

Your Employee Handbook

IMPORTANT NOTICE TO EMPLOYEES

PLEASE READ

THIS EMPLOYEE HANDBOOK AND ANY APPLICABLE STATE SPECIFIC ADDENDUM, IS NOT A CONTRACT, EXPRESS OR IMPLIED. OUR COMPANY IS AN AT-WILL EMPLOYER. THIS MEANS THAT REGARDLESS OF ANY PROVISION IN THIS EMPLOYEE HANDBOOK OR APPLICABLE ADDENDUM, EITHER YOU OR THE COMPANY MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE OR NOTICE.

THE COMPANY HAS THE ABILITY TO ADD, CHANGE OR DELETE WAGES, BENEFITS, POLICIES AND ALL OTHER WORKING CONDITIONS PROSPECTIVELY AS IT DEEMS APPROPRIATE, WITHOUT OBTAINING ANOTHER PERSON'S CONSENT OR AGREEMENT.

- **NOTHING IN THIS EMPLOYEE HANDBOOK OR IN ANY DOCUMENT OR STATEMENT, WRITTEN OR ORAL, SHALL LIMIT THE RIGHT TO TERMINATE EMPLOYMENT AT-WILL.**
- **NO OFFICER, EMPLOYEE, OR REPRESENTATIVE OF THE COMPANY IS AUTHORIZED TO ENTER INTO AN AGREEMENT—EXPRESS OR IMPLIED—WITH ANY EMPLOYEE FOR EMPLOYMENT OTHER THAN AT-WILL UNLESS THOSE AGREEMENTS ARE IN A WRITTEN CONTRACT SIGNED BY THE PRESIDENT OF THE COMPANY.**

THIS EMPLOYEE HANDBOOK AND ANY APPLICABLE ADDENDUM SUPERSEDE ANY EMPLOYEE HANDBOOK(S), AND ANY APPLICABLE ADDENDUM OR WRITTEN DOCUMENTS OR ORAL REPRESENTATIONS PREVIOUSLY ISSUED BY THE COMPANY THAT ARE INCONSISTENT WITH THIS HANDBOOK OR APPLICABLE ADDENDUM.

Employee Handbook

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Purpose of This Employee Handbook

This Handbook is designed to acquaint you with the Company and to give you a ready reference to answer most of your questions regarding your employment with us. Depending on the state in which you work, you may also have a State Specific Addendum which serves as a supplement to this Handbook. To the extent a State Specific Addendum is inconsistent with any provision in this Handbook, the State Specific Addendum will control. Should you have any questions regarding the relationship between this Handbook and an applicable State Specific Addendum or your obligations under the Code of Conduct, please contact your Human Resources Representative.

The contents of this Handbook and State Specific Addendum (if applicable), which is collectively referred to as the “Handbook,” constitute only a summary of the employee benefits, personnel policies, and employment regulations in effect at the time of publication.

Welcome

We are pleased that you are on our team, and we know that your contributions will assist us in remaining a leader in this community and in our industry.

As an employee, you will want to know what you can expect from us and what we expect from you. You should keep this Handbook handy as a guide and ready reference. If you have questions as you read this Handbook, please do not hesitate to discuss them with your supervisor or your Human Resources Representative. Both persons are important sources of information and will be more than happy to assist you.

Company Values and Expectations

Core Values

We have established core values to guide us in making decisions and govern our conduct toward our co-workers, customers, business partners and all other third parties. These core values help make sure we are in alignment with one another and help ensure accountability and success.

Our core values are as follows:

INTEGRITY - We conduct ourselves with the highest level of ethics both personally and professionally when we sell to and perform service for our customers without compromising our honesty.

TRANSPARENCY – We promote open and honest communication between each other and our customers.

PROFESSIONALISM – We set our standards high so that we can exceed expectations and strive for perfection in everything we do.

TEAMWORK – We put the interest of the group first, before our individual interests, as we know that success only comes when we work together.

RESPECT – We treat everyone, customers, colleagues and other stakeholders alike, with dignity and equality.

Our Expectations

Our employees must conduct themselves and their affairs with uncompromising honesty and integrity consistent with our core values. Business ethics are no different from personal ethics. The same high standard applies to both. These ethical standards reflect who we are and are the standards by which we choose to be judged.

We expect our employees to be honest and ethical in dealing with each other, with clients, customers, vendors, and all other third parties. We also expect our employees to respect the rights of their fellow employees and all third parties and to refrain from any unprofessional or inappropriate behavior. We also expect a higher standard of conduct by our employees than merely what is required under the laws and our policies prohibiting harassment, discrimination, or retaliation. All employees are expected to exercise good judgment and conduct themselves in a professional and respectful manner at all times when in the workplace, on Company business, and in all their relationships with other associates and business contacts. Misconduct cannot and will not be excused because it was initiated, directed or requested by another person.

Each applicant and employee must be accorded equal opportunity consistent with their performance, skills and experience and the policies in this Handbook, including our EEO policy. We expect employees who believe that they or someone else has been treated in a manner inconsistent with our EEO policy, Request for Accommodation Policy, our Policy Against

Harassment and Discrimination or our Policy Against Retaliation, to follow the reporting procedures set forth in those policies to report those concerns immediately.

We also expect employees who suspect or become aware of any other type or form of illegal, dishonest, unethical or inappropriate conduct to immediately report their concerns to management and to utilize the multiple alternative reporting options explained in this Handbook if they believe that management has not properly addressed their concerns. The Company will never penalize or retaliate against any employee for making a good faith report of concerns or suspicions. The Company conducts its affairs consistent with all applicable laws and regulations and will interpret and enforce this Handbook consistent with all applicable laws and regulations.

Commitment to Diversity, Equity & Inclusion

Our Company is proud to be committed to creating and maintaining a culture where *all* employees are engaged to deliver on our purpose to improve business performance, serve our customers and communities, and enhance our competitive advantage.

When we create space to appreciate and benefit from our differences, we create a stronger, more resilient, more engaged workforce that provides our Company with unlimited potential to grow, learn, transform and achieve. Our goal is for each employee to feel welcome and an important part of the larger group. Our culture based on our Core Values of Integrity, Professionalism, Respect, Teamwork, and Transparency equips every employee to be an inclusive leader and a positive contributor in reaching this goal.

Let's Communicate

Employee Relations Philosophy

We are dedicated to creating an environment that fosters excellent employee relations. We strive to maintain good working conditions, competitive wages and benefits, open communications, and employee involvement.

Please tell us if you have a problem. We think you will find this Company to be receptive to your concerns. We are always looking for ways to make this a better place to work.

If You Have a Problem or Concern

If there is something about your job that is bothering you, please let us know. We cannot help you unless you tell us about it.

Our "Problem Solving Procedure" offers all employees the freedom to discuss their concerns with their supervisors. If you have a problem or concern, it usually can be resolved by following this procedure:

1. Take your concern to your immediate supervisor. If you are not comfortable discussing your concern with your supervisor or if you are not satisfied with your supervisor's response, go to Step 2.
2. Take your concern to your Department Manager. If you are not comfortable discussing your concern with your Department Manager or if you are not satisfied with your Department Manager's response, go to Step 3.
3. Take your concern to your General Manager. If you are at a non-dealership location or at a location without a General Manager, take your concern to the highest-level management employee at your location (for example, Director or Regional Manager).

If for any reason you cannot follow the steps in this procedure, or if you are not satisfied after following any or all steps in this procedure, you may contact your Market Director, Human Resources Representative, or call the toll-free Employee Hotline at 1-877-694-6788. These reporting alternatives are available to you for assistance in solving your problem at any time.

IF YOU HAVE A PROBLEM OR CONCERN RELATED TO DISCRIMINATION, HARASSMENT, OR RETALIATION, YOU SHOULD FOLLOW THE REPORTING PROCEDURES SET FORTH IN OUR POLICY AGAINST HARASSMENT AND DISCRIMINATION AND OUR ANTI-RETALIATION POLICY.

When you inform us of your concern or problem, we will try to answer your concern or solve your problem as soon as possible under the circumstances.

Also, note that the Company utilizes a system of binding arbitration for disputes with employees that cannot be resolved by other means and which would otherwise be subject to resolution in court.

The Employee Hotline

The Employee Hotline, which is available 24 hours a day, seven days a week and is administered by a third-party, allows all employees to report concerns about possible violations of our Company's policies or the Code of Conduct (accessible on-line at www.Group1Auto.com) related to discrimination, harassment, retaliation, financial or accounting irregularities, substance abuse, theft, fraud, violence, unethical or inappropriate conduct, or illegal activity. Reported issues dealing with financial reporting will be forwarded to the Audit Committee of the Board of Directors.

To report a possible business or workplace conduct issue, simply dial toll-free 1-877-MY-INPUT (1-877-694-6788). The automated system will instruct you how best to leave the information we will need to assist you. No one at the Company will hear your recorded voice. In some instances to properly investigate the allegations, it may be necessary to know your identity to resolve your concerns.

We hold in confidence all conversations about ethics, compliance, business and workplace conduct issues consistent with a "need to know basis" and according to our legal obligations. You may be assured that you will not be penalized in any way for utilizing the Employee Hotline to report legitimate concerns about possible violations of Company policy.

We will investigate all concerns reported through the Hotline. We take seriously our business and workplace conduct commitments, as well as the integrity of our financial reporting. If we find violations of business or workplace conduct, Company policy or violation of any law or regulation, or any accounting irregularity, we will take appropriate remedial action. We will resolve individual situations where our standards were not followed and institute changes, as necessary, to prevent similar problems from reoccurring. Violation of our policies can lead to disciplinary action, up to and including termination of employment. Violations could also lead to legal action as appropriate.

Workplace Conduct and Classifications

Equal Employment Opportunity

We are committed to providing equal opportunity in all of our employment practices, including but not limited to, those practices related to recruiting, hiring, discipline, firing, promoting, transferring, compensation, benefits, training, leaves of absence, and other terms and conditions of employment to all qualified applicants and employees without regard to race, religion, color, sex/gender, gender identity and expression, national origin, sexual orientation, citizenship status, age, uniform service membership/veteran status, disability, genetic information, or any other protected status in accordance with the requirements of all federal, state and local laws.

Our non-discrimination policy extends to our customers, vendors, suppliers, independent contractors, and others doing business with the Company. Each of these persons must be treated properly and with respect consistent with the guidelines of our Equal Employment Opportunity policy for employees. Failure to comply with this policy is grounds for disciplinary action, up to and including termination of employment.

Requests for Accommodation/Pregnancy Accommodations

To assist our employees who are or become disabled, who suffer on-the-job injuries, or who have known limitations due to pregnancy, childbirth, or a related medical condition (including, but not limited to breastfeeding), we will make reasonable accommodations to enable such employees to continue performing the essential functions of their jobs. Under this policy, we may modify job duties to comply with medical requirements or restrictions. Depending upon the specific facts and circumstances of each situation, an accommodation may include modification of work hours; schedule changes; more frequent or longer break periods, such as bathroom breaks; providing a place other than a bathroom for expressing milk; modifying Company food or drink policies; seating accommodations; limits on lifting; relocation of work areas; making existing facilities readily accessible and usable; providing mechanical or electrical aids; transfer to a less strenuous or less hazardous position; appropriate adjustment or modifications of examinations, training materials or policies; allowing you to apply for a vacant position for which you are qualified; or granting a leave of absence. Similarly, we will make reasonable accommodations for religious beliefs and practices.

Obviously, there are limits to the accommodations that we can realistically make. For example, where an accommodation would cause an undue hardship to the Company, we would be unable to make that accommodation. Similarly, when placing an employee in a position, with or without accommodation, would cause the employee to be a direct threat to the employee or others, we may be unable to place them in that position. We will not require an employee to accept an accommodation that is unnecessary to perform essential job functions or to take leave if another reasonable accommodation is available.

If you need to request a reasonable accommodation because of a disability, on-the-job injury or limitation due to pregnancy, childbirth, or a related medical condition, please notify your Human Resources Representative. Likewise, if you need an accommodation for religious holidays, beliefs or practices, notify your Human Resources Representative. In all instances, we will discuss the matter with you, investigate your request, and to the extent possible, attempt to reasonably accommodate you.

Employees who have questions or concerns about reasonable accommodations in the workplace or who believe that management's actions are inconsistent with this policy are encouraged to report these issues to the attention of their Human Resources Representative without fear of reprisal. If you have done so and are not satisfied with the response, you must report your concern to the Vice President of Human Resources by calling 1-713-647-5700. **You may also report your concern using our toll-free Hotline number by calling 1-877-694-6788.**

The Company will not discriminate or retaliate against any employee for requesting or using a reasonable accommodation. Anyone who retaliates against an employee for reporting concerns, making an accommodation request, or using an accommodation, will be subject to discipline, up to and including immediate termination.

Policy Against Harassment and Discrimination

The Company is committed to providing a work environment that is free of unlawful harassment and discrimination. Therefore, pursuant to federal, state and local laws, the Company strictly prohibits all forms of unlawful harassment and discrimination, which includes harassment or discrimination based on an individual's race, religion, color, sex/gender, gender identity and expression, national origin, sexual orientation, citizenship status, age, uniform service membership/veteran status, disability, genetic information, or any other protected status in accordance with the requirements of all federal, state and local laws.

The Company's policy against harassment and discrimination applies to all employees of the Company, including supervisors and managers (collectively "employees"). The Company prohibits employees from harassing or discriminating against other employees as well as the Company's customers, vendors, suppliers, independent contractors and others doing business with the Company. The Company also prohibits its customers, vendors, suppliers, independent contractors and others doing business with the Company from harassing or discriminating against our employees.

By way of illustration only, and not limitation, prohibited harassment includes:

- slurs, epithets, and any other offensive remarks;
- jokes, whether written, verbal, or electronic;
- threats, intimidation, and other menacing behavior;
- other verbal, graphic, or physical conduct; and

- other conduct regarding one or more of the protected categories identified in this policy, or in accordance with federal, state and local laws.

In addition to the above-listed conduct, the following examples of unacceptable behavior can also constitute prohibited “sexual harassment”:

- unwanted sexual advances;
- offering an employment benefit (such as a raise or promotion, or assistance with one’s career) in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) for an employee’s failure to engage in sexual activity;
- visual conduct, such as leering, making sexual gestures, or displaying of sexually suggestive objects, pictures, cartoons or posters;
- sexual advances, propositions or requests made or transmitted in any form;
- verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- physical conduct, such as touching, assault, impeding or blocking movements; or
- transmitting, retrieving, downloading, or storing electronic messages or images that are derogatory, discriminatory, defamatory, off-color, sexual in content, or otherwise inappropriate in a business environment;

If you have any questions about what constitutes harassing or discriminatory behavior in violation of this policy, you should **consult with your Human Resources Representative**.

VIOLATION OF THIS POLICY WILL SUBJECT AN EMPLOYEE TO DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT. MOREOVER, ANY EMPLOYEE, SUPERVISOR OR MANAGER WHO CONDONES OR IGNORES POTENTIAL VIOLATIONS OF THIS POLICY WILL BE SUBJECT TO APPROPRIATE DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION.

Reporting Harassment and Discrimination Concerns

If you believe that you or anyone else has been treated in a manner that is inconsistent with our Policy Against Harassment and Discrimination, you have an obligation to report your concerns to Human Resources and designated management personnel immediately. We have established the following mandatory process for reporting concerns and complaints about possible violations of our Policy Against Harassment and Discrimination:

- You should report your concerns to both your Human Resources Representative **AND** your supervisor or your Department Manager immediately *unless* your supervisor or

Department Manager is the person you believe has violated our Policy Against Harassment and Discrimination or for any reason you do not feel comfortable reporting your concerns or complaint to persons in those positions.

- If your supervisor or Department Manager is the person you believe has violated our Policy Against Harassment and Discrimination or if you have reported your concerns and are not satisfied with the response of your Human Resources Representative and your Department Manager or for any reason you do not feel comfortable reporting your concerns to persons in those positions, you should report your concerns or complaint immediately to both your Human Resources Representative **AND** the highest level management employee at your location.
- If the highest level management employee at your location is the person you believe has violated our Policy Against Harassment and Discrimination or if you have reported your concerns to the highest level management employee at your location and are not satisfied with that person's response or for any reason you do not feel comfortable reporting your concern to that person, you should report your concern or complaint immediately to the Vice President of Human Resources by calling 1-713-647-5700.

You are encouraged to utilize this reporting procedure without fear of retaliation. Of course, you may also report your concerns at any time by using our toll-free Hotline number by calling 1-877-694-6788.

The Company takes seriously all complaints of harassment and discrimination reported pursuant to this policy and will take appropriate action as promptly as possible. Employees, including those making complaints, are required to cooperate fully and honestly with investigations, which may include providing written statements and completing investigative questionnaires. The Company prohibits employees from hindering or interfering with its internal investigations and its internal complaint procedure. The Company will treat complaints and reports of harassment and discrimination, which are reported to management, as confidentially as possible, consistent with the need to conduct an adequate investigation.

