employment with BAM must return all BAM-provided electronic communications equipment to BAM on the last day of employment. BAM conducts an audit of team members' electronic equipment inventory sheet with team members to ensure that all BAM-provided electronic communications equipment is returned to BAM. If any equipment is missing at the inventory review and cannot otherwise be accounted for, BAM considers such missing equipment as stolen property and can pursue legal action against such team members. Team members agree to sign a confession of judgment for any amounts due because of such a loss of BAM equipment.

Any team members who do not abide by these rules are subject to discipline, up to and including termination.

Office Keys

Keys refer to conventional door and padlock keys. Keys shall be restricted to team members who actually need them. The Comptroller is responsible for implementing the following measures to control the availability of office keys:

- The duplication of office keys is prohibited, except when specifically authorized by the Executive Vice President. All keys must be marked “Do not duplicate.”
- Master keys must be stored in a locked and secure cabinet in the Executive Vice President’s office.
- The General Manager must maintain a complete and up-to-date record of the disposition of all office keys.
- Supervisors must collect keys from team members who terminate employment.
- Keys must not be left unguarded on desks or cabinets. Keys should never be left unattended in locks.
- A list of key holders must be kept by the Office Manager.

Security and Monitoring of BAM-provided Electronic Communications Equipment, Systems, and Media

Team members obtain access to BAM's electronic communications systems and equipment, including clearance, log-on names, and initial passwords, from BAM's Information & Technology Department; they should apply for such access through their supervisors. Team members must change their passwords each month as prompted by their log-in screens and cannot share passwords with other team members or third parties. Team members must log out of password-protected areas before leaving their desks and must log out of computer systems entirely at the end of each workday.

Any files that are downloaded from outside BAM's system first must be scanned for viruses. Team members are prohibited from installing any computer programs without approval from the IT Department.

Team members have “expectation of privacy” in BAM’s electronic communications system. Because BAM owns and operates its electronic communications systems, BAM can monitor and review team members' electronic usage of BAM's electronic communication systems and team members' files and messages created, received, stored, or sent using BAM's electronic communication systems to ensure that electronic equipment, media, and systems are being used in compliance with federal and state laws and regulations, this policy, and other BAM rules. Management reserves the right to inspect and monitor any and all such electronic communications systems, at any time and without notice. Management also reserves the right to listen to, read, review, retrieve, and print all communications, images, and transmissions, whether stored, incoming or outgoing.

BAM maintains electronic archives of all electronic communications created with BAM equipment. BAM makes such archived communications available to law enforcement in response to subpoenas or other legal demands with which BAM must comply.

As BAM owns and operates IT electronic communication systems, BAM monitors team member use of BAM's corporate e-mail system, whether accessed at work or elsewhere through telecommuting, to ensure that electronic communications systems are being used in compliance with federal and state laws and regulations, this policy, and other BAM rules. BAM's corporate e-mail system is designed to block unwanted spam from team members' e-mail accounts. If team members still receive unwanted spam, please contact your supervisor and BAM's Information & Technology Department.

BAM expects team members to protect BAM's trade secrets, patents, customer lists, and other confidential and proprietary information. Team members cannot transmit or forward BAM trade secrets, patents, customer lists, or other confidential and proprietary information to anyone via e-mail unless team members are designated and authorized to submit such information via e-mail. Team members who are designated and authorized to send such information via e-mail must work with designated and authorized team members from BAM's Information & Technology Department to ensure that such

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

information remains appropriately secure and encrypted when sent via e-mail; all such team members are specially trained on how to use BAM's e-mail system for such use.

BAM expects team members not to engage in activities that violate federal and state law and regulations when using any online media form or email accounts. BAM reviews with team members during orientation and training seminars what generally constitutes violations of federal and state laws and regulations when using the internet and other forms of electronic communications; if team members have any questions about what is considered to be a violation of federal or state laws and regulations when using e-mail or other forms of electronic communications, they should contact their supervisors or the BAM Office Coach.

Telephone Use

Proper use of telephones, voice mail, and other components of BAM's telephone system is important in controlling costs, ensuring effective communications, and maintaining productivity.

While the telephone system is intended to be used for business purposes, BAM recognizes that some personal calls are necessary. Team members are permitted to make and receive personal calls that are urgent, extremely difficult, or impractical to schedule outside of work hours. Such calls should be infrequent and as brief as possible. Whenever possible, team members should make their personal calls during meal or break periods.

Team members must pay for their personal long-distance calls. Team members should charge calls made at work to a credit card or calling card issued by their telephone company. Supervisors can ask team members to account for the business purpose of long-distance calls made from their telephones as reflected on telephone system reports and billing statements. Team members must reimburse the company for any personal calls that are charged to the company.

Team members should avoid using telephone services that charge the company service fees. Note that the company incurs charges for operator-assisted calls and certain types of directory assistance. Team members should avoid using fee-based directory assistance where numbers can be obtained from an in-house telephone book or directory. Team members must get the approval of their supervisor before using any fee-based telephone service other than directory assistance. Using work telephones for recreation—for example, calling commercial chat lines—or for activities that others might find offensive is strictly forbidden under any circumstances.

Voice mail, like the other components of BAM's telephone system, is intended for business use. All messages are company records. While voice-mail passwords are intended to limit access to authorized people only, BAM reserves the right to monitor, inspect and review all telephone conversations and voice mail messages and team members **do not** have an expectation of privacy in connection with any telephone conversations or voice-mail messages. Team members should use the system accordingly. Team members with voice mailboxes should respond to their messages promptly and delete old messages.

The use of BAM's telecommunications systems to make or send fraudulent, unlawful, or abusive calls or messages is prohibited. Team members are to report any threatening, intimidating, or harassing telephone calls to their supervisor or the Office Coach. Any team member identified as the initiator of fraudulent, unlawful, or abusive calls or messages is subject to disciplinary action and possible criminal prosecution. In instances where harassing calls are identified as originating from outside the company's premises, the telephone company or appropriate telecommunications provider is notified.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Making or sending fraudulent, unlawful, or abusive calls or messages violates BAM's policies and is a crime under both state and federal laws. Violations of this policy can result in criminal charges and prosecution, as well as discipline up to and including termination.

Team members have no expectation of privacy at any time in any Company provided telephones. Management reserves the right to inspect and monitor any and all such devices and to listen to, read, review, retrieve, and print communications from such devices, whether incoming or outgoing transmissions, at any time and without notice.

Cell Phones and their usage also are addressed more fully in the separate Cell Phone and Electronic Device Usage.

Expense and Training Documentation

Team members must document business expenses on an Expense Report 0051 to receive reimbursement. Expense Reports must be completed by the team member, approved by the supervisor or coach, and submitted to Accounting within 30 days of the incurred expense. Under IRS rules, failure to submit required Expense Reports within 60 days makes the reimbursement taxable income to the team member.

The Expense Report must include the team member's name, team member number, the date the report was completed, and the period of time covered by the report. Enter the day each expense was incurred. For local travel in a personal automobile, indicate the number of miles driven on business in the column marked "Travel" and multiply the mileage by the approved mileage rate to arrive at the reimbursement amount. Other local transportation expenses, such as parking or taxicab fares, also should be recorded in the "Travel" column. Total all expenses, and then deduct any advances received to arrive at the reimbursement amount.

Expenses must be documented with receipts and/or other proof of expenditures stapled to the report. Team members using a corporate credit card do not need to attach their credit card statement to their expense reports. However, please be aware that it is the responsibility of team members to reconcile their own corporate credit card accounts. (Form 0051)

Mileage Reimbursement - Local Travel

Local travel expenses between the team member's home and assigned work location are not reimbursable. However, if team members are required by business necessity to travel from home directly to a site other than their assigned work location, the company reimburses them for the difference between the mileage in their normal commute to their assigned work location and the total miles driven on business.