Harassment and discrimination of employees in connection with their work by non-employees may also be a violation of this policy. Any employee who believes that he or she has experienced harassment or discrimination in violation of this policy by a non-employee, or who observes harassment or discrimination of an employee by a non-employee should immediately report those concerns using the reporting procedure described in this policy. We will take appropriate action in response to a violation of this policy by any non-employee.

REMEMBER, YOU HAVE AN OBLIGATION TO REPORT TO US ANY HARASSMENT OR DISCRIMINATION CONCERNS THAT YOU MAY HAVE. WE CANNOT HELP RESOLVE A HARASSMENT OR DISCRIMINATION CONCERN UNLESS WE KNOW ABOUT IT. DO NOT ASSUME THAT APPROPRIATE COMPANY PERSONNEL ARE AWARE OF YOUR SITUATION OR CONCERN. THEREFORE, IT IS YOUR RESPONSIBILITY TO UTILIZE OUR REPORTING PROCEDURE TO

BRING YOUR CONCERNS TO OUR ATTENTION SO THAT WE CAN TAKE WHATEVER STEPS ARE NECESSARY TO CORRECT THE PROBLEM.

Policy Against Retaliation

The Company is committed to prohibiting retaliation against those who report, oppose, or participate in an investigation of alleged wrongdoing in the workplace, **including but not limited to violations of our Code of Conduct**. By way of example only, the Company will not retaliate against any employee for:

- Filing a complaint with a federal, state or local enforcement or administrative agency;
- Participating in or cooperating with a federal, state or local enforcement agency's investigation of alleged unlawful activity;
- Testifying as a party, witness, or accused regarding alleged unlawful activity;
- Making or filing an internal complaint with the Company alleging or regarding harassment, discrimination or other form of unlawful activity;
- Providing informal notice to the Company regarding alleged unlawful activity; or
- Assisting another employee who is engaged in any of these activities.

If you believe that you have been treated in a manner that is inconsistent with our Policy Against Retaliation, you must immediately notify **your Human Resources Representative or the Human Resources Department**. If you have done so and are not satisfied with the response, or if for any reason you do not feel comfortable reporting your concerns to your Human Resources Representative, or if you believe that your Human Resources Representative is the person who has retaliated against you or you cannot reach your Human Resources Representative, you must report your concern to the Vice President of Human Resources by calling 1-713-647-5700. **You may also report your concern at any time by using our Employee Hotline number by calling 1-877-694-6788**. You are encouraged to utilize this procedure without fear of retaliation.

THE COMPANY TAKES ALL COMPLAINTS OF RETALIATION SERIOUSLY. ANYONE DETERMINED BY THE COMPANY TO HAVE VIOLATED THIS POLICY WILL BE SUBJECT TO DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT. LIKEWISE, ANY EMPLOYEE, SUPERVISOR OR MANAGER WHO CONDONES OR IGNORES POTENTIAL VIOLATIONS OF THIS POLICY WILL BE SUBJECT TO APPROPRIATE DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION.

Introductory Period

For every new employee, the first ninety (90) days of employment is an introductory period. During this time, you can learn about the Company, your job, and your new surroundings.

During this introductory period, your supervisor will observe your job performance, attendance, attitude and overall interest in your job. Throughout the introductory period, the Company will be assessing your selection as an employee. Employees who fail to demonstrate the ability, commitment, performance, attitude, and work ethic expected by the Company are subject to disciplinary action and may be terminated at any time with or without notice during the introductory period.

As a result of an absence during your introductory period or for other reasons identified by management, the Company may choose to extend your introductory period as necessary to give you a further opportunity to demonstrate your ability to do the job. If your introductory period is extended, you will be notified. During the introductory period, you may not be eligible for some benefits. Satisfactory completion of your introductory period does not change your at-will employment status and you have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right.

Employee Classification

Regular Full-Time Employees

Regular full-time employees are employees who are regularly scheduled to work at least thirty (30) hours per week and who work an average of at least thirty (30) hours per week, as determined by the Company in its sole discretion. Regular full-time employees generally are eligible for the benefits set forth in this Handbook consistent with applicable summary plan descriptions.

Regular Part-Time Employees

Regular part-time employees are employees who are regularly scheduled to work fewer than thirty (30) hours per week and who work an average of fewer than thirty (30) hours per week, as determined by the Company in its sole discretion. Part-time employees should consult with their Human Resources Representative to determine their eligibility for benefits, if any.

Temporary Employees

Temporary employees are employees who are employed to work on a seasonal basis or on special projects for short periods of time, or on a "fill-in" basis. These positions are not intended to be a part of continuing operations. The employment status of temporary employees will not be changed due to an extension of employment in excess of that originally planned. Temporary employees are not eligible for benefits.

If you have any questions concerning your employee classification or the benefits for which you qualify, please consult with your Human Resources Representative.

Company Benefits

The Company provides the following benefits to eligible employees. The Company may terminate or modify these plans prospectively at any time, for any reason, with or without notice to employees.

Employee Discounts

All employees are encouraged to purchase and use Company products and services. The Company offers valuable discounts to employees on products and services. Employee Discount information is accessible on-line at www.Group1News.com.

Training and Educational Assistance

The Company supports the advancement and development of its employees. From time to time, the Company may request or require that you attend seminars, training classes, (including assigned training through the Company's online learning management system) and other developmental programs related to your job or employment with the Company. Your participation in such opportunities may be mandatory or strongly encouraged. Employees always must obtain advance approval from their Department Manager to schedule and attend any training or education program. Please consult your Department Manager or Human Resources Representative for training and educational assistance, information on the rate of training pay for time spent attending an approved training course, and for other logistical questions.

The Company, in its sole discretion, may reimburse you for membership in professional organizations wherein you receive benefits that can be directly applied to improving job performance provided that you participate in the organization and receive prior authorization for the reimbursement from the General Manager (or highest level management employee at your location).

Medical and Supplemental Benefits

The Company offers a full range of medical and supplemental benefits to all eligible employees. Detailed information about our benefit plans is available online at www.Group1Benefits.com. Consult the applicable plan document for all information regarding eligibility, coverage, and benefits. The applicable plan document governs your eligibility for benefits. Nothing in this Handbook is intended to nor should it be construed or interpreted to provide greater rights, participation, coverage, or benefits than those set forth in the applicable plan documents.

Employees and their eligible dependents who are enrolled in medical and/or supplemental benefits will be covered through the end of the month in which the employee terminates employment. Therefore, benefit deductions will be taken from their final paycheck to cover the benefit premium payments through the end of the month in which their employment terminates. Employees on leave under our FML policy must arrange to make monthly premium payments for medical and/or supplemental benefits to continue receiving coverage. Employees on other leaves

of absence will be required to pay both the employee and employer portion of the premiums (for the employee and his/her eligible dependents) during the leave, to the extent permitted by law.

Your Pay

The Company will provide you with information related to your pay and your payday schedule. For information about online access to your pay information, contact your Human Resources Representative. If the scheduled payday falls on a weekend or Holiday, you will be paid on the preceding business day. The Company may change your pay prospectively as it deems necessary.

The Company offers direct deposit for our employees and strongly encourages you to enroll in our direct deposit program. To enroll in direct deposit, please contact your Human Resources Representative. If the Company offers other alternative and convenient methods of payment, employees are encouraged to consider those alternatives.

Calculating commissions and other forms of compensation is complicated and, unfortunately, errors are made from time to time. Therefore, the Company expects you to carefully review your compensation each time you are paid to make sure that you understand exactly how your compensation was calculated and to confirm that you were paid appropriately. Questions concerning your compensation, including pay amounts and deductions, should be brought to the attention of your supervisor immediately. If after speaking to your supervisor you have further questions or concerns about your pay, you should address them with your General Manager (or highest-level management employee at your location) or Human Resources Representative. If the matter still is not resolved to your satisfaction, you must then present your concerns to the Director of Payroll or the Vice President of Human Resources.

Please note that if you fail to report a problem or discrepancy related to your pay in accordance with this procedure within fifteen (15) days of receiving your pay, you are acknowledging that we properly and accurately calculated your compensation for that period, where allowed by law. Your acknowledgement of receipt of this Handbook constitutes your express authorization for the Company to recover from your wages and other monies, including advances, any overpayments made to you through mistake, misrepresentation, or for any other reason, in accordance with federal, state and local laws. Draws are advances against future earnings for a specific period worked. Employees who take leaves of absences or who do not work their scheduled hours or who separate from employment for any reason are not eligible to receive draws or full draws for any period not fully worked. Draws paid for time periods not worked are considered overpayments that may be recovered by the Company to the extent permitted by law. Likewise, salary and incentive paid employees whose employment terminates for any reason during a pay period will be eligible for compensation earned through their last day of active employment only, to the extent permitted by law. Employees who have a guarantee component in their compensation plans are expected to perform at a level acceptable to Company management at all times during the guarantee period to be eligible for the guarantee amount.

Paid Holidays

Who is Covered by This Policy

Except for any state specific differences set forth in your state addendum, if applicable, this Paid Holiday policy covers all employees, subject to limited exclusions.

Observed Holidays

The Company observes the following days as holidays:

New Year's Day
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day

New Year's Day, Fourth of July, Thanksgiving Day and Christmas Day are the only observed holidays for which an eligible employee will receive holiday pay when the holiday falls on the eligible employee's nonscheduled workday.

Memorial Day and Labor Day are classified as Floating Holidays. If you are eligible to receive holiday pay and are required to work on a Floating Holiday, you have the choice of receiving holiday pay in addition to the regular pay you earn on that day or you can take another day off with pay in lieu of the holiday, with your supervisor's prior approval. You must request to take another day off prior to the holiday (based on the required payroll deadline) or you will automatically receive the holiday pay. Employees must be actively employed at the time of the Floating Holiday to be eligible for the benefit.

The Company will observe other state or local holidays as required by law. Please refer to your state specific addendum, if applicable.

Who is Eligible

Only regular full-time employees who are paid on an hourly or flag-rate basis are eligible to receive holiday pay. Regular full-time employees are employees who are regularly scheduled to work at least thirty (30) hours per week and who actually work an average of at least thirty (30) hours per week. Commission paid personnel, regular part-time employees, and temporary employees may be eligible for comparable time off as a result of working on the holiday, but they are not eligible for holiday pay. Incentive-paid personnel¹ and salaried employees are not eligible for holiday pay and will continue to receive their normal compensation for weeks that include an

¹ Incentive paid personnel include, but are not necessarily limited to, those employees paid a percentage of their departments' gross profit or receive commissions based on a team pool. Incentive paid personnel are not the same as individual commissioned paid personnel (such as a salesperson). An example of an incentive paid employee is a parts counterperson who receives incentive-based payments based on some portion of the department's revenues. Please ask a supervisor if you are unclear whether you are categorized as an incentive paid employee.

observed holiday. The Company reserves the right not to pay holiday pay to employees who do not work their last scheduled shift before the holiday and first scheduled shift after the holiday.

How Holiday Pay is Calculated

Holiday pay for eligible regular full-time hourly employees is based on their normal hourly rate of pay at the time of the holiday and the employee's regular work schedule and hours worked at the time of the holiday. For example, eligible employees who work a regular schedule averaging between 30-34 hours per work week will be paid six (6) hours of holiday pay; eligible employees who work regular schedule averaging between 35-39 hours per work week will be paid seven (7) hours holiday pay; eligible employees who work a regular schedule averaging forty (40) hours or more hours per work will be paid eight (8) hours holiday pay. All regular full-time employees eligible for holiday pay who are regularly scheduled to and work four-day workweeks will receive eight (8) hours holiday pay. Regular full-time flag-rate technicians who are eligible for holiday pay receive eight (8) hours of holiday pay times their hourly flag rate. Holiday pay does not count as "hours worked" for any purpose, including calculating an employee's entitlement to overtime pay during the week in which the holiday occurs.

If your department is open on a holiday and you are required to work, you will be given as much advance notice as possible, although advance notice may not always be possible. If you work the holiday and are eligible for holiday pay, you will be paid both holiday pay based on your normally scheduled hours as explained and your actual earnings for that day, assuming you do not elect to take another approved day off with pay. Where applicable, you will be paid in accordance with state law for work performed on certain designated holidays.

ALL FLOATING HOLIDAYS MUST BE TAKEN DURING THE CALENDAR YEAR IN WHICH THEY WERE ACCUMULATED AND MAY NOT BE CARRIED FORWARD TO FUTURE YEARS UNLESS OTHERWISE REQUIRED BY LAW. UPON TERMINATION OF EMPLOYMENT FOR ANY REASON, THE COMPANY WILL NOT PAY YOU FOR ANY FLOATING HOLIDAYS THAT YOU DID NOT TAKE WHILE ACTIVELY EMPLOYED WITH THE COMPANY, UNLESS OTHERWISE REQUIRED BY LAW.

Paid Vacation

Who is Covered by This Policy

This vacation policy covers all eligible employees, subject to limited exclusions, except for those employed in California, Louisiana, Massachusetts, Maryland and New Hampshire. **If you are employed in California, Louisiana, Massachusetts, Maryland or New Hampshire, the vacation policy that applies to you is set forth in your state specific handbook addendum.**

Who is Eligible for Vacation Pay

Only certain categories of regular "full-time" employees are eligible to receive vacation benefits. To be considered a regular full-time employee, an employee must be regularly scheduled to work and work an average of at least thirty (30) hours a week. Regular hourly, flag-rate employees and employees who are paid a commission based on their individual production

(“commission paid personnel”) are eligible to receive vacation pay. Incentive-paid personnel² will continue to receive their normal compensation while on approved vacation leave. Salaried employees will continue to receive their regular salary while on approved vacation leave. Regular part-time employees and temporary employees may be eligible for time off but do not receive additional pay.

When Eligibility for Paid Vacation Begins

Employees otherwise eligible for vacation benefits under this policy do not begin accumulating paid vacation time until the first January 1 after their hire dates. For example, an employee hired October 1 will not begin accumulating paid vacation time until January 1 of the following calendar year.

Maximum Vacation Benefits

Eligible employees receive vacation benefits based on their length of continuous employment. The maximum amount of paid vacation time to which an employee is eligible is determined by their length of continuous employment in terms of calendar years, based on the following schedule, which is **effective January 1, 2022**:

<u>Years of Service (from date of hire)</u>	<u>Vacation Hours Per Year January 1 - December 31</u>
1st January After Date of Hire	40 hours*
2nd-5th January After Date of Hire	80 hours*
6 th -14th January After Date of Hire	120 hours*
15 th January After Date of Hire	160 hours*

Employees will not be eligible for vacation benefits in an amount that exceeds their current calendar year maximum benefit. For example, an employee in the fourth full calendar year of employment would not be eligible for more than 80/70/60 hours (depending on their scheduled workweek) of vacation pay in that year. Employees will not be eligible for additional vacation benefits once they achieve their maximum vacation benefits amount. ***Eligible regular, full-time employees who are regularly scheduled to and regularly work fewer than forty (40) hours per week are not eligible to receive the maximum number of vacation hours for years of service listed above but instead will be eligible to receive paid vacation based on their regularly scheduled workweek. See How Vacation Pay is Calculated below.**

At the beginning of each calendar year, Company records will show the maximum number of paid vacation hours eligible employees can accumulate during that calendar year assuming they remain continuously and actively employed for that entire calendar year. This annual maximum

² Please see footnote 1, p. 14.

number of paid vacation hours reflected in Company records does *not* represent the actual number of vacation hours that the employee has accumulated *at that time* but rather is a *projection* of the maximum number of hours the employee can accumulate and use during that calendar year, assuming continuous and active employment by the Company for that year. Likewise, throughout the calendar year, Company records will reflect a *projection* of each eligible employee's vacation time balance for the remainder of the year, assuming continuous and active employment with the Company for the entire calendar year. Projected balances may not reflect the actual amount of vacation time eligible employees have accumulated at the time of the balance review.

Vacation Advance Program

To benefit employees who want or need to take more paid vacation time than they have accumulated, the Company has a "vacation advance" program that allows employees to request vacation time in excess of the amount of vacation time the employee has accumulated at the time of the request. The maximum amount of any vacation advance is the difference between the amount of vacation time the employee has requested and the maximum amount of vacation time the employee could accumulate during that calendar year, assuming continuous and active employment with the Company for that entire calendar year. For example, if an employee in his or her fourth calendar year of employment requested 80 hours of vacation pay at a time when the employee had accumulated only forty (40) hours of vacation pay, the Company may advance the employee the additional forty (40) hours of vacation pay.

How Vacation Time Is Calculated

Eligible employees accumulate paid vacation hours based on their normally scheduled workweek and the hours they actually work as follows:

- Eligible employees who are regularly scheduled to and work an average of between thirty (30) and thirty-four (34) hours per work week will be eligible for six (6) hours vacation pay at the employee's normal pay rate for each full vacation day taken and three (3) hours pay at the employee's normal pay rate for each half vacation day taken.
- Eligible employees who are regularly scheduled to and work an average of between thirty-five (35) and thirty-nine (39) hours per work week will be eligible for seven (7) hours vacation pay at the employee's normal pay rate for each full vacation day taken and three and one-half (3.5) hours pay at the employee's normal pay rate for each half vacation day taken.
- Eligible employees who are regularly scheduled to and work an average of forty or more hours per week will be eligible for eight (8) hours vacation pay at the employee's normal pay rate for each full vacation day taken and four (4) hours pay at the employee's normal pay rate for each half vacation day taken.
- Eligible employees who are regularly scheduled to 4-day work weeks at ten (10) hours per day, will be eligible for ten (10) hours vacation pay at the employee's normal pay rate for each full vacation day taken and five (5) hours pay at the employee's normal pay rate for each half vacation day taken, not to exceed the

maximum 40/80/120/160 hour eligibility based on their years of service for vacation pay.

Beginning on January 1 after an employee's hire date, eligible full-time employees who are regularly scheduled to work forty (40) or more hours per week will be eligible to receive approximately 3.34 hours of vacation pay for each full month of continuous and active employment which is the equivalent of forty (40) hours of vacation pay per calendar year. Beginning on the second January 1 after the employee's hire date, and continuing through the fifth January 1 after the employee's hire date, paid vacation eligible employees will be eligible to receive approximately 6.68 hours of vacation pay for each full month of continuous and active employment or the equivalent of eighty (80) hours of vacation pay per calendar year. Beginning on the sixth January 1 after the employee's hire date, and continuing through the fourteenth January 1 after the employee's hire date, paid vacation eligible employees will be eligible to receive approximately ten (10) hours of vacation pay for each full month of continuous and active employment or the equivalent of one hundred and twenty (120) hours of vacation pay per calendar year. Beginning on the fifteenth January 1 after employee's hire date and thereafter, paid vacation eligible employees will be eligible to receive approximately 13.34 hours of vacation pay for each full month of continuous and active employment or the equivalent of one hundred and sixty (160) hours of vacation pay per calendar year. By December 31 of each calendar year, employees will have accumulated the maximum of vacation hours for which they are eligible for that year.

How Vacation Pay is Calculated

Vacation pay for regular full-time hourly employees is based on their normal pay rate at the time vacation is taken. Vacation pay for regular full-time commission paid personnel and flag rate technicians will be calculated based on their prior calendar year average hourly earnings. Average hourly earnings will be calculated by dividing the previous calendar year's total earnings by 2080 hours for employees who average 40 or more clock hours per workweek; by 1820 hours for employees who average between 35-39 clock hours per workweek; and by 1560 hours for employees who average 30-34 clock hours per workweek. If an employee has less than one year of service on December 31, the amount paid will be based on a predetermined rate. Upon an employee reaching their one-year anniversary, the Company will calculate the employee's rate of pay for vacation based on their prior twelve (12) months of earnings. Salaried and incentive-paid employees are not eligible for vacation pay. Salaried and incentive-paid personnel³ simply continue to receive their regular compensation based upon their pay plan for approved time off.

Consult your Human Resources Representative for more detailed information on how the dollar amount of your vacation pay is calculated and the amount for which you may be eligible to receive. We encourage employees to take their vacation one week at a time, but in any event, all vacation must be taken in half or full day increments only.

When Vacation Time May Be Taken

Employees eligible for vacation benefits under this policy are not permitted to take any vacation until after the first January 1 following the hire date *and* after they complete six months of full-time continuous and active employment. For example, an employee hired October 1 will

³ Please see footnote 1, p. 14..

not begin accumulating paid vacation time until January 1 of the following calendar year and cannot take any vacation time before the following April 1 (6 months from hire date). All eligible employees hired from January through June will not begin earning vacation until the following January but will be eligible to take vacation starting that January (since they will have reached the six (6) months or more requirement after hire date). Employees can use approved vacation at any time during the year that it is earned subject to the six-month waiting period from date of hire.

Paid and unpaid vacations or days off are to be scheduled with prior supervisor approval. The Company has the right to refuse an employee's application for vacation or time off if, in the Company's sole judgment, scheduling the vacation or time off at the time sought would be inconsistent with the smooth operation of the Company's business. Scheduling of vacations and time off must be completed as far in advance as possible. Employees must utilize all paid vacation before requesting any unpaid leave. Employees cannot carry over any unused vacation from one calendar year to the next year.

Vacation time is given to employees so that they are better able to perform their jobs when they return. For this reason, except in very limited circumstances, we do not permit employees to take pay in lieu of time off. We also require that all vacation time be taken by December 31 of the same year in which the employee accumulated the time, or it will be forfeited. In non-termination events, flag-rate technicians may be eligible in December for a payout of any accumulated but unused vacation time for which they are eligible in the calendar year.

The Company reserves the right not to pay vacation pay to employees who do not work their last scheduled shift before vacation and first scheduled shift after taking vacation.

Vacation time does not count as "hours worked" for any purpose, including calculating an employee's entitlement to overtime pay during the week in which vacation time is taken.

Employee Separation and Vacation Payout

If you separate from the Company for any reason, you will not receive pay for any vacation benefits not used prior to your separation and those benefits will be forfeited, except as required by law. Employees cannot carry over any unused vacation from one calendar year to the next year.

Vacation advances are considered advances of wages because employees receiving these advances are receiving payment for vacation time that the employee has not yet accumulated at the time of payment. If you receive a vacation pay advance and separate from the Company, for any reason, with a negative vacation balance because the Company advanced you vacation pay to which you were not yet eligible to receive, your acceptance of that advance operates as your specific agreement that you received a wage advance and your specific authorization for the Company to deduct from your last paycheck(s) the amount of any outstanding vacation pay advance, to the extent permitted by law.

Paid Sick/Bereavement Leave

IF YOU HAVE A STATE ADDENDUM THAT INCLUDES A PAID SICK LEAVE, BEREAVEMENT LEAVE, OR EARNED PAID LEAVE POLICY, YOUR

ADDENDUM POLICIES APPLY TO YOU AND NOT THE FOLLOWING POLICY. OTHERWISE, THE FOLLOWING POLICY APPLIES TO YOU. PLEASE CHECK YOUR STATE ADDENDUM, IF APPLICABLE.

The Company provides Paid Sick/Bereavement Leave (“SB Leave”) intended to provide eligible employees paid time off for the following reasons subject to all reporting and approval requirements:

- To care for the employee’s own physical or mental illness, injury, or medical condition;
- To care for the employee’s child, spouse, parent, or parent of a spouse, who is suffering from a physical or mental illness, injury, or medical condition;
- To attend the employee’s routine medical appointment or a routine medical appointment for the employee’s child, spouse, parent, or parent of spouse;
- To travel to and from an appointment, a pharmacy, or other location related to the purpose for which the time was taken;
- To address the psychological, physical or legal effects of domestic violence;
- Bereavement due to the death of an employee’s spouse, child, parent, brother, sister, grandparent, parent-in-law, brother-in-law, sister-in-law, legal guardian, or as required by federal, state or local law;
- To attend jury duty requirements; and
- Inclement weather subject to the Inclement Weather policy in this Handbook.

Employees are not permitted to use SB Leave in lieu of, in addition to vacation time, or for any other reason not listed above, unless required by law.

On the first one-year anniversary date of employment and each year thereafter, eligible full-time employees may take up to three (3) days of SB Leave per calendar year. **The maximum number of SB Leave days to which an employee may be entitled at any one time is three (3). Any unused SB Leave cannot be carried over into your next anniversary year.** SB Leave must be taken in either half-day or full-day increments based on the employee’s regularly scheduled workweek. If you plan to use paid SB Leave, you should inform your supervisor in advance, if possible, for scheduling purposes.

Who is Eligible

Only regular full-time employees who regularly are paid on an hourly basis or paid on a flat-rate system or are commission paid are eligible for paid SB Leave. Incentive-paid personnel⁴

⁴ Please see footnote 1, p. 14.

and salaried employees are not eligible for additional SB Leave pay but instead will continue to receive their normal compensation while on approved SB Leave. The Company may deny paid SB Leave for employees who do not work their last scheduled day before the SB Leave and their first scheduled day after the SB Leave. Regular part-time and temporary employees may be eligible to take unpaid SB leave under some circumstances with management approval.

Employees who are on an inactive status for any reason (for example, leave of absence) on their anniversary date will not be eligible to receive SB Leave benefits until they return to active status.

How Paid Sick/Bereavement Leave is Calculated

The number of SB Leave hours available to eligible employees is based on their normally scheduled workweek and average number of hours worked. For example, eligible employees who work a regular schedule averaging between 30-34 hours per work week will be eligible for six (6) hours pay at the employee's normal pay rate for each full SB Leave day taken and three (3) hours pay at the employee's normal pay rate for each half SB Leave day taken. Eligible employees who work a regular schedule averaging between 35-39 hours per work week will be eligible for seven (7) hours pay at the employee's normal rate of pay for each full SB Leave day taken and three and one half (3.5) hours for half SB Leave days taken. Eligible employees who work a regular schedule averaging 40 hours or more per week will be eligible for eight (8) hours pay at the employee's normal rate of pay for each full SB Leave day taken and four (4) hours for half SB Leave days taken. All eligible regular fulltime employees who are regularly scheduled to and work four-day work weeks will receive eight (8) hours SB pay at their normal regular rate for each full SB Leave day taken. For purposes of this policy, the normal pay rate for flag-rate technicians is their regular hourly flag rate

Pay for SB Leave for eligible regular full-time hourly employees is based on their normal hourly pay rate. The number of SB Leave hours paid is based on an employee's normally scheduled workweek and average number of hours worked. For example, eligible employees who work a regular schedule averaging between 30-34 hours per workweek will be eligible for six (6) hours of SB pay at the employee's normal rate per SB Leave day taken. If that same employee took SB Leave for a half day, the employee would be eligible for three (3) hours of SB pay. Eligible employees who work a regular schedule averaging between 35-39 hours per workweek will be eligible for seven (7) hours of SB pay at the employee's normal rate for each SB Leave day. Eligible employees who work a regular schedule averaging 40 hours or more per week will be eligible for eight (8) hours of SB pay at the employee's normal rate for each SB Leave day. All eligible regular fulltime employees who are regularly scheduled to and work four-day work weeks will receive eight (8) hours SB pay at their regular hourly rate for each SB Leave day. Regular full-time flag-rate technicians receive eight (8) times their hourly flag rate for each full day of paid SB Leave.

The SB leave pay for regular full-time commission paid personnel will be calculated based on their prior calendar year average hourly earnings. Average hourly earnings will be calculated by dividing the previous calendar year's total earnings by 2080 hours for employees who average forty (40) or more clock hours per workweek; by 1820 hours for employees who average between 35-39 clock hours per workweek; and by 1560 hours for employees who average 30-34 clock hours

per workweek. Upon an employee reaching their one-year anniversary, the Company will calculate the employee's rate of pay for SB Leave based on their prior twelve (12) months of earnings.

Salaried and incentive-paid employees are not eligible for SB Leave pay. Salaried and incentive-paid personnel⁵ simply continue to receive their regular compensation based upon their pay plan for approved time off.

Taking SB Leave

An employee who is notified while at work of a death in his or her immediate family will be excused from work and paid for the remainder of the scheduled hours of that day. The three (3) day eligibility for SB Leave will not commence until the next regularly scheduled workday. If you need additional time off after exhausting paid SB Leave, or if time off is requested to attend the funeral of a person other than defined above, you may use vacation time for which you are eligible if your request for time off is approved.

Employees who have used all their available vacation days and SB leave may be afforded unpaid leave upon request to and approval by the employee's manager or dealership General Manager (or highest-level management employee at your location). Employees requesting unpaid leave must complete the required paperwork and submit it to Human Resources before the unpaid leave commences except in emergencies. Leave requests are approved or denied based on individual circumstances, consistent with business needs and legal requirements. Where applicable, please see your state-specific addendum for additional information.

SB Leave has no cash value and unused SB Leave will not be paid upon termination for any reason. SB Leave does not count as "hours worked" for any purpose, including calculating an employee's entitlement to overtime during the week in which SB Leave is taken.

Paid Maternity Leave

Effective January 1, 2022, the Company will provide up to eighty (80) hours of paid maternity leave to eligible employees who have completed one year of continuous full-time employment for their recovery after giving birth. To be eligible for paid leave under this policy, employees requesting paid leave must provide a certification from a healthcare provider that leave is needed for recovery after childbirth. Any additional leave taken for this purpose will not be paid under this policy. Employees must submit the medical certification to their Human Resources Representative verifying the need for leave.

Eligible employees are required to provide their Human Resources Representative with a written request for maternity leave and written confirmation of the expected due date at least 30 days prior to the expected commencement of the leave. If circumstances prevent an employee from providing 30 days' notice, the employee must provide as much notice as practicable.

⁵ Please see footnote 1, p. 14.

Paid maternity leave will run concurrently with leave taken under our Family and Medical Leave policy for childbirth related reasons for eligible employees and does not increase or decrease the amount of leave available to eligible employees under our FML policy.

Paid maternity leave is available only to eligible employees for periods of absence that occur during their normally scheduled working time and while they remain employed. Employees do not receive maternity leave pay in addition to their regular compensation for the same hours.

How Paid Maternity Leave is Calculated

The Company will calculate pay for maternity leave for eligible regular full-time hourly employees based on factors that include their normal hourly pay rate, their normally scheduled workweek and their average number of hours worked each workweek. For example, eligible employees who work a regular schedule averaging between 30-34 hours per workweek will be eligible for six (6) hours of maternity leave pay at the employee's normal rate per maternity leave day taken up to a maximum of 60 hours of paid maternity leave. Eligible employees who work a regular schedule averaging between 35-39 hours per workweek will be eligible for seven (7) hours of maternity leave pay at the employee's normal rate for each maternity leave day taken up to a maximum of 70 hours of paid maternity leave. Eligible employees who work a regular schedule averaging 40 hours or more per week will be eligible for eight (8) hours of maternity leave pay at the employee's normal rate for each maternity leave day taken up to a maximum of 80 hours of paid maternity leave. Eligible employees who are regularly scheduled to 4-day workweeks at ten (10) hours per day, will be eligible for ten (10) hours of maternity leave pay at the employee's normal rate for each maternity leave day taken, not to exceed the maximum of 80 hours of paid maternity leave. For purposes of this policy, the normal hourly pay rate for flag-rate technicians is their regular hourly flag rate.

The Company will calculate maternity leave pay for current regular full-time commission paid personnel based on their prior calendar year's average hourly earnings. Average hourly earnings will be calculated by dividing the previous calendar year's total earnings by 2080 hours for employees who average forty (40) or more clock hours per workweek; by 1820 hours for employees who average between 35-39 clock hours per workweek; and by 1560 hours for employees who average 30-34 clock hours per workweek. Upon an employee reaching their one-year anniversary, the Company will calculate the employee's rate of pay for maternity leave based on their prior twelve (12) months of earnings.

Salaried and incentive-paid employees⁶ are not eligible for maternity leave pay but will continue to receive their regular compensation based upon their pay plan for approved time off.

The amount of maternity leave given is not increased due to multiple births (such as the birth of twins). Employees are limited to receiving up to the maximum amount of paid maternity leave set forth above one time in a rolling 12-month period based on their specific circumstance, regardless of whether more than one birth occurs within that 12-month timeframe.

Upon the employee's return from maternity leave, the Company will reinstate the employee to the same position or to an equivalent position with equivalent pay, benefits and other

⁶ Please see footnote 1, p. 14.

employment terms and conditions, or as otherwise required by law. An employee's failure to return to work as scheduled or agreed, or to provide advance notice to their supervisor or Human Resources Representative of an acceptable reason for not returning as scheduled or agreed will be considered a voluntary resignation of employment absent extraordinary circumstances.

Unused Maternity Leave is forfeited and will not be paid upon separation of employment for any reason.

Paid Parental Bonding Leave

Effective January 1, 2022, the Company will provide up to forty (40) hours of Parental Bonding Leave ("PB Leave") to eligible employees who have completed one year of continuous full-time employment at the time of the actual date of birth or adoption. Eligible employees may take up to five *consecutive*, normally scheduled workdays or forty (40) *consecutive* normally scheduled work hours of paid PB Leave.

PB Leave may be taken at any time during the three (3) month period immediately following the birth or adoption date. PB Leave must be used in one continuous period of leave and may not be used intermittently. The period for taking PB Leave will not be extended beyond this three (3) month timeframe.