When using a private vehicle for company purposes, the team member assumes liability for the vehicle. All team members who use their personal vehicles for company business must have a current driver's license and vehicle liability insurance in the minimum amounts required by state law. Otherwise, the vehicle is not authorized for company use.

Team members who elect to drive their own cars on business trips are reimbursed the standard mileage rate plus parking and tolls. Reimbursement cannot exceed the cost of coach airfare. Team members are responsible for carrying adequate insurance, as BAM does not assume liability for any damage or loss to the team member's automobile. Team members also are reimbursed mileage and parking for driving their own car to the airport or train station.

Commitment

BAM recognizes that training for their team members is a valuable benefit to both the company and the team member. As a benefit BAM will pay for team member training. The training commitment by the team member for each day of training is \$240 plus travel and lodging expenses paid for the training. The Form 0050 must be completed for each training event. Training will not be paid without this form. In addition, a confession of judgment must be signed when the funds are disbursed for the full amount of the indebtedness as set forth in the “Confession of Judgment” policy.

This amount is owed to the dealership by the team member. So long as the team member continues to work for BAM, the debt shall be reduced over a 12 month period by 1/12 per month for 12 months. It will be reduced to zero after the 12th month. (Form 0050).

If the team member resigns, and this amount has not been repaid in full, the remaining unpaid balance is owed to the dealership, and shall be repaid, pursuant to the signed Confession of Judgment, or as otherwise may be agreed between the team member and Management.

Confession of Judgment must be signed for all training that incurs a training commitment.

Travel Expenses

1. Air and Rail Transportation

Team members normally are expected to fly coach class on domestic flights. If team members elect to stay out-of-town over the weekend to take advantage of discount airfares which result in a net savings, BAM pays for the additional days of hotel and meal expenses.

When a team member travels overnight by train, charges should not exceed roomette occupancy. Day travel by train should be limited to coach fare.

2. Incidental Expenses

Laundry and dry cleaning charges (substantiated by a receipt) are reimbursed only for trips that last longer than five days. BAM does not pay for movies, fitness facilities, taxicabs for sightseeing, haircuts or shoe shines, traffic or parking fines, or other personal expenses.

3. Lodging

Receipts are required to obtain reimbursement for all hotel charges. The office coach or department coach will make all hotel reservations.

4. Out of State Training

On the occasion that a team member must travel out of state for training, the company will compensate them at their hourly rate for the following:

Time spent waiting at the airport for the plane
Time spent in the plane
Time spent waiting to rent a car or cab

The team member will not be paid for time getting to or from the airport or while he or she is at meals, unless the team member is participating in business meetings during the meals. All such travel must be documented in writing to show start and stop times, locations, and purpose of travel. This documentation shall be submitted on or before the final day to submit time sheets for the month in which the travel occurred.

If the training is more than one day in length, the company will pay twenty dollars (\$20.00) per day for meals.

Team members will be reimbursed for any expenses they incur for gas during the training, or they may ask for a pay in advance to help cover these costs prior to leaving for training.

5. Rental Cars

Whenever possible, the travel agency must use a car rental company with which we have negotiated special rates. The car rental company bills BAM directly. BAM does not reimburse team members for optional insurance on rental cars. The following size cars are authorized: for one rider, economy; for two riders, compact; for three riders, intermediate; for more than three riders, standard.

6. Taxicab Fares and Airport Shuttles

Team members who are not renting cars are encouraged to use airport shuttles on arrival at their destination when reasonably convenient.

7. Traveling Companions

Team members may book transportation and hotel reservations for traveling companions through the Office Coach. However, the team member generally must pay all of the travel expenses for the companion(s). Occasionally, BAM pays for a family member to accompany the team member for bona-fide business reasons. However, approval of BAM's president is required.