Eligible employees are required to provide their Human Resources Representative with a written request for PB leave and written confirmation of the expected due date or adoption date at least 30 days prior to the expected commencement of the leave. If circumstances prevent an employee from providing 30 days' notice, the employee must provide as much notice as practicable. The Company reserves the right to request proof of childbirth or adoption.

Employees who request and are provided Paid Maternity Leave are not eligible for PB Leave. PB Leave will run concurrently with leave taken under our Family and Medical Leave policy for childbirth or adoption related reasons for eligible employees and does not increase or decrease the amount of leave available to eligible employees under our FML policy.

PB Leave is available only to eligible employees for periods of absence that occur during their normally scheduled working time and while they remain employed. Employees do not receive PB Leave pay in addition to their regular compensation for the same hours.

How Paid PB Leave is Calculated

The Company will calculate pay for PB Leave for eligible hourly employees based on factors that include their normal hourly pay rate, their normally scheduled workweek and their average number of hours worked each workweek. For example, eligible hourly employees who work a regular schedule averaging between 30-34 hours per workweek will be eligible for six (6) hours pay at the employees' normal hourly pay rate for each full PB Leave day taken up to a maximum of 30 hours of PB Leave. Eligible employees who work a regular schedule averaging between 35-39 hours per workweek will be eligible for seven (7) hours pay at the employee's normal hourly rate of pay for each full PB Leave day taken up to a maximum of 35 hours of PB Leave. Eligible employees who work a regular schedule averaging 40 hours or more per week will be eligible for eight (8) hours pay at the employees' normal hourly rate of pay for each full

PB Leave day taken up to a maximum of 40 hours of PB Leave. Eligible employees who are regularly scheduled to 4-day workweeks at ten (10) hours per day, will be eligible for ten (10) hours of PB leave pay at the employee's normal rate for each PB leave day taken, not to exceed the maximum of 40 hours of PB Leave. For purposes of this policy, the normal hourly pay rate for flag-rate technicians is their regular hourly flag rate.

The Company will calculate pay for PB leave for regular full-time commission paid personnel based on their prior calendar year's average hourly earnings. Average hourly earnings will be calculated by dividing the previous calendar year's total earnings by 2080 hours for employees who average forty (40) or more clock hours per workweek; by 1820 hours for employees who average between 35-39 clock hours per workweek; and by 1560 hours for employees who average 30-34 clock hours per workweek. Upon an employee reaching their one-year anniversary, the Company will calculate the employee's rate of pay for PB Leave based on their prior twelve (12) months of earnings.

Salaried and incentive-paid employees⁷ are not eligible for PB Leave pay but will continue to receive their regular compensation based upon their pay plan for approved time off.

Upon the employee's return from PB Leave, the Company will reinstate the employee to the same position or to an equivalent position with equivalent pay, benefits and other employment terms and conditions, or as otherwise required by law. An employee's failure to return to work as scheduled or agreed, or to provide advance notice to their supervisor or Human Resources Representative of an acceptable reason for not returning as scheduled or agreed will be considered a voluntary resignation of employment absent extraordinary circumstances.

Unused PB Leave is forfeited and will not be paid upon separation of employment for any reason.

Civic Duties

The Company encourages you to accept your civic responsibilities. Please refer to your state specific addendum, if applicable, for each of the following policies. If there is a conflict between the Addendum and the Handbook, the Addendum will control.

Jury Duty

If you are selected for jury duty, please notify your supervisor immediately so that he or she may plan the department's work with as little disruption as possible. If you are selected for jury duty, you can elect to use paid SB Leave (if available) for this obligation. The Company will comply with any legal obligation it has to continue your regular compensation while you are on jury duty.

Employees who are released from jury service before the end of their regularly scheduled shift or who are not asked to serve on a jury panel are expected to contact their supervisor as soon as possible and report to work if requested.

⁷ Please see footnote 1, p. 14.

Voting Leave

Although polls are open for extended hours, we realize that the regular work schedules of some employees may not allow them to get to the polls during those extended hours. If your work schedule prevents you from making it to the polls, please let your Department Manager know so that arrangements may be made for you to have the necessary time off to vote. Employees will receive pay for voting leave where required by state law.

Witness and Victims of Crime Leave

If you are subpoenaed to appear as a witness or are the victim of a crime and requested to attend or participate in legal proceedings pertaining to the crime, please notify your manager immediately so we can plan our work with as little disruption as possible. You can elect to use paid SB Leave (if available) for this obligation.

Employees with witness duty must provide their manager with a copy of the subpoena. Employees who are released from witness service before the end of their regularly scheduled shift are expected to call their manager as soon as possible and report to work if requested.

Workers' Compensation Insurance

The Company pays the entire amount of the Workers' Compensation insurance premium that provides benefits to employees who experience injury or illness connected with employment. To be eligible for Workers' Compensation benefits, the injury or illness must be a direct result of the job. Benefit entitlements are governed by law, but it is essential that you report all work-related accidents, injuries, and illnesses within twenty-four (24) hours of occurrence to your supervisor. When applicable, FMLA will run concurrently with Workers' Compensation related absences.

Employees must adhere to their medical provider's advice and are responsible for informing their managers of all job restrictions.

The Company has a return to work program known as TCOY (Taking Care of You) for employees who have work related injuries or illnesses. The Company will explain to you how the program works in the event you suffer a work-related injury or illness and are eligible to return to work.

THE COMPANY ACTIVELY PURSUES ALL CLAIMS SUSPECTED TO BE FRAUDULENT. FILING A FALSE CLAIM OR REPORTING AN INJURY AS HAVING OCCURRED ON THE JOB WHEN IT DID NOT IS ILLEGAL AND CONSIDERED FRAUD. ABUSE OF THE WORKERS' COMPENSATION SYSTEM CAN CAUSE A SEVERE NEGATIVE ECONOMIC EFFECT TO THIS COMPANY AND, IN TURN, YOUR CO-WORKERS. WE WILL PURSUE ALL AVAILABLE LEGAL REMEDIES AGAINST ANY EMPLOYEE FOUND TO HAVE ENGAGED IN FRAUDULENT CONDUCT. FILING A FALSE OR FRAUDULENT CLAIM IS ALSO A VIOLATION OF COMPANY POLICY, AND WILL RESULT IN DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

Family and Medical Leave Act Policy

The Family and Medical Leave Act (“FMLA”) provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either twelve (12) or twenty-six (26) weeks (for military related FMLA) within a twelve (12) month period depending on the reasons for the leave.

Employee Eligibility

To be eligible for FMLA leave, you must:

1. have worked at least twelve (12) months for the Company in the preceding seven years (limited exceptions apply to the seven-year requirement);
2. have worked at least 1,250 hours for the Company over the preceding twelve (12) months; and
3. currently work at a location where there are at least fifty (50) employees within seventy-five (75) miles of that worksite.

All periods of absence from work due to or necessitated by service in the Uniformed Services are counted in determining FMLA eligibility.

Conditions Triggering Leave

FMLA leave may be taken for the following reasons:

1. birth of a child, or to care for a newly born child (up to twelve (12) weeks);
2. placement of a child with the employee for adoption or foster care (up to twelve (12) weeks);
3. to care for an immediate family member (employee’s spouse, child, or parent) with a serious health condition (up to twelve (12) weeks);
4. because of a serious health condition that makes the employee unable to perform the employee’s job (up to twelve (12) weeks)
5. to care for a covered servicemember with a serious injury or illness related to certain types of military service (up to twenty-six (26) weeks) (see Military-Related FMLA Leave for more details); or,
6. to handle certain qualifying exigencies arising out of the fact that the employee’s spouse, son, daughter, or parent is on covered active duty or a call to covered active duty status in the Uniformed Services (up to twelve (12) weeks) (see Military-Related FMLA Leave for more details).

The maximum amount of leave that may be taken in a twelve (12) month period for all reasons combined is twelve (12) weeks, with one exception. For leave to care for a covered

servicemember, the maximum combined leave entitlement is twenty-six (26) weeks, with leaves for all other reasons constituting no more than twelve (12) of those twenty-six (26) weeks.

Definitions

A “Serious Health Condition” is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement includes an incapacity of more than three (3) full calendar days and two (2) visits to a health care provider or one (1) visit to a health care provider and a continuing regimen of care; an incapacity caused by pregnancy or prenatal visits, a chronic condition, permanent or long-term conditions; or absences due to multiple treatments. Other situations may meet the definition of continuing treatment.

A “covered servicemember” is a member or veteran of the Armed Forces, including 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. The term “serious injury or illness” means an injury or illness incurred by the member in the line of duty while on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating, or one that existed before the beginning of active duty and was aggravated by service in the line of duty while on active duty. Regarding veterans, the injury or illness may manifest itself before or after the individual assumed veteran status.

“Qualifying exigencies” include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the deployment, rest and recuperation, counseling, and post-deployment debriefings.

Identifying the 12-Month Period

The Company measures the twelve (12) month period in which leave is taken by the “rolling” twelve (12) month method, measured backward from the date of any FMLA leave with one exception. For leave to care for a covered servicemember, the Company calculates the twelve (12) month period beginning on the first day the eligible employee takes FMLA leave to care for a covered service member and ends twelve (12) months after that date. FMLA leave for the birth or placement of a child for adoption or foster care must be concluded within twelve (12) months of the birth or placement.

Using Leave

Eligible employees may take FMLA leave in a single block of time, intermittently (in separate blocks of time), or by reducing the normal work schedule when medically necessary for the serious health condition of the employee or immediate family member, or in the case of a covered servicemember, his or her injury or illness. Eligible employees may also take intermittent or reduced-scheduled leave for military qualifying exigencies. Intermittent leave is not permitted for birth of a child, to care for a newly born child, or for placement of a child for adoption or foster

care. Employees who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt the Company's operations.

Use of Paid Leave

Depending on the purpose of your leave request, you will be required to use your accrued paid leave (such as sick leave or vacation) as allowed by applicable state or local law, concurrently with some or all your FMLA leave (exception Military Leave).

Maintenance of Health Benefits

If you and/or your family participate in our group medical plan, the Company will maintain coverage during your FMLA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of medical plan premiums while on leave. In some instances, the Company may recover from you the portion of the insurance premiums for which you were responsible to pay that the Company paid on your behalf to maintain medical coverage or other benefits for you and your family. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of your leave.

Notice and Medical Certification

When seeking FMLA leave, you are required to provide:

1. Enough information for us to determine if the requested leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include: (1) that you are unable to perform job functions; (2) a family member is unable to perform daily activities; (3) the need for hospitalization or continuing treatment by a health care provider; or (4) circumstances supporting the need for military family leave. You must also inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified.

If the need for leave is foreseeable, this information must be provided thirty (30) days in advance of the anticipated beginning date of the leave. If the need for leave is not foreseeable, this information must be provided as soon as is practicable and in compliance with the Company's normal call-in procedures, absent unusual circumstances.

2. Medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member within fifteen (15) calendar days of the Company's request to provide the certification (additional time may be permitted in some circumstances). If you fail to do so, we may delay the commencement of your leave, withdraw any designation of FMLA leave or deny the leave, in which case your leave of absence would be treated in accordance with our standard leave of absence and attendance policies. Second or third medical opinions and periodic re-certifications may also be required;

3. Periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and
4. Medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition. The Company will require this certification to address whether you can perform the essential functions of your position.

Failure to comply with the foregoing requirements may result in delay or denial of leave.

Employer Responsibilities

The Company will inform you of pertinent information relating to FMLA leave.

Eligibility. To the extent required by law, the Company will inform employees whether they are eligible under the FMLA. Should an employee be eligible for FMLA leave, the Company will provide him or her with a notice that specifies any additional information required as well as the employee's rights and responsibilities. If employees are not eligible, the Company will provide a reason for the ineligibility.

Qualifying Leave. The Company will also inform employees if leave will be designated as FMLA-protected and, to the extent possible, note the amount of leave counted against the employee's leave entitlement. If the Company determines that the leave is not FMLA-protected, the Company will notify the employee.

Job Restoration

Upon returning from FMLA leave, eligible employees will typically be restored to their original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

Failure to Return After FMLA Leave

Any employee who fails to return to work as scheduled after FMLA leave or exceeds the twelve (12) week FMLA entitlement (or in the case of military caregiver leave, the twenty-six (26) week FMLA entitlement), will be subject to the Company's standard leave of absence and attendance policies. This may result in termination if you have no other Company-provided leave available to you that applies to your continued absence. Failure to return may result in termination if you have no other Company-provided leave available that applies to your continued absence and the Company's obligation to maintain your group health plan benefits may end (subject to any applicable COBRA rights).

Other Employment

The Company generally prohibits employees from holding other employment while on leave that is inconsistent with the employee's need for leave (or violates other policies, such as

conflicts of interest). This policy remains in force during all leaves of absence, including FMLA leave.

Fraud

Providing false or misleading information or omitting material information in connection with an FMLA leave will result in disciplinary action, up to and including immediate termination.

Employers' Compliance with FMLA and Employee's Enforcement Rights

FMLA makes it unlawful for any employer to interfere with, restrain, or deny the exercise of any right provided under FMLA, or discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

While the Company encourages employees to bring any concerns or complaints about compliance with FMLA to the attention of the Human Resources Department, FMLA regulations require employers to advise employees that they may file a complaint with the U.S. Department of Labor or bring a private lawsuit against an employer.

Further, FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

Military-Related FMLA Leave

FMLA leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, and the second is Qualifying Exigency Leave.

Military Caregiver Leave

Unpaid Military Caregiver Leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. The family member must be a "covered servicemember," which means: (1) a current member or veteran of the Armed Forces, National Guard or Reserves, (2) who is undergoing medical treatment, recuperation, or therapy or, in the case of a veteran, who was a current member of the Armed Forces, National Guard or Reserves within five years prior to the treatment for which an eligible employee requests leave; is otherwise in outpatient status, or is otherwise on the temporary disability retired list, (3) for a serious injury or illness that may render a current member medically unfit to perform the duties of the member's office, grade, rank, or rating. Military Caregiver Leave is not available to care for servicemembers on the *permanent* disability retired list.

To be "eligible" for Military Caregiver Leave, the employee must be a spouse, son, daughter, parent, or next of kin of the covered servicemember. "Next of kin" means the nearest blood relative of the servicemember, other than the servicemember's spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody

of the servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of Military Caregiver Leave. The employee must also meet all other eligibility standards as set forth within the FMLA Leave policy.

An eligible employee may take up to twenty-six (26) workweeks of Military Caregiver Leave to care for a covered servicemember in a “single 12-month period.” The “single 12-month period” begins on the first day leave is taken to care for a covered servicemember and ends 12 months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If an employee does not exhaust his or her twenty-six (26) workweeks of Military Caregiver Leave during this “single 12-month period,” the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each servicemember. Consequently, an eligible employee may take separate periods of caregiver leave for each and every covered servicemember, and/or for each and every serious injury or illness of the same covered servicemember. A total of no more than twenty-six (26) workweeks of Military Caregiver Leave, however, may be taken within any “single 12-month period.”

Within the “single 12-month period” described above, an eligible employee may take a combined total of twenty-six (26) weeks of FMLA leave including up to twelve (12) weeks of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the “single 12-month period,” an eligible employee may take up to sixteen (16) weeks of FMLA leave to care for a covered servicemember when combined with up to ten (10) weeks of FMLA leave to care for a newborn child.

An employee seeking Military Caregiver Leave may be required to provide appropriate certification completed by an authorized health care provider within fifteen (15) days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding employee eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

Qualifying Exigency Leave

Eligible employees may take unpaid “Qualifying Exigency Leave” to tend to certain “exigencies” arising out of the duty under a call or order to active duty of a “covered military member” (i.e., the employee’s spouse, son, daughter, or parent). Up to twelve (12) weeks of Qualifying Exigency Leave is available in any 12-month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of twenty-six (26) weeks of leave in a “single 12-month period”). Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed twelve (12) weeks in any 12-month period (with the exception of Military Caregiver Leave

as set forth above). The employee must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include active and retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

A call to active duty refers to a *federal* call to active duty, and *state* calls to active duty are not covered unless under order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

(1) **Short-notice deployment.** To address any issue that arises out of short notice (within seven days or less) of an impending call or order to active duty.

(2) **Military events and related activities.** To attend any official military ceremony, program, or event related to active duty or a call to active duty status or to attend certain family support or assistance programs and informational briefings.

(3) **Childcare and school activities.** To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.

(4) **Financial and legal arrangements.** To make or update various financial or legal arrangements; or to act as the covered military member's representative before a federal, state, or local agency in connection with service benefits.

(5) **Counseling.** To attend counseling (by someone other than a health care provider) for the employee, the covered military member, or for a child or dependent when necessary as a result of duty under a call or order to active duty.

(6) **Temporary rest and recuperation.** To spend time with a covered military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to five of days of leave for each instance of rest and recuperation.

(7) **Post-deployment activities.** To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to 90 days following termination of the covered military member's active duty status. This also encompasses leave to address issues that arise from the death of a covered military member while on active duty status.

(8) **Mutually agreed leave.** Other events that arise from the close family member's duty under a call or order to active duty, provided that the Company and the employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

An employee seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the covered military member's active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member, within fifteen (15) days. Qualifying Exigency Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

Fraud

Providing false or misleading information or omitting material information in connection with an FMLA leave will result in disciplinary action, up to and including termination.

Employers' Compliance with FMLA and Employee's Enforcement Rights

FMLA makes it unlawful for any employer to interfere with, restrain, or deny the exercise of any right provided under FMLA, or discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

While the Company encourages employees to bring any concerns or complaints about compliance with FMLA to the attention of the Human Resources Department, FMLA regulations require employers to advise employees that they may file a complaint with the U.S. Department of Labor or bring a private lawsuit against an employer.

Further, FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

Limited Nature of This Policy

This Policy should not be construed to confer any express or implied contractual relationship or rights to any employee not expressly provided for by FMLA. The Company may modify this or any other policy as necessary, in its sole discretion to the extent permitted by law. State or local leave laws may also apply.

Failure To Comply With Company Policy

You may be subject to immediate termination for:

1. Failing to return to work as scheduled following the end of a leave;
2. Providing false or misleading information or omitting certain information in connection with a leave;
3. Violation of any of the Company's rules and regulations relating to leave; or
4. Violation of any Company policy or performance standard.

Workers' Compensation

If you are away from work due to a Workers' Compensation injury or illness and are also eligible for FMLA, the two types of leave will run concurrently.

Personal Leave of Absence

The Company may grant or extend unpaid leaves of absence requests for medical reasons based on individual circumstances and consistent with federal, state and local law requirements and considerations. The Company also may grant unpaid leave requests for non-medical reasons based on individual circumstances for up to a maximum of thirty (30) days upon prior approval by the General Manager (or highest-level management employee at your location). Requests for extensions of leave beyond thirty (30) days will be considered on an individual basis.

Employees must utilize all paid leave before requesting any unpaid leave and must complete the required paperwork and submit it to Human Resources before any approved unpaid leave commences.

Employees must continue to pay premiums for medical and/or supplemental benefits to continue to receive coverage while on a personal leave of absence, consistent with legal requirements. Employees taking personal leaves of absence may be required to pay the employee and employer portion of the premium while on unpaid leave of absences that are not designated as FMLA absences.

Employees returning from a medical leave of absence must provide a release from their treating physician before they will be permitted to return to work. The failure to provide requested status updates, which may include documentation from the health care provider supporting the need for leave, the failure to respond to inquiries regarding return to work status in a timely manner while on leave, and the failure to report to work as scheduled following a leave of absence is not acceptable.

Time spent on personal leave of absence will not be used for computing benefits such as vacation or holidays.

Except when an emergency situation exists that prevents you from contacting us, you must speak directly with your Human Resources Representative prior to taking leave to ensure your understanding of all your obligations to the Company while on leave, such as your periodic reporting and re-verification obligations. Likewise, you are obligated to contact your Human Resources Representative immediately if your circumstances change and you do not anticipate returning on the agreed upon return date. You also may be required to provide documentation from your health care provider supporting your need for additional leave and your expected return to work date. Your failure to comply with Company policy may substantially affect the leave approval process and affect your return to work under this policy.

Military Leave of Absence

Employees who require time off from work to fulfill military duties will be treated in accordance with applicable requirements of state and federal laws. You are expected to notify the

Company of upcoming military duty by providing your supervisor with a copy of your orders as soon as possible.

Leave will be unpaid unless otherwise required by law or the Company in its sole discretion makes an exception. Employees on military leave are not required to use paid vacation or SB Leave.

Lactation Break

The Company will provide a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's nursing child. The Company will provide a private place for the employee to express breast milk near the employee's work area that is shielded from view and free from intrusion. Employees should contact their immediate supervisor or their Human Resources Representative to request time to express breast milk under this policy and to request a private area to conduct this activity.

The break time taken under this policy should, if possible, be taken concurrently with other break periods already provided. Unless otherwise required by law, non-exempt employees should clock out for any time taken that does not run concurrently with normally scheduled break periods. Please check your state addendum for any additional rights and responsibilities. Employees who believe that they have not been provided lactation breaks in accordance with applicable policy should immediately contact their Human Resources Representative.

What We Expect of You

This section of your Handbook discusses many of your responsibilities to the Company as an employee and focuses on many of the basic rules that should not be violated under any circumstances. This list is not all-inclusive and there may be other circumstances for which employees may be disciplined, up to and including immediate termination of employment. If you have any questions about these basic rules, or what we expect of you as one of our employees, please discuss them with your supervisor. Please thoroughly familiarize yourself with these policies and apply them while at work. ***Violation of any of these basic rules, the policies in this Handbook, the Group 1 Code of Conduct (available on-line at www.Group1Auto.com) or any other policy of the Company may lead to discipline, up to and including termination of employment.***

The Company's identification of these rules does not alter the at-will nature of your employment. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right.

Absenteeism and Tardiness

Each employee is expected to be at his or her workstation on time each day and to remain there throughout his or her scheduled work hours. Depending on the circumstances, excessive absenteeism or tardiness, excused and unexcused, paid and unpaid, may result in discipline, up to and including termination of employment. Simply because you may have unused sick leave days, or your absence is health-related does not mean that your absence will be considered excused. Likewise, scheduled work missed due to incarceration will be considered unexcused absences. Although absences of any duration can lead to disciplinary action and termination depending upon the circumstances, the failure to report to work for two (2) consecutive scheduled workdays without proper notification will be considered job abandonment, and treated as a voluntary resignation, absent exigent circumstances.

If you are going to be late or absent from work for any reason, **you must personally** notify your supervisor as far in advance as possible for each day you are going to be late or absent so that proper arrangements can be made to handle your work during your absence, unless circumstances make it impossible for you to do so. Leaving a message with a co-worker or the receptionist (or leaving a voicemail message) does not qualify as notifying your manager. Of course, in those rare situations in which you cannot provide notice to your immediate supervisor, you are required to notify your immediate supervisor as soon as possible. If you are required to leave work before the end of your scheduled hours, you also must **personally** contact your supervisor and obtain his/her permission before leaving, except in emergencies. When absence is due to illness, the Company may require appropriate medical documentation.

Alcohol and Drug Policy

We are committed to providing a safe working environment to protect our employees and others; to provide the highest level of service; and to minimize the risk of accidents and injuries. For these reasons, we have adopted a policy that all employees must be free from the use and effects of alcohol and illegally used drugs when they report to work and during each workday.

Employees who violate this Policy are subject to disciplinary action, up to and including immediate termination of employment. Maine employees should consult their state addendum for the applicable Drug and Alcohol Policy.

Drug Use/Distribution/Possession/Impairment

Employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing or using illegal drugs or other unauthorized or mind-altering or intoxicating substances while on Company property or working off premises. This policy also prohibits the use and possession of unlawful controlled substances that have been illegally or improperly obtained and the overuse and abuse of medication legally prescribed to the employee. Sharing and using drugs prescribed to someone other than the user is a violation of this policy.

Employees also are prohibited from having in their systems while at work any illegal or unauthorized drug, narcotic or controlled substances and amounts of lawful controlled substances that exceed the prescribed dosage.

Alcohol Use/Distribution/Possession/Impairment

All employees are prohibited from distributing, dispensing, possessing, or using alcohol or having it in their systems during the workday or while on duty, including while on unpaid meal breaks, on Company property, or in Company or customer vehicles before or after business hours. The sole exception to this policy is when the Company is sponsoring a reception on Company property and alcohol is served (which no employee is required or expected to consume). Employees who consume alcohol on these occasions are expected to consume alcohol in moderation, and never consume a quantity of alcohol that causes him/her to become intoxicated or impaired in any way. An employee who suspects that any employee, including him or herself, cannot safely or legally operate a motor vehicle is required to report this condition to the on-duty manager so that proper arrangements can be made. Failure to report suspected intoxication or driving after becoming impaired will be grounds for discipline, up to and including termination. **UNDER NO CIRCUMSTANCES SHOULD AN EMPLOYEE BECOME IMPAIRED TO THE POINT THAT HE OR SHE CANNOT SAFELY OR LEGALLY OPERATE A MOTOR VEHICLE.**

Off-Duty Conduct

Off-duty possession, use, sale, or purchase of mind-altering substances and off-premises alcohol abuse also is prohibited consistent with federal, state and local law. Alcohol abuse for the purpose of this off-duty conduct rule includes employee behavior that puts others at risk and may cause reputational harm to the employee and the Company.

Prescription Drugs

The proper use of medication prescribed to you by your physician is not prohibited; however, we do prohibit the misuse, overuse and unscripted use of prescribed medications. In some situations, proper prescription drug use may affect employee job performance, such as causing dizziness or drowsiness, and create a direct threat of harm to the employee or others. Employees who use prescription drugs and some over the counter medications are responsible for

determining from their physicians whether the prescribed drug(s) or over-the-counter medication(s) may impair job performance or create a safety risk and, if so, to report the use of such medication to his or her supervisor. Employees who fail to disclose to the Company that their medical professional has informed them that their use of a medication may create a direct threat of harm to them or others, is subject to disciplinary action. The Company may require employees in safety sensitive positions to provide medical certification that their prescription drug use does not create a safety risk.

Notification of Impairment

Employees who know or have reason to believe that another employee's condition impairs that other employee's ability to perform his or her job duties, or presents a hazard to the safety and welfare of others, or is otherwise in violation of this policy, are required to promptly report that fact to his or her immediate supervisor or to the highest level management employee at the location if the supervisor is the employee believed to be impaired. Management personnel who receive such a report should notify their Human Resources Representative immediately.

Employee Assistance

The Company expects employees who suspect they have an alcohol or drug problem to seek treatment. Each employee is responsible for seeking and accepting assistance before drug and alcohol problems lead to disciplinary action, including termination. The Company may help employees who abuse alcohol or drugs by providing a referral to an appropriate professional organization. Failure to enter, remain or successfully complete a prescribed treatment program may result in termination of employment. Confidentiality of records and information will be maintained in accordance with all local, state, and federal laws.

Entrance into or participation in a treatment program does not relieve an employee of the obligation to comply with Company policy and to satisfy the Company's standards regarding job performance and conduct, and participation will not prevent the Company from administering discipline for violation of its policies or relieve the employee of his/her responsibility to perform his/her job in a satisfactory, safe and efficient manner.

Enforcement Policy

To enforce this policy and procedures, the Company may investigate potential policy violations by conducting searches of all areas of the Company's physical premises, including, but not limited to, work areas, computers, personal articles, employees' clothes, desks, workstations, lockers, and personal and company vehicles, and any other personal belongings brought onto Company property. In addition, the Company may require personnel to undergo drug/alcohol testing when requested to do so as permitted by applicable federal, state and local law..

Who is Tested?

To the extent permitted by and consistent with applicable federal, state and local law, the Company may conduct drug/alcohol testing under the following circumstances:

- a. **Pre-employment:** Applicants are required to submit to pre-employment testing.

- b. **Post-Accident:** Employees involved in accidents while on duty or while using company or customer vehicles or property shall be required to undergo post-accident drug or alcohol testing immediately following the accident or as soon as practicable thereafter consistent with applicable law.
- c. **Reasonable Suspicion:** Employees may be required to submit to drug/alcohol testing whenever a supervisor has reasonable suspicion that they have violated any of the rules set forth in this policy. Reasonable suspicion may arise from, among other factors, supervisory observation, co-worker reports or complaints, performance decline, attendance or other behavioral changes, results of drug searches or other detection methods.
- d. **On a Random or Periodic Basis:** To the extent permitted by applicable law, employees may be requested to undergo drug testing on a random selection or periodic basis.
- e. **Return from Leave of Absence:** Employees returning from any leave of absence of 60 days or longer must submit to drug testing at the time of their expected return to work date to ensure they meet the safety requirements required of all new or rehired employees. The Company also will conduct MVR checks for employees on any leave of 60 days or longer whose job duties include the operation of vehicles or machinery. Employees subjected to one or both requirements cannot return to work prior to successfully completing the drug screen and MVR check (as applicable).

Disciplinary Action

Employees who violate this Policy are subject to disciplinary action, up to and including immediate termination of employment. Violations of this Policy include, but are not limited to, failing a drug or alcohol test, refusal to cooperate fully with searches or investigations, refusal to submit to screening as and when instructed, providing a diluted or adulterated sample, failure to cooperate with Medical Review Officer inquiries, and failing to execute consent forms when required by management.

Best Business Practices

We must always describe our products and services accurately. Our customers and the Company benefit when we sell responsibly by explaining how our products and services meet their needs. We have an obligation to be well informed about the performance, pricing, features, and quality of the products we sell. When describing our products or comparing our products to those offered by our competition, we should always be accurate and never misrepresent the truth.

Our advertisements are sincere, good faith offers to sell the advertised products or services we market. We must always represent advertised items in a truthful light and make an affirmative offer to sell them. Failing to make a good faith offer to sell or intentionally discouraging customers from purchasing advertised items in order to “switch” them to other items may constitute “bait and switch” sales tactics that are contrary to our policies and the law. Our customers may rely on our

product performance statements when deciding whether to purchase from us. Such statements must be supported by fact.

The Company must make its own decisions about pricing our products and services. Federal and state antitrust laws prohibit competitors from agreeing on pricing levels.

The service we perform on products is done to the best of our abilities, and with the goal of dealing honestly and fairly with customers. We strive to perform all work that we have committed to perform, and which the customer has approved, in a competent and professional manner. Our policy is not to recommend or perform unnecessary work or to charge customers for services or parts not provided. We use parts and supplies that have been procured from reputable sources. In addition, customers must be promptly informed if work is to be done by an entity other than the Company.

Bulletin Boards

The Company maintains a bulletin board as an important source of information. This bulletin board is to be used solely to post information approved by the Company regarding Company policies, governmental regulations, and other work-related matters of concern to all employees and related to the employees' employment by the Company. You should check the bulletin board regularly so that you will be familiar with the information posted there.

Cash Handling Procedures

Employees not specifically approved to accept cash are prohibited from accepting cash from any customer. Any employee approved to receive and handle cash who receives cash from a customer is required to give the customer a proper receipt indicating the exact amount paid, specific details describing the reason or purpose of the payment, and to retain a copy of that receipt for Company records.

If your job involves handling the Company's or customer's money, you must take great care to ensure that you never leave the money unattended, that you perform a proper accounting, that you prepare a proper receipt and that you remit the money as soon as possible. All employees required and approved to handle cash as part of their employment are required to read Group 1's Accounting Policies and Procedures and the Cash Policies Representation Letter and to acknowledge in writing their receipt and understanding of the policy and their agreement to comply with all of its requirements.

Any employee who fails to follow these procedures or who cannot account for missing money that was last in their possession or control may be held responsible for any monetary loss and may be required to repay any lost, stolen, or improperly used money. Any employee who fails to follow these procedures also may be subject to a criminal investigation, penalties and sanctions.

Cash Reporting Procedures

Internal Revenue Service (IRS) regulations require that any transaction involving more than \$10,000 in cash or cash equivalents must be reported to the IRS on Form 8300. "Cash" under the IRS reporting rules includes any kind of currency (U.S. or foreign), cashier's checks from

banks, bank drafts, travelers' checks, and money orders which have a face value of less than \$10,000 but combined equal \$10,000 or more. Combinations of these kinds of instruments are considered "cash" for reporting purposes when they total \$10,000 or more. Goods and services should be denied to people with cash who are known (actual knowledge) to be engaged in criminal activity. Selling goods and services to one who is known to be a drug dealer or engaged in some other illegal activity is contrary to Company policy and illegal.

Where such a cash transaction is involved, the following information must be obtained from the purchaser: name, address, social security number, and if an alien, passport number, country of origin and alien registration number. This information, along with a description of the sale, must be immediately filed with the IRS on Form 8300 within fifteen (15) days of the cash transaction.

The federal Money Laundering Control Act is a criminal law with penalties directed at people who deliberately conspire with those engaged in enterprises to "launder" money generated from criminal activity. This means you may be held criminally liable for failing to report cash purchases or other violations of this policy. "Structuring" a transaction to evade the cash reporting requirements carries penalties ranging from \$25,000 to \$100,000, and failure to comply with this government regulation is a felony with a potential sentence of up to five (5) years in jail.