Miscellaneous Policies

Team members Seeking Public Office

Team members must disclose their intention to run for public office to their supervisor. Such team members must agree in writing to the following requirements:

- Team members running for office can disclose their current or prior affiliation with BAM in the course of their election campaign. However, a team member is prohibited from using BAM's name in a way that suggests BAM's endorsement of the team member's candidacy, unless the team member has BAM's explicit written permission to do so.
- Team members running for, or elected to, public office can retain their jobs only if they can continue to provide full attention to their work duties. Team members seeking election to a full-time office must resign or request a leave of absence without pay. Team members on leave without pay because they are running for, or have been elected to, public office are not guaranteed reinstatement to their prior position or any position at BAM.
- Team members elected to public office are required to resolve, to BAM's satisfaction, any conflicts of interest that set the team member's loyalty to BAM in conflict with the team member's duties in public office. Minor conflicts might be resolved by the team member disclosing the conflict and removing him or herself from decision-making with respect to the particular matter. Major conflicts of interest might require the team member to transfer to a new position or resign.

Team members violating this policy are subject to immediate discipline, up to and including termination of employment.

Outside Employment

BAM recognizes that team members sometimes seek additional employment during their off hours. BAM asks these team members to remember that, despite any outside employment, their position with BAM is their prime responsibility. BAM reminds team members that working extended hours might adversely affect their health, endurance, and productivity. All team members holding outside employment must inform their supervisor of the nature of the work and the hours when they work. If a team member's supervisor determines that the outside employment interferes with the team member's performance or creates an actual or apparent conflict of interest, the team member can be asked to terminate the outside employment.

BAM does not consider outside employment to be an excuse for poor job performance, tardiness, absenteeism, or refusal to work overtime. If outside employment leads to these problems, BAM will discipline the team member, up to and including termination.

Lobbying - Campaign Funding Restrictions

Federal and state lobbying and campaign funding laws restrict BAM from engaging in certain types of political activities. To guard against inadvertent violations, team members are subject to the following restrictions:

Team members are prohibited from using BAM's name, letterhead, or facilities in connection with any partisan political communications.

The use of BAM resources in connection with partisan political activities can constitute an illegal contribution by BAM to a political party or candidate. Accordingly, team members are not permitted to spend scheduled work time involved in campaign activities. Team members also are prohibited from using BAM facilities in connection with campaign or other political activities. BAM facilities include, but are not limited to, telephones, e-mail, fax machines, interoffice mail, voice mail, photocopiers, and office supplies.

Solicitation-Literature Distribution by Team members and Nonteam members

BAM prohibits nonteam members from entering BAM's premises to solicit support, proselytize, distribute literature, or sell products or services. BAM has the right to contact local law-enforcement authorities to take action against nonteam members who trespass on company property. BAM requires team members to contact Security or the Office Coach immediately to report nonteam member violations of this policy.

BAM does not restrict team members' involvement in company-sponsored activities connected with the annual Community Fund Campaign. BAM also allows team members to solicit funds for BAM-sanctioned events and activities, such as sending flowers to sick or bereaved co-workers or collecting funds for BAM-sponsored parties or picnics. However, BAM prohibits team members from pressuring co-workers to contribute to or get involved in any cases or activities, even if BAM supports the causes or activities.

Team members are prohibited from engaging in political activities that interfere with or disrupt BAM's business. Accordingly, the following practices are prohibited on BAM premises during work hours:

- soliciting monetary political contributions from any officer or team member;
- soliciting any contribution of services or resources for political purposes from any officer or team member;
- taking any personnel action or making any promise or threat of action with regard to any team member because of the giving or the withholding of a political contribution or service; and
- engaging in solicitation or politically motivated behavior that is harassing or discriminatory.

BAM forbids team members from using company equipment and supplies to copy or distribute literature or to solicit support for non-work-related causes.