Failure to comply with federal regulations will subject an employee to disciplinary action, up to and including termination of employment, and could result in a felony conviction.

This policy applies to associates who handles cash in the course of their daily duties or who is responsible for a sum of money to facilitate business. Access to or use of funds in a cash drawer, spiff advance or petty cash is to be used for legitimate business purposes only; the funds are not for personal use. Each person is responsible for accurately recording funds received, funds distributed, and funds deposited.

Cellular Phones, Smartphones, and Other Handheld Electronic Devices

While at work, employees are expected to exercise the same discretion in using personal cellular phones, smartphones, and other handheld electronic devices as is expected for the use of all Company devices and equipment. In the remainder of this policy, these devices are collectively referred to as "handheld devices." To avoid interfering with employee productivity and distracting others, inappropriate or excessive use of handheld devices in the workplace, as determined by management in its sole discretion, is prohibited. Employees may not use a cell phone, smartphone or any other handheld device in a manner that violates our Policy Against Harassment and Discrimination, Equal Employment Opportunity Policy, or any other Company policies. Employees are not permitted to use or disclose customer information or any other Company confidential business information loaded in any manner onto their handheld devices or other personal electronic equipment **except for Company-related business purposes**. Upon separation of employment, employees are required to delete all confidential information from their

personal devices and are prohibited from retaining, copying, using and disclosing that information for any reason or purpose.

Personal Use of Company-Provided Handheld Devices

The Company may issue a business-owned handheld device to an employee for work-related communications. These handheld devices should be used in accordance with this policy and all Company policies. To the extent permitted by state law, the Company reserves the right to deduct from an employee paycheck any charges incurred for an employee's personal or unauthorized use of the handheld devices.

Recording Devices

To maintain the security and confidentiality of our premises, and systems, including customer and confidential and proprietary business and customer information, the Company prohibits unauthorized photography or audio and video recording by you or a third party. Do not use a cell phone or any other device to make any type of unauthorized photograph or audio or video recording. Authorization for any type of recording requires the advance written approval of the General Manager or the highest-level management employee at your location. Violation of this policy may result in discipline, up to and including immediate termination of employment. Nothing in this policy is intended, nor should it be construed to limit or prohibit any employee's legally protected rights to communicate with government agencies or other employees, to otherwise participate in an official government proceeding, or to engage in conduct that is protected by Section 7 of the National Labor Relations Act.

Safety Issues for Handheld Devices

Employees are prohibited from using their handheld devices (other than hands free) for talking, texting, emailing and the like while driving a vehicle (personal, customer or company-owned) for work-related reasons. Any employee who receives a call, text message, email or other form of electronic communication while operating a vehicle for work-related reasons is required to pull off the road, clear of all traffic, and cease operation of the vehicle if they wish to receive or return the call, email, text message or other form of electronic communication. Under no circumstances are employees allowed to place themselves or anyone else at risk to fulfill business needs. Employees driving for work-related reasons also are expected to comply at all times with federal, state or local laws governing the use of handheld devices. Employees who are charged with traffic violations resulting from the use of their handheld devices while driving will be solely responsible for all liabilities that result from such actions.

Changes in Personnel Records

Employees are expected to notify the Company promptly of any change of name, address, phone number, or other applicable information, so that we can keep your personnel records up to

date and ensure that we have the ability to contact you, and that the appropriate benefits are available to you.

Company Property

All Company assets should be used with proper approval and for legitimate business purposes only. Company funds may not be paid to anyone or any entity, including vendors and service providers, without a signed, written agreement or an approved and appropriately detailed invoice. Returned, used, unused, and aged parts, supplies and materials are Company property. Parts removed from customer vehicles that are not provided to the customer or returned to the manufacturer are the sole and exclusive property of the Company and may not be taken from Company premises by any employee without the express written authorization of the General Manager or highest-ranking management employee at the facility. **The removal of Company property from Company premises without written authorization is considered theft. Any employee who removes Company property without proper written authorization is subject to immediate termination of employment and criminal prosecution.**

If you suspect that someone is stealing or otherwise not properly using and protecting Company assets, you must report these concerns to your supervisor. If you do not believe that your supervisor has addressed your concerns properly, you should immediately contact your Human Resources Representative, or utilize the Employee Hotline to report your concerns.

Damage to Property

Deliberate or careless damage to the Company's, your co-workers' or customers' property will not be tolerated. No employee should use equipment, vehicles or other property of customers, vendors, other employees or the Company, without authorization. You must immediately report to your manager all damage to the property of others, whether occurring on or off Company premises. Damage to customer property must be disclosed to the customer in writing to the extent required by law. **If the Company determines that your actions were the cause of or a contributing factor to damage to customer or Company property, you may be responsible for paying the deductible amount toward repair or replacement (to the fullest extent allowed by federal, state or local law) as well as for any damages to third party property. You also may be requested to undergo drug/alcohol testing and take required training.**

Company Keys

Each employee to whom a key is given is responsible for proper use and return of that key and must follow the applicable key use procedure. Employees are not permitted to duplicate customer or company keys without management approval nor are they allowed to loan keys to anyone. Employees are responsible for all keys checked out by them or in their names. You must report immediately a lost or misplaced key to your Department Manager. Employees who lose or misplace customer or Company keys or who violate this policy may be required to pay the cost of

replacing the key or costs associated with changing or re-keying locks, to the extent permitted by law. See your Department Manager if you need a replacement key.

Company Tools

Tools belonging to the Company should be secured in appropriate toolboxes and locked areas when not in use. Company tools are not to be removed from the Service Department under any circumstance and are not to be used for personal use without permission from management. Employees who lose, misplace or willfully or carelessly damage Company tools or equipment may be required to pay replacement or repair costs to the extent permitted by law.

Misuse of Property

No employee should misuse, or use without authorization, equipment, vehicles or other property of customers, vendors, or other employees of the Company.

Return of Property

All employees separating from the Company are responsible for returning Company property, including but not limited to, uniforms, keys, credit cards, computers, handheld devices, files, records, technical manuals and tools within their possession or for which they are responsible. Employees who take a leave of absence must turn in all such items prior to beginning their leave as requested by their supervisor. Employees who fail to return Company property may be liable for the cost of such items, to the extent permitted by law.

Company Office Machines

Company office machines are for legitimate business purposes only and should not be used for personal use. Employees are prohibited from using these machines for the purpose of transmitting, receiving or copying materials that may be deemed offensive or insulting or in violation of Company policy. Any employee, who receives such materials via fax transmission, the mail, or from any other source, should report the transmission immediately to their Manager.

Computers, Phones, E-Mail and the Internet

The following policy governs the use of all Company-owned computers, personal computers and personal phones used for Company business, e-mail systems, voicemail and internet access via Company computers and/or data lines. Personal computers used for Company business include laptops, handheld devices, tablets, or home computers that access or utilize the Company's network and Company information on a regular or intermittent basis. Violations of this Policy may result in disciplinary action up to and including **immediate termination of your employment and civil and criminal sanctions.**

In addition to Company policy, numerous state and federal laws apply to and regulate the use of electronic communications. The Company will comply with applicable laws and expects you to do so as well. Your failure to do so could subject you to disciplinary action as well as **possible civil liabilities or criminal prosecution.** Where appropriate, the Company may advise legal officials or appropriate third parties of policy violations and cooperate with official

investigations. We will not retaliate against anyone who reports possible policy violations or assists with investigations.

If you have questions about the acceptable use of our Systems or any of our Electronic Communications policy, you should contact your Human Resources Representative. Nothing contained herein shall preclude you from engaging in conduct that is protected by Section 7 of the National Labor Relations Act.

Company Property

All Company computers, e-mail and voice mail facilities, and internet access accounts are the Company's property to be used to facilitate the business of the Company. All information that is temporarily or permanently stored or transmitted with the aid of the Company's computers, e-mail and Internet remains the sole and exclusive property of the Company. As such, employees should have no expectation of privacy in connection with their access and use of such equipment and systems and the Company reserves the right to access and view all information accessed from or with Company equipment, including personal password protected accounts.

Employees should not use or access the Company's computers, voice mail, e-mail and Internet systems in any manner that is unlawful, inappropriate or in violation of Company, policy, including but not limited to our Policy Against Harassment and Discrimination. These electronic tools are provided to assist employees with the execution of their job duties and should not be abused.

All software that has been installed on Company computers and any data temporarily or permanently collected, downloaded, uploaded, copied and/or created on Company computers or personal computers used for Company business is the exclusive property of the Company and may not be copied or transmitted to any outside party or used by employees at any time for any purpose not directly related to the business of the Company.

Employees are strictly prohibited from removing or copying any software or data from Company-owned computers, smartphones or other electronic devices at any time, including upon circumstances, without the express written permission of the Vice President Information Systems. Upon termination of employment, employees are required to completely remove all Company business-related data collected, downloaded and/or created on personal computers or other handheld devices and to provide that data to the Company. Upon request of the Company, a terminated employee shall permit a Company representative to inspect the employee's personal electronic equipment to confirm that all Company data and other information has been removed from the electronic device. The Company reserves the right to review and retain any employee's personal information or data left on Company-owned equipment and/or dispose of it following the termination of employment.

Prohibited Use

Employees are strictly prohibited from using Company computers, e-mail and voicemails systems, and Internet access accounts or personal computers used for Company business, for any improper purpose. The Company's Policy Against Harassment and Discrimination extend to the

use of the Company's computers, e-mail, voice mail and Internet systems and personal computers used for Company business.

It is not possible to identify every type of inappropriate or impermissible use of the Company's computers, e-mail, voicemail and Internet systems. Employees are always expected to use their best judgment and common sense when accessing or using the Company's computers, e-mail, voicemail and Internet systems. The following conduct, however, is strictly prohibited:

- Employees may not transmit, retrieve, download, or store inappropriate messages, images, or videos relating to race, religion, color, sex, sexual orientation, national origin, citizenship status, age, disability, gender identity or any other status protected under federal, state and local laws.
- Employees may not use the Company's computers, e-mail, voice mail and Internet systems in any way that violates the Company's Policy Against Harassment and Discrimination. By way of example, employees may not send or forward messages that would constitute sexual harassment; may not use sexually suggestive or explicit screensavers or backgrounds; may not access, receive, transmit or print pornographic, obscene or sexually offensive material or information; and may not transmit, retrieve, download, store or print messages, images, or videos that are offensive, derogatory, defamatory, off-color, sexual in content, or otherwise inappropriate in a business environment. Employees are also prohibited from making threatening or harassing statements to another employee, or to a vendor, customer, or other outside party.
- Employees are strictly prohibited from altering, transmitting, copying, downloading or removing any proprietary, confidential, trade secret or other information of the Company, or of the Company's customers. In addition, employees may not alter, transmit, copy or download proprietary software, databases and other electronic files without proper and legally binding authorization.
- Employees should not download, transmit, or retrieve messages from multi-network gateways, real-time data and conversation programs including, but not limited to, instant messaging services, Internet chat rooms and bulletin boards unless such activity is necessary for business purposes.
- Employees may not use or allow unauthorized individuals to use the Company's computers, e-mail and Internet systems for any purpose that is competitive with the Company's business interests or creates a conflict of interest.
- Employees are strictly prohibited from using the Company's computers, e-mail or Internet systems in any manner that violates the federal Anti-SPAM law.
- Employees must honor and comply with all laws applicable to trademarks, copyrights, patents and licenses to software and other electronically available information. Employees may not send, receive, download, upload or copy software or other copyrighted or otherwise legally protected information through the Company's computers, e-mail and Internet systems without prior authorization.

- Employees may not solicit personal business opportunities or conduct personal advertising through the Company’s computers, e-mail or Internet systems.
- Employees may not engage in gambling of any kind or play electronic games through the Company’s computers, e-mail or Internet systems.
- Employees may not engage in day trading, or otherwise conduct excessive securities trading, investment activities or conduct excessive personal business through the Company’s computers, e-mail or Internet systems.

Employees are not permitted to use or disclose customer information or any other Company confidential business information loaded in any manner onto their personal cell phones or other personal electronic equipment except for Company-related business purposes. Upon separation of employment, employees are required to delete all confidential information from their personal devices and are prohibited from retaining, copying, using and disclosing that information for any reason or purpose.

Unsolicited E-mail

Electronic mail is an extremely important and efficient means of communication, particularly in the business world. However, the abuse of electronic mail systems, as well as the receipt and transmission of unsolicited commercial electronic mail places a drain on the Company’s servers and network and imposes significant monetary costs to filter and remove unsolicited e-mails from our system. To eliminate the receipt and transmission of unsolicited commercial electronic mail, the Company complies with the federal “CAN-SPAM” law. All employees are responsible for complying with the federal Anti-Spam regulations and therefore may not use the Company’s computers, servers, network or e-mail system to:

- Record in Company systems fake or altered e-mails or email addresses not belonging specifically to the customer of record.
- Transmit unsolicited commercial electronic mail promoting the Company’s business, goods, products and services without prior authorization.
- Transmit unsolicited commercial electronic mail promoting the employee’s personal business, goods, products and services.
- Transmit commercial electronic messages to the Company’s customers who have elected to “opt-out” of receiving the Company’s electronic advertisements.
- Initiate a transmission of a commercial e-mail message that contains or is accompanied by false or misleading information.

In addition, to help the Company eliminate the receipt of unsolicited commercial e-mail from outside parties advertising various websites, products or services and to further prevent the receipt of offensive or undesired outside e-mail, you should refrain from:

- Using your Company computer to access any website not directly related to Company business;
- Deleting or opening unfamiliar or suspicious e-mail; and
- Accessing your personal accounts from a Company computer or other electronic device.

Monitoring

Employees should expect that at any time without prior notice the Company might access any information created, transmitted, downloaded, received or stored in Company computers or personal computers used for Company business, or on the Company's voice mail system. Employees should not assume that they have an expectation of privacy or confidentiality in such messages or information (whether such messages or information is password-protected), or that deleted messages are necessarily removed from the system.

Employees are responsible for ensuring the security of their own password and login information and are strictly prohibited from sharing this information with other employees unless specifically instructed to do so by management, Human Resources or the IT department. Employees may not use another employee's login information for any reason. Employees must provide all passwords and access codes for Company computers or personal computers used for Company Business to the system administrator. Changing passwords or creating new passwords without notifying the system administrator is strictly prohibited.

System Integrity

Because outside data may contain viruses, employees are not permitted to use personal data or copies of software or data in any form on any Company computer without first (1) obtaining specific authorization from the system administrator, and (2) scanning the data for viruses. Any employee who introduces a virus into the Company's system via use of personal software or data shall be deemed guilty of gross negligence and/or willful misconduct and will be held responsible for the consequences, including cost of repair and lost productivity.

Similarly, information is not to be downloaded directly from the Internet onto the Company's computer system. All information downloaded from the Internet is to be placed into quarantine and scanned for viruses before being introduced into the Company's system.

Enforcement

Employees who damage the Company's computer system through its unauthorized use may additionally be liable for the costs resulting from such damage. Employees who misappropriate copyrighted or confidential and proprietary information, or who distribute harassing messages or information, may additionally be subject to criminal prosecution and/or substantial civil money damages. Employees who do not return Company-owned property upon

the termination of employment may be subject to civil and criminal sanctions and payroll deductions.

Software Code of Ethics

Unauthorized duplication of copyrighted digital material (pictures, songs, movies, software, etc.) violates the law and is contrary to our organization's standards of conduct. We disapprove of such copying and recognize the following principles as a basis for preventing its occurrences:

- We will neither engage in nor tolerate the making or using of unauthorized digital copies under any circumstances.
- We will provide legally acquired software to meet the legitimate software needs in a timely fashion and in enough quantities for all our computers.
- We will comply with all license or purchase terms regulating the use of any software we acquire or use.
- We will enforce strong internal controls to prevent the making or using of unauthorized software copies, including effective measures to verify compliance with these standards and appropriate disciplinary measures for violations of these standards.

Confidentiality

You must carefully protect our Company's confidential and proprietary information, trade secrets and customer information as explained in our separate Privacy of Customer Information Policy, and your acknowledgment of receipt of this Employee Handbook specifically acknowledges your agreement to comply with this obligation. No employee is authorized to copy, use or disclose Company and customer business and personal information, records, files, business ideas, processes, negotiations, unannounced products, commercially sensitive data or other information entrusted to you by the Company and not generally known by the public (such as pricing, financial data, customer or employee data, marketing plans, technical data, or research data) no matter how it was obtained or on what device it is stored, except when disclosure is authorized or legally mandated.

Confidential information includes all non-public information that, if disclosed, might be of use to competitors, or harmful to the Company or its customers, or have an impact on the value of public securities. Confidential information includes, but is not limited to, all non-public information that is learned about the Company's suppliers and customers that is not in the public domain. Confidential information also includes, but is not limited to, all letters or any other information concerning transactions with customers, customer lists, financial records of the Company, including monthly financial statements, all records pertaining to purchases from vendors or suppliers, inventory lists, vehicle invoices, contracts and other financial arrangements with vendors and finance sources, CSI data, correspondence and agreements with manufacturers or distributors, documents concerning operating procedures of the Company, and any other information not in the public domain to which an employee would not have lawful access. Wage,

work hours, and working conditions information is not considered confidential information for purposes of this Policy.

The obligation to preserve confidential information continues even after employment with the Company ends. Any documents, papers, records, files, or other tangible items that contain trade secrets or confidential or proprietary business or customer information are the property of the Company and may not be taken, copied, used by or provided to any other person or entity without the express written permission from the President of the Company. Employees and former employees who violate this policy may be subject to civil and criminal liability.

On occasion, companies with which we do business share their confidential and proprietary information with us. We safeguard their information with the same care we would give to our own Company's information and our policy requirements extend to that information as well.

Conflict of Interest

An employee's inappropriate actions related to business decisions, or the improper disclosure of information or plans can have a significant impact on the Company's operations, financial position and the perception of the Company in the public market. A conflict of interest is the direct result of a situation where both the Company and an employee of the Company have vested, but differing interests in a particular transaction. All employees have a fiduciary responsibility to enter into business transactions that are in the best interests of the Company, thereby reducing the potential for actual or apparent conflicts of interest. All employees are asked to use reasonable judgment before accepting any gifts, regardless of the value, and at all times should take those steps necessary to avoid even the appearance of impropriety.

This policy applies to all employees of the Company and all its subsidiaries and affiliates. A subsidiary or affiliate is a company that is owned or controlled, directly or indirectly, by the Company. All employees have a fiduciary duty and a duty of loyalty to the Company to always act in the Company's best interest in any business matter. A conflict of interest occurs when an employee:

- improperly engages in conduct which is not in the best interest of the Company;
- puts his or her personal interests above those of the Company;
- seeks to benefit improperly from his or her position with the Company; or
- misuses Company time, resources, or relationships.

Conflicts may also arise based on the conduct or relationships of an employee's immediate family member. All employees have an affirmative duty to avoid conduct that may give rise to a conflict of interest. All employees are required to make full disclosure to the Company, at the earliest possible time, of any situation that may constitute or give rise to a conflict of interest even though neither they nor an immediate family member or close friend may be involved in the conflict.

While it is not possible to develop a detailed set of rules covering all circumstances or serving as a substitute for good judgment, the following are examples of types of activity by an employee, director, officer or an immediate family member of such employee, director, or officer, which might cause conflicts of interest:

- Directly or indirectly owning an interest in, loaning money to, working or performing services for, any business that competes with the Company,⁸ or any vendor, distributor, supplier, consultant or significant customer that does business with, or seeks to do business with the Company. Shares of stock or other securities in a publicly traded company that are obtained through open market trading are excluded from this provision, so long as the ownership or other interest does not exceed 1% of the public company. Ownership interests in startup companies or private companies seeking to develop relationships with the Company are prohibited unless written consent is obtained from the Board of Directors.
- Serving as a director, manager, employee, consultant or independent contractor to any vendor, supplier or competitor of the Company. You may participate on the boards or other advisory bodies of for-profit companies, including manufacturer-dealer organizations, but not a competitor, and may retain the compensation received for such service *provided* that you must: (1) receive approval for such participation from the Company's Chief Executive Officer and (2) disclose to him or her the amounts of any such compensation received. Participation on not-for-profit boards is permitted so long as you obtain approval from your supervisor.
- Using or employing Company property, information, position or personnel for personal gain or benefit beyond what is considered usual and customary in a normal business sense.
- Obtaining personal loans from customers, vendors, or suppliers of the Company, or employees or owners of such an entity. Loans from financial institutions with which the Company does business are permissible as long as they are in the ordinary course and are not made at below market terms.
- Accepting employment outside of the Company, including self-employment, which could create a conflict of interest with their work at the Company. Employees should not accept outside employment with competitors, suppliers, or customers.
- Representing the Company in any transaction in which the employee or a related person has a substantial personal interest, whether direct or indirect.
- Personally purchasing inventory from a vendor or supplier of the Company at below fair market value.

⁸ For purposes of this Policy, the term "competes with the Company" shall mean any other business, retail or wholesale, regardless of location or ownership, including employee owned business, that (i) distributes, sells or purchases, including trades for, any automotive products, including parts and accessories, of any kind or nature, (ii) performs any repair or service to any automotive products or parts and accessories, or (iii) engages in the repair or restoration of any automotive product.

- Personally purchasing inventory of the Company at below market value (particularly used vehicles and limited availability models). Employees may purchase inventory of the Company at below market value only if the purchase is made in connection with an employee discount program that is available to all employees.
- Taking any opportunity that is discovered or made available through the use of Company property, information or position, or that otherwise in equity and good conscience belongs to the Company, without first making full disclosure to, and obtaining written approval from, the Board of Directors, or otherwise competing with the Company.
- Disclosing confidential or inside information to others.
- Use of confidential or inside information for personal benefit (or the benefit of others), including use when buying or selling shares of stock of the Company or shares of any competitor, vendor or supplier in market transactions.
- Contributing Company money, property, or services to any political candidate or organization or for any other political purpose, other than as expressly provided by the Group 1 Automotive Political Action Committee (PAC).
- Any attempt to bribe or otherwise improperly influence the decisions or actions of any vendor, supplier or competitor of the Company or any governmental official, employee, or any other entities or individuals, whether or not using Company funds or property.
- Trading in Company stock during any Company blackout period.

Gifts & Entertainment

We do not accept or provide any gift, favor or entertainment if it will obligate or appear to obligate the recipient or otherwise influence any business decision. The following are examples of types of activity by an employee, director, officer or an immediate family member of such employee, director, or officer, which might cause conflicts of interest:

Gifts

- Accepting compensation or gifts from or engaging in excessive entertainment with any company or person that does or seeks to do business with the Company or its competitor. The purpose of business entertainment and gifts in a commercial setting is to promote good will and sound working relationships, not to gain unfair advantage with customers or suppliers. Such opportunities or decisions require judgment and each situation should be considered carefully.
- Accepting gifts that would appear to undermine or influence good business judgment. Careful consideration should be given by an employee who solicits entertainment opportunities from the people with whom the Company does business. On occasion, employees may accept novelties, promotional items of a nominal value or modest gifts if:

- the gift complies with the giver’s company’s rules;
- this happens only occasionally;
- the gift was not solicited; and
- open disclosure of the gift would not embarrass the Company, or the people involved.

While it is often times difficult to determine the value of a gift, if you have reason to believe the value of the gift is in excess of \$250, you should advise your immediate supervisor of receipt of the gift and determine if it should be returned.

Entertainment

The Company has adopted a Travel & Entertainment Policy (“T&E Policy”) that serves as a guide for our employees when traveling, entertaining or otherwise incurring expenses on Company business. All travel and entertainment must be approved in advance by your Department Head. Included in the T&E Policy is a list of authorized transactions that represents the approved categories for T&E spend. You may give business-related gifts where there is a clear and sound business purpose and when the gift is consistent with our business strategy. If you have any questions, please contact your supervisor for clarification.

- Employees may accept an occasional invitation to a sporting activity, entertainment or meals, if:
 - the activity is infrequent and of reasonable value; and
 - it is preferred that a representative of the company offering the invitation is present. **Moderation and appearance are key.**

The \$250 limitation does not apply to entertainment, but good judgment must be applied, and all employees will be held to the standard of avoiding even the appearance of impropriety.

- All out of town trips/entertainment must be approved by your supervisor.

These principles apply to all employees, and it is always the responsibility of regional management to communicate this information to all employees. The President, U.S. Operations, Vice President, U.S. Operations and their counterparts in the U.K. and Brazil are responsible for the conduct of their employees.

Disclosure

For the protection of both the Company and the individual, it is essential that each employee make prompt and full disclosure to their supervisor of any situation that may involve a potential or perceived conflict of interest, whether or not the employee is personally involved. In addition, all related party transactions involving regional or market executives must be communicated in writing as part of the quarterly compliance representation letter. All information regarding conflicts of interest will be treated as confidential, except to the extent necessary for the

protection of the interest of the Company. Information will also be disclosed for review by the Audit Committee, the Board of Directors or independent public accountants of the Company, and the legal department and outside legal counsel as deemed necessary.

Any questions concerning this policy, its interpretation or applicable laws should be addressed to the Chief Executive Officer, the Chief Financial Officer, or the office of the General Counsel of the Company. These questions must be presented in advance of any contemplated transactions because of the consequences of violation. Violations of this policy may result in discipline up to and including termination of employment and may result in legal action by the Company. You are required to discharge your reporting obligations under this policy at any time at which a potential conflict arises. You may also be required to certify compliance with this policy from time to time.

Employee Property

The Company discourages employees from bringing valuables or large amounts of money to work or carrying valuables or large amounts of money while on duty. Employees should store their personal property brought onto the premises in secured locations. The Company is not responsible for loss, theft, or damage to employee property.

Employee Tools

If your job requires you to use personally owned work tools, you are responsible for their security, maintenance, and replacement. When not in use, you should secure your personally owned tools and equipment in appropriate toolboxes. Please be advised the Company's insurance likely will not cover the loss of your personally owned tools and equipment.

Fraud, Dishonesty, Theft, and False Statements

Material Misrepresentations or Omissions

We do not tolerate theft or dishonesty in any form. No employee or applicant is permitted to ever make material misrepresentations or omissions to the Company or falsify or make misrepresentations or omissions on any resume, application, medical history record, invoice, paperwork, time sheet, time card, time record, investigative questionnaire, written complaint, accounting entry, financial statement, work order, purchase order, repair order, sales documents, emission inspection, credit application or any other document. Nor may any employee fraudulently or falsely report customer or warranty repairs or report false, incomplete or misleading information to any lending institution or manufacturer, including but not limited to submissions related to the customer satisfaction survey process. Employees also are prohibited from improperly using the employee discounts. Any employee found to have made any material misrepresentations or omissions or false or misleading statements to the Company, including but not limited to statements or omissions made at any time during the hiring process, during an investigation or on time records, will be subject to immediate termination of employment,

regardless of when the Company discovers the misrepresentation, omission, or false or misleading statement.

By way of example and not limitation, failing to install all parts charged out on a repair order is considered theft. Taking the property of the Company, a customer, a vendor or a coworker without authorization is considered theft. Creating false or fraudulent customer satisfaction information is theft. Reporting that you have performed a service or other work that you have not performed is considered theft. Recording time that you did not actually work is considered theft. Removing parts or equipment from vehicles taken in trade, even if they are going to be wholesaled, is considered theft of Company property. Taking customer lists and other confidential and proprietary business information is considered theft. The removal of used parts or other scrap from the Dealership without written permission is considered theft. Employees involved in any form of theft are subject to termination, as well as criminal prosecution. When appropriate, the Company will vigorously pursue the criminal prosecution of any current or former employee involved in theft.

Our credibility with our customers is the most important element of our relationship. Misrepresentation to a customer violates Company policy, may violate the law and, depending upon state law, may result in personal liability for the employee.

Employees also are required to be honest in all aspects of their dealings with their supervisors and co-workers. Any employee with knowledge of any theft or fraudulent behavior who does not report that activity to the General Manager or highest-ranking management employee at the facility is subject to disciplinary action, up to and including termination.

Credit Applications

Company policy prohibits employees from directly or indirectly misrepresenting or falsely reporting any information on a credit application information or customer credit status to any financial institution. **Under no circumstances is an employee ever permitted to ever sign the name of a customer or any other person to any document. If you observe or become aware of violations of this policy or believe that you have been directed to violate this policy, please report this conduct to the Vice President of Human Resources immediately.**

Gifts and Gratuities

In addition to complying with our policies governing the acceptance of compensation or gifts in this section and explained in the Conflict of Interest section of this Handbook, Company policy also regulates the circumstances in which its employees may give gifts. We may give gifts, favors, or other entertainment that reasonably complement a “normal” business relationship. Gifts of modest value are generally appropriate; however, we never give a gift that could embarrass those with whom we do business. You may give business-related gifts where there is a clear and sound business purpose and when the gift is consistent with our business strategy. Never offer a gift if it is against the law or violates the policy of the recipient’s company.

It is never appropriate or permitted to give or receive a kickback. A kickback is the giving of money, fees, commission, credits, gifts, favors or anything else of value provided directly or indirectly in return for favorable treatment.

The U.S. government has several laws and regulations regarding business gratuities that may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. To determine whether a gift or gratuity to be made on behalf of the Company complies with applicable laws, you should seek guidance from your Market Director, Vice President of Human Resources or General Counsel.

Housekeeping

Employees are responsible for maintaining all public areas and their own work areas in a presentable manner. At the close of each business day, you must ensure that all equipment is cleaned and put away. All stationery and miscellaneous supplies should be removed from benches/furniture tops. No paperwork may be left out overnight. Furthermore, employees shall properly dispose of all garbage. Littering of cigarette butts, wrappers and other trash on Company property will not be tolerated.

Work areas must be maintained in a clean, healthy and orderly fashion to prevent unsafe conditions and potential accidents. Tools and equipment should be properly stored when not in use, and all floor areas must be kept free of grease, oil and other substances to prevent falls. If you observe conditions or equipment that are potentially dangerous, report them immediately to your supervisor. It is each employee's responsibility to make sure the work area is clean and orderly at the completion of his or her scheduled work shift.

Illegal Activity

Employees are not permitted to engage in any kind of illegal activity on duty or on the Company's property, or while off the job that reflects detrimentally on the Company's reputation. Gambling on Company property is strictly prohibited.

Inclement Weather

Normal weather should not affect Company operations. However, under extreme weather conditions, employees may not be able to report to work or the Company may close an operation.

In the event of severe weather, employees should make every effort to report to work unless a travel ban is in place or the employee's personal safety or the safety of their family is at risk. Employees who are not able to report to work due to inclement weather must follow the normal "call-in" procedures for reporting off work. Absences resulting from inclement weather will be considered excused for employees who make every effort to report safely to work and who use the normal "call-in" procedures to notify their manager of their weather-related absence. The failure to report off work using the proper procedure will result in an unexcused absence and may result in disciplinary action.

In the rare circumstance of extreme weather or natural disaster, the Company may close. If the Company closes, we will attempt to notify you of the closure by any available means such as radio and television announcements, voice mail, text messages, and/or personal phone calls.

Employees may elect to use SB Leave or vacation time with prior approval from your manager for excused absences due to inclement weather.

Insider and Stock Trading Policy

The Company's common stock is traded on the New York Stock Exchange ("NYSE") and must be in compliance with U.S. federal statutes and regulations of the Securities and Exchange Commission ("SEC") and the NYSE.

The SEC, implementing various U.S. federal statutes, has enacted various regulations regarding the use and public disclosure of information about a corporation that is not known to the public, commonly known as "inside information."

These regulations and the underlying statutes require Group 1 and its directors and employees to ensure that information about the Company⁹ is not used unlawfully in connection with the purchase and sale of securities.

All employees of the Company should pay particularly close attention to the applicable laws against trading while in the possession of inside information. The federal securities laws are based on the belief that all persons trading in a company's securities should have equal access to all "material" information about that company. Therefore, if an employee of a company possesses material nonpublic information regarding a company or its securities, that employee is prohibited from buying or selling stock in the company until the information has been disclosed and disseminated to the public. This is because the employee knows information that will probably cause the stock price to change and it would be unfair for the employee to have an advantage that the rest of the investing public does not have.

In general, it is a violation of U.S. federal securities laws for any person to buy or sell securities if he or she is in possession of **material inside information** relating to those securities. Information is "**material**" if it could be reasonably expected to affect a person's decision whether to buy, sell or hold the securities. Information is "**inside information**" if it has not been publicly disclosed. Furthermore, it is illegal for any person in possession of material inside information to provide other people with inside information or to recommend that they buy or sell the securities whether related to the Company or any third party. This is called "tipping." In this case, both the person who provides and the person who receives the information may be held liable.

A violation of the U.S. federal insider trading laws can expose the violator to criminal fines of up to three times the profits earned (or losses avoided) and imprisonment for up to ten (10) years, in addition to civil penalties of up to three times the profits earned (or losses avoided), and injunctive actions. The securities laws also subject controlling persons to civil penalties for illegal insider trading by employees. Controlling persons include Group 1 and may also include directors, officers and supervisory personnel. These persons may be subject to fines up to the greater of \$1,000,000 or three times the profits earned (or losses avoided) by the inside trader.

⁹ As used herein, "Company" includes Group 1 and all of its subsidiaries, and "employee" includes all employees of Group 1 or any of its subsidiaries.