BAM permits team members to use BAM's equipment and supplies to copy or distribute materials for BAM-sponsored or BAM-approved activities if team members receive their supervisors' permission.

Any team member who has any question or complaint about BAM's solicitation/literature distribution policy, or who wishes to report violations of the policy should contact the Office Coach. Any team member who violates this policy is subject to discipline up to and including immediate termination.

Entertainment, Gifts, Favors, and Gratuities

BAM recognizes that, in the course of business, there may be people who wish to thank BAM team members for their professional services. However, this situation can be misinterpreted. To avoid the appearance of impropriety of accepting gifts or gratuities in exchange for payment or obligation to do business with an individual or company, BAM has set a limit on the dollar value of the gifts which may be accepted. Gifts and gratuities from customers, vendors, or suppliers may be accepted as long as the value of the gift or gratuity does not exceed fifty dollars (\$50.00.) The General Manager or Dealer must be made aware of any such gifts as soon as possible.

Forms

Form I-9

All new team members must complete and sign Section One of federal Form I-9 at the time of hire. BAM provides team members with Form I-9 and reviews applicable form requirements with them.

If team members need assistance to complete Section One, such as translators, they can have someone assist them. BAM reviews Form I-9 Section One assistance requirements with all team members upon hire.

Team members who are under age 18 and do not have any documents to establish identity can have a parent or legal guardian complete Section One and write “Individual under age 18” in the space for team members' signature. Parents or legal guardians also must complete the preparer/translator certification portion of the form.

Team members must provide BAM with documentation of identity and employment eligibility to complete Form I-9 within three business days after their employment starts; team members who are hired to work for less than three business days must present such documentation at the time of hire. BAM only accepts identity and employment eligibility documents as listed on Form I-9 that appear to be genuine and relate to team members.

If team members fail to produce required documents or receipt for documents within three business days of the date employment begins, they are subject to termination as outlined in BAM's termination policy.

BAM tracks expiration dates of team members' authorization to work in the United States, and team members are notified in advance of work authorization expiration dates that they must re-verify their work authorization with BAM before their current work authorization expires. To complete re-verification, team members must present BAM with a document that shows continuing employment eligibility or is a new work authorization before their current work authorization expires; team members can present any document from List A or List C that is on Form I-9 “Lists of Acceptable Documents.” If team members cannot provide BAM with proof of current employment authorization, they are subject to termination as outlined in BAM's termination policy.

Pay- I-9- Team members Hired Before Nov. 7, 1986

BAM does not verify the employment eligibility of team members who were hired before Nov. 7, 1986, even if their employment is interrupted temporarily because of leave, strikes or labor disputes, layoffs, or intercompany transfers, promotions, or demotions.

- Team members who were hired before Nov. 7, 1986, can lose their exemption from employment eligibility verification if they:

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

- Quit or are terminated from employment, including seasonal employment;
- Are excluded or deported from the United States or depart voluntarily; or
- Do not continue in their employment or lack a reasonable expectation of employment at all times.

Rehires

Team members who quit or are terminated from employment, including seasonal employment, must complete a new Form I-9 if they are rehired by BAM more than three years after separation from employment

BAM re-verifies team member's work authorization if team members are rehired within three years of their initial hire date and remain eligible to work in the United States through their original work authorization or a different work authorization.

Rehired team members must complete a current version of Form I-9 if they originally completed an older version of the form.

Former team members who were terminated "for cause" are not eligible for rehire.

ALCOHOL POLICY AND DRUG USE POLICIES - ACKNOWLEDGEMENT

I have received a copy of BAM's Alcohol Policy and Drug Use Policy. I have read these policies and fully understand their provisions. Any questions I had about these provisions to the policies and procedures have been answered to my satisfaction. I agree to abide by this policy, and I understand that my failure to do so will subject me to disciplinary action up to and including possible immediate termination.

A copy of this signed acknowledgement and authorization will be placed in my personnel file.

Dated: _____

Team member Signature

Printed Name of Team member

Employer

Dated: _____

Signature of Representative

Printed Name of Representative

Communication Systems Policy- Acknowledgement and Agreement to Comply with Policies

I have read and fully understand the Cell Phone Use Policy and the Electronic Communications Equipment and Media Policies. Any questions I had about these policies have been answered to my satisfaction. I understand and agree to the following conditions governing the use and care of land line telephones, cellular phones, electronic devices, and computer hardware or software assigned to me or to which I have access:

1. I understand that texting, and use of any electronic devices, while performing any work or services for Bergstrom Automotive Management, and particularly, at any time while driving any personal vehicle while doing business for Bergstrom Automotive Management or while driving or operating any vehicle or equipment owned by Bergstrom Automotive Management is **PROHIBITED**.
2. I agree to abide by all license agreements between the proprietor of any software and Bergstrom Automotive Management and I understand that the improper reproduction of proprietary software by any means is prohibited.
3. I will not use proprietary software which is **NOT** the property of Bergstrom Automotive Management on any computer devices of Bergstrom Automotive Management office unless I have specific prior written authorization to do so.
4. I understand that safeguarding the software is my responsibility.
5. I understand that Internet and worldwide web access should be used for work-related purposes only.
7. I understand that the email system is designed to facilitate business communication between team members and other business contacts. In addition, I understand the following about the email system:
 - a. Email communications, text messages, voice mail messages, blogs, and any other electronic communications on Bergstrom Automotive Management owned property may be considered Bergstrom Automotive Management documents and may be subject to review without further notice.
 - b. The email system, telephone, and any other electronic communication system are not to be used for personal gain or to solicit outside business ventures or political or religious causes.
 - c. Bergstrom Automotive Management reserves the right to review contents of team members' voice mail messages, email, text messages, blogs, and all other electronic communications on Company owned property, whenever necessary for business purposes, without notice.
 - d. Foul, inappropriate or insensitive messages are prohibited.
 - e. Email messages and electronic communications are capable of being forwarded without the express permission of the original author. Accordingly, due caution must be exercised before sending electronic communications; only electronic communications which serve a business purpose for Bergstrom Automotive Management should be sent on Company owned property.

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

I understand that Bergstrom Automotive Management personnel who violate any of these guidelines are subject to disciplinary action up to and including immediate dismissal. A copy of this signed statement will be placed in my personnel file.

Dated: _____

Team member Signature

Printed Name of Team member

Witness

***Discrimination, Harassment and Sexual Harassment Policies –
Acknowledgment***

I understand that Bergstrom Automotive Management (BAM) prohibits and has a zero tolerance policy for any discrimination or harassment, and specifically for sexual harassment. I have received, read, and understand the discrimination, harassment and sexual harassment policies of Bergstrom Automotive Management (BAM) and I agree to abide by those policies. Any failure by me to comply with those policies subjects me to disciplinary action, up to and including immediate termination.

A copy of this signed acknowledgement will be placed in my personnel file.

Dated: _____

Team member Signature

Printed Name of Team member

Safety Policy And Hazardous Materials Policies Acknowledgement

I have received a copy of the Bergstrom Automotive Management's team member policies and procedures regarding its Safety Policy and its Hazardous Materials Policy. I have read each of these policies. I understand that it is my responsibility to comply with all BAM safety rules. Any questions I may have had regarding these policies have been fully answered to my satisfaction, and I fully understand all of their provisions.

Team member/Applicant: _____
(Signature)

Name of Team member/Applicant: _____
(Printed)

Witness: _____ Dated: _____

***Receipt and Understanding of Employment Handbook Provisions -
Acknowledgement***

I have received a copy of the Bergstrom Automotive Management's team member policies and procedures, have read it, and fully understand its provisions.

I also acknowledge by signing this consent form, that I authorize the Company to make necessary adjustments to my paychecks as to remain compliant with the policies of the Company.

I understand that Bergstrom Automotive Management has the right to amend, supplement, modify, suspend, eliminate, or terminate any and all such policies and procedures at any time with or without advance notice, and that such policies and procedures are not a condition of my employment.

I further understand that my employment with Bergstrom Automotive Management is employment-at-will which may be terminated at any time by either Bergstrom Automotive Management or me, with or without notice or cause. I understand this handbook does not create a contract of employment in any way.

I understand that this handbook is the property of Bergstrom Automotive Management. I understand this handbook, along with any other Company property must be returned to Bergstrom Automotive Management upon my termination, whether voluntary or involuntary, from employment with Bergstrom Automotive Management.

I further acknowledge that, if, at the time of my resignation or termination from employment with Bergstrom Automotive Management, I owe Bergstrom Automotive Management for any insurance, services or property purchased, damages, advances or loans, then, I hereby authorize Bergstrom Automotive Management to deduct any such amounts from my final pay, as may be permitted by law, and I will be legally responsible for payment of any remaining balance due. I further agree to provide Bergstrom Automotive Management a confession of judgment for repayment of any remaining balance due and authorize that Bergstrom Automotive Management may file any such confession of judgment immediately, without further notice, upon my default in repayment of any remaining unpaid balance.

Any questions I had about any section of this handbook have been answered to my satisfaction. I also acknowledge receipt of a copy of this signed Acknowledgment Form. I understand that a copy of this signed acknowledgement and authorization will be placed in my personnel file.

Team member/Applicant: _____
(Signature)

Name of Team member/Applicant: _____
(Printed)

Social Security Number: _____

Witness: _____ Dated: _____

Bergstrom Cars Team Member Handbook 2017
Revised January 2017

Confession of Judgment

STATE OF NORTH DAKOTA, COUNTY OF _____, NORTH DAKOTA
Bergstrom Automotive Management,)

) Civil No:
Plaintiff,)

)
-vs-) CONFESSIOIN OF JUDGMENT
)

)
(Team member/defendant),)
)

)
Defendant.)

_____ (team member/defendant) does hereby confess judgment in favor of Bergstrom Automotive Management in the sum of \$_____ and does authorize the entry of judgment against _____ (team member/defendant) in said sum, less any amounts made in payment on such judgment.

This confession of judgment is for debt justly due and owing from _____ (team member/defendant) to Bergstrom Automotive Management and arises from the following facts, to wit:

On _____, _____ (team member/defendant) caused damage to property located at _____. _____ (team member/defendant) acknowledges the responsibility to pay Bergstrom Automotive Management for all the costs of such damages. The cost of such damages are \$_____ against _____ (team member/defendant).

_____ (team member/defendant) acknowledges that Bergstrom Automotive Management loaned money to _____ (team member/defendant) in the amount of \$_____ on _____, 20____. _____ (team member/defendant) acknowledges the responsibility to reimburse Bergstrom Automotive management for all the monies. [_____ (team member/defendant) has made \$_____ (amount of the payment), leaving a balance due and owing of \$_____.]

Dated: _____, 20____.

[type in name of team member]

STATE OF NORTH DAKOTA)
)ss
COUNTY OF _____)

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

My Commission Expires: _____

Receipt Of Policy Modifications Acknowledgement

I have received a copy of the revisions to Bergstrom Automotive Management's Team member Policies and Procedures titled ____, ____, ____. I have read the modification(s) and fully understand its provisions. Any questions I had about the revision(s) to the policies and procedures have been answered to my satisfaction.

A copy of this signed acknowledgement and authorization will be placed in my personnel file.

Dated: _____
_____ Team member Signature

Printed Name of Team member

(BAM) BERGSTROM AUTOMOTIVE MANAGEMENT

Dated: _____
_____ Signature of Representative

Printed Name of Representative