Inside information does not belong to the individual directors, employees or agents who may handle it or otherwise become knowledgeable about it, but instead it is an asset of the Company. A person who uses inside information for personal benefit or discloses it to others outside the Company violates the Company's interests and commits a fraud against members of the investing public and against the Company.

General Disclosure Policy

The Company's strict policy is to make prompt and complete disclosure of material information to the public when and as required by the federal and state securities laws and rules and by the NYSE.

Trading Restrictions

Trading in Group 1 Automotive Common Stock

No employee shall place a purchase or sale order, or recommend that another person place a purchase or sale order, in Group 1's common stock (or any other publicly traded Group 1 security) when he or she has knowledge of material information concerning the Company that has not been disclosed to the public. This includes selling shares acquired by exercising employee stock options. Any employee who possesses material inside information must wait until the information has been publicly released before trading. Group 1 discourages employees from ever making trading recommendations regarding Group 1 common stock to third parties including family members.

Nonpublic. Information is "nonpublic" until it has been made available to investors generally (through a press release, Form 8K, or other public filing) and the market has had time to evaluate the information. As a general rule, if you know of material, non-public information about the Company, you should not trade the Company's securities until twenty-four (24) hours after the information is publicly announced in order to give the market time to digest and evaluate the information.

Trading Guidelines

Persons Subject to Guidelines

These guidelines apply to all Company employees and to the members of their immediate families. **All Company employees must observe the prohibition on trading on material inside information and may be subject to termination for violations of the prohibition.**

Financial Analysts and Stockholders

Group 1 Automotive is widely followed by the financial community and by many financial analysts. These analysts are constantly seeking information about the Company. Only the Chief Executive Officer, the Chief Financial Officer, the Vice President, Public Affairs and the Manager of Investor Relations may talk to the financial analysts, our stockholders and the financial community about the Company's financial results, business prospects, products, competition, operating results or financial or sales projections. Employees should direct all inquiries from

financial analysts or stockholders, even email, to the Chief Executive Officer, Chief Financial Officer, the Vice President, Public Affairs or the Manager of Investor Relations.

Violations of Securities Trading Policy

This policy is not an absolute guaranty of immunity from violations of the laws against insider trading. In the final analysis, each employee must bear the responsibility for his or her actions. If you violate this policy, Group 1 may not be able to help you and may be forced to take appropriate actions to enforce its policy and to assist authorities in upholding the law. **Any employee who engages in illegal insider trading, speculates in the options market or sells Group 1 common stock short may be immediately terminated.**

Reporting Violations

If you know or have reason to believe that this Securities Trading Policy on securities trading has been or is about to be violated in any way, you should promptly bring the actual or potential violation to the attention of the Chief Executive Officer or the Chief Financial Officer.

Questions Regarding Securities Trading Policy

If you have any questions about the Securities Trading Policy, refer to the Code of Conduct or contact the Chief Executive Officer, the Chief Financial Officer or the General Counsel of the Company.

Insubordination

We all have duties to perform and everyone, including your supervisor, must follow directions from someone. We expect each employee to work in a cooperative manner with management/supervisors, coworkers, customers and vendors. The refusal to follow the legitimate and lawful directives or instructions of a supervisor or member of management, will be grounds for disciplinary action, up to and including immediate termination, as will other types of inappropriate conduct, including threatening, intimidating, and assaulting a manager, supervisor, coworker, customer or member of the public.

If you believe that you have been directed to do something that is illegal, unethical, a violation of policy or inappropriate in any way, you are expected to report your concerns to the General Manager (or highest level management employee at your location) or utilize the alternative reporting options and procedures set forth in this Handbook for voicing concerns.

If you are given a written notification or disciplinary warning or counseling of any kind and are asked to acknowledge your receipt of that document with your signature, we expect your full cooperation and for you to sign the document. If you disagree with the content of the document, you are encouraged to write an explanation or rebuttal. Your refusal to acknowledge in writing by your signature that you received and reviewed a written notification or disciplinary warning be considered a refusal to follow a management directive.

Employees are required to cooperate fully with Company investigations into potential misconduct and policy violations. Examples of less than full cooperation include but are not

limited to failing to fully disclose information, providing, false, incomplete or misleading information, destroying or not disclosing relevant information, including electronically stored or transmitted information and the refusal to provide a written statement or complete an investigative questionnaire upon request.

Job Duties

Your supervisor will explain your job responsibilities and the performance standards expected of you. Your job responsibilities may change at any time during your employment at the sole discretion of the Company. From time to time, you may be asked to work on special projects or to assist with other work necessary or important to the operation of your department or the Company. Your cooperation and assistance in performing different or additional work is expected.

The Company reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

If your assignment requires that you hold a valid vehicle or insurance sales license, or any other license issued by a government agency, it is your obligation to assure that each such license is always current and valid. If your required license expires or is suspended, denied, or not renewed by the issuing agency, or if you have an unacceptable driving record, you are required to report this information immediately to your supervisor. Your failure to report this information immediately or your inability to provide a valid license may result in the termination of your employment.

Legally Required Disclosures

The following are the most frequent disclosures (but not all) that our employees are required to make by law. All employees must comply with these legal requirements in addition to all other federal, state and local laws, rules and regulations:

Credit Bureau Reports

No employee has authority to pull a credit report on any customer without first receiving a signed authorization from that customer. This policy also applies to co-signers.

Window Stickers and FTC Stickers

These stickers must be intact on all new, demo, or used cars at time of presentation and delivery. No employee is authorized to remove them for a customer.

Odometer Disclosure

The odometer disclosure form must be signed by all customers for all customer trade-ins and for any Company vehicle sold.

Contract Disclosure

All contracts must be signed in the presence of an employee of the Company. Anyone signing a contract must show proof of identity. The truth in lending and truth in lending laws require the Company to make certain disclosures to customers and lending institutions. Failure to make these disclosures can result in voiding the deal and potential economic damages. If you observe what you think might be a violation of these laws and requirements, report your concerns to your General Manager or Human Resources Representative immediately.

Meetings

From time to time, individual or staff meetings may be held for the purpose of providing instruction, training, counseling, or to review Company operating policies. If such a meeting is called and includes your department or you individually, on-time attendance and your attention is required. Unless you have prior approval from your manager, your failure to attend a required meeting may be considered an act of insubordination and violation of our attendance policy.

Nepotism Policy

While the Company respects the privacy of its employees and their right to associate freely, it is mindful of the importance of avoiding the perception of favoritism or unequal treatment in the workplace. Personal and family relationships between employees sometimes may give rise to conflicts of interest or the appearance of conflicts of interest. The Company recognizes that family members of current employees may seek employment by the Company. To promote a productive environment, free from conflicts of interest as well as favoritism and unfair advantage, whether perceived or real, the Company has adopted a Nepotism Policy. This policy applies to all employees of the Company.

Definition of Family Member

For purposes of this policy, “family member” is defined as spouse, domestic partner, parents, son or daughter, brother or sister, grandparent or grandchild, aunt or uncle, niece or nephew, cousin, guardian or ward, step, half or in-law relation, a person living in one’s household, and any other person with such a close personal relationship or bond as to give rise to conflicts of interest or the appearance of conflicts of interest (for example, a fiancé).

Hiring of Family Members

To avoid creating any barrier to equal employment opportunity, our policy prohibits the hiring of family members based exclusively on referrals. All applicants (including family members of non-Executive Officers) are required to follow the standard hiring process.

If the qualifications of any non-family member seeking employment are demonstrably superior to those of a current employee’s family member, the most-qualified candidate will be considered for employment, regardless of referral or family relationship.

The Company is committed to an equal employment opportunity workforce. You must disclose to your immediate supervisor that a family member is being considered for an

employment opportunity. Human Resources must review the circumstances to ensure compliance with the Company's policies and applicable non-discrimination laws.

Working Relationship of Family Members

Under no circumstance should a family member directly supervise another family member, or occupy a position that has influence over a family member's:

- Employment.
- Transfer or promotion.
- Salary considerations.
- Other management or personnel considerations.

Such influence may include, but is not limited to, participation as a member of a screening committee or other committee that recommends personnel actions or employment decisions of the related person.

Family members may not be employed within the same department without certification by Human Resources that the employment relationship will not result in supervision of one family member over another.

If a situation currently exists, where a family member supervises or occupies a position of influence over another family member, they should inform the Human Resources Representative so the relationship is disclosed. Every effort should be made to transfer one of the employees to a position for which they are qualified that will resolve the conflict.

Change in Family Status

Executive Officers, managers and supervisors are discouraged from fraternizing or becoming romantically involved with one another or with any other employee of the Company. If two employees marry, cohabit or become otherwise romantically involved, so as to qualify as family members under this policy's definition, they must immediately report the change in status to Human Resources, which will work with the employees to devise a working solution to avoid nepotism problems under this policy.

Part-time or Temporary Employment

Nothing herein shall prohibit a family member of any employee, regardless of rank or title, including Executive Officers, from accepting a temporary position with the express understanding that full-time employment is not an option, except as otherwise provided herein, so long as such

temporary employment is handled by Human Resources. Temporary employment shall mean an employment term of no longer than ninety (90) days in any twelve (12) month period.

Acquisition Exception

In the event of an acquisition which includes an employee relationship of family members that would otherwise violate this policy, such relationship shall be immediately disclosed to Human Resources in accordance with the requirements hereof prior to completion of such acquisition, and after disclosure may thereafter continue; provided, however, every attempt shall be made to eliminate the conflict or alter the relationship in accordance with the guidelines of this policy.

Consensual Personal Relationships

In some circumstances, the Company may require any two employees in a consensual dating relationship to acknowledge in writing that their relationship is by consent.

Under certain circumstances, only one of the employees may be permitted to remain within the particular department. The two employees may not remain in any reporting relationship where one has influence over the other, unless accommodations can be made to eliminate the potential conflict. The choice of which employee will remain in the previous role and which employee will modify the role as necessary to be in compliance with this policy will be determined by the Human Resources department, in consultation with the two employees and the departmental supervisor.

New and Used Parts

All unused parts and supplies and all parts removed from either customer vehicles or vehicles owned or operated by the Company are Company property. Employees are required to return all used and unused parts and supplies to the Parts Department and follow applicable inventory policies and procedures. No employee has the authority to remove or have removed from Company premises any new or used parts, including scrap, and supplies without proof of payment or proper billing or without prior written authorization to do so from the General Manager (or highest level management employee at your location) or Service Manager. Employees who violate this policy will be deemed to have committed theft and are subject to possible criminal sanctions. When appropriate, the Company intends to contact the appropriate authorities when it concludes that a current or former employee has violated this policy and to vigorously pursue criminal prosecution.

Off-Duty Use of Facilities

Employees are expressly prohibited from using Company facilities, Company property or Company equipment for personal use without receiving written permission from the General Manager (or highest-level management employee at your location) or Service Manager (except for

on-site exercise facilities). Employees are strictly prohibited from working on any vehicle, including their own, in any Company facility without an open repair order for the vehicle.

Off-Duty Social and Recreational Activities

During the year, the Company may sponsor social or recreational activities for its employees. Your attendance at such social activities is never required, is voluntary, and not work-related. Neither the Company nor its insurer will be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

Some types of off-duty conduct, such as violations of our Policy Against Harassment and Discrimination, drug and alcohol use in violation of our policy, criminal conduct, conflicts of interest, *etc.* may subject you to disciplinary action, up to and including termination of employment.

Operation of Customer and Dealership Vehicles

Permitted Vehicle Use

While a customer's vehicle remains on Company property, we all should accept responsibility for its care and treatment. If a customer's car is damaged in any way, stolen, or improperly used while in our possession, the Company (and you) might be held responsible. Therefore, we expect our employees to treat every customer's car as if it were their own.

Only authorized employees may use Company and customer vehicles and only for authorized purposes. If a Company or customer vehicle is damaged while in your possession or control, you are required to report the incident and damage immediately to your supervisor or another manager if your supervisor is not available. If determined that you are "at fault" or have been negligent in any accident involving a Company or customer vehicle, you will be responsible for paying the applicable insurance deductible to the extent allowed by law.

No employee may operate a customer or Company vehicle unless authorized to do so as part of his or her job. Vehicles may be used for legitimate business purposes only. The use of such vehicles for personal errands, even in conjunction with a demo ride or service test drive, is strictly prohibited. All required documentation must be completed before each demo ride or test drives. All demo rides and test drives must be limited to the approved routes unless a deviation is approved by the appropriate manager.

There are a few commonsense rules that keep us from upsetting our customers:

- Do not play the radio except to repair it;
- Do not change the radio station;
- Do not smoke or eat in a customer's vehicle at any time;

- Do not drive the vehicle for personal business of any kind;
- Do not drive a vehicle without your Department Manager's permission, and do not carry any passengers;
- Do not remove any customer property from the vehicle; and.
- Do not open any glove boxes, consoles, trunks or any other compartments in a customer vehicle unless your work specifically requires you to do so.

Since customer satisfaction is essential to the continued success of the Company, employees must strictly adhere to these rules.

Safe Operation

The Company is committed to safety and insists that all employees and non-employees always operate customer and Company vehicles in a safe manner. The Company's safety requirements related to driving Company and customer vehicles include but are not limited to the following:

- Only drive vehicles that are in a safe operating condition.
- Drivers must be physically and mentally able to drive safely and to perform all required and assigned tasks.
- Drivers must comply with traffic laws and to drive appropriately based on weather and traffic conditions.
- Drivers may not use drugs or alcohol or be under the influence of drugs or alcohol while operating or prior to operating a vehicle.
- Drivers may not send or read text messages, emails or any other electronic communication while driving.
- Drivers may not use handheld devices for making or receiving calls or sending information while driving.
- Drivers must use hands free devices for outgoing and incoming calls.
- Drivers may not engage in any activity that could result in distracted driving.
- All occupants in Company or customer vehicles or in a personal vehicle used for business purposes are always required to use seatbelts.
- Only persons authorized by a supervisor can be passengers in Company or customer vehicles or in a personal vehicle used for business purposes.

- The use of a motorcycle to either conduct business or provide transportation for a customer or fellow employee is not permitted.
- No employees under the age of eighteen (18) are permitted to operate a Company or customer vehicle or drive their own vehicle in connection with their work on public roads *under any circumstances*.
- Employees whose primary job duty is driving must comply with all restrictions and requirement related to these positions.
- Employees who operate a customer or Company vehicle or a personal vehicle used for business reasons in an unsafe manner, or who damage vehicles, are subject to disciplinary action, up to and including discharge.

Limitations On Driving

Employees primarily employed to drive customer or company vehicles or who drive a vehicle for company business, including their personal vehicle, may not drive more than 500 miles per day. For example, if a one-way delivery were 750 miles then the round-trip would need to be split into 3 days of 500 miles each.

Examples of employees who are subject to these limitations include shuttle drivers, dealer trade drivers, and parts drivers and anyone else who drives or otherwise transports a vehicle from one location to another.

Accidents

Any employee who is involved in an accident while operating a customer or Company vehicle or a personal vehicle used for business purposes which results in personal injury or property damage of any kind must notify the police and his or her supervisor or manager immediately.

Demonstration Drives

A salesperson or manager must accompany every customer on demonstration drives. Under no circumstances are customers allowed to drive a new or used vehicle without being accompanied by a salesperson or manager without prior approval of management. Salespersons and managers must comply with all policies related to demonstration drives, including but not limited to policies related to documentation, demonstration route, checking out and returning keys, and vehicle safety. The employee accompanying the customer on the demonstration drive is required to make a photocopy of the customer's driver's license and insurance card and have all other required documentation completed before beginning a demonstration drive.

Driver's License Requirements

If your job requires you to drive customer or Company vehicles or a personal vehicle used for business purposes, you must hold a valid driver's license issued by the state in which you either

presently live or work for the class of vehicle you are driving. Maintaining a valid driver's license and a driving record acceptable under our insurance policies are conditions of employment and continued employment. If for any reason you lose your license or driving privileges at any time or if our insurance carrier declines to insure you because of your driving record, you may be subject to termination of employment.

You must notify the Company immediately of any change in the status of your driving record. Any employee whose duties include the operation of Company or customer vehicles or a personal vehicle used for business purposes who is cited a D.U.I., D.W.I, or for any other serious moving violation, or who becomes uninsurable under the Company's liability policies will be considered to have an unacceptable driving record. If your license is suspended or revoked for any reason, you must notify your supervisor in writing immediately.

The Company may consider moving an employee without a current and valid license or who has an unacceptable driving record to a non-driving position if one is available for which the employee is qualified based on the circumstances of the situation.

If an employee receives a traffic citation while operating a Company or customer vehicle, the employee will be responsible for reporting the citation to the Company and paying any fine or penalty. If an employee is involved in a traffic accident while operating a Company or customer vehicle, the employee is required to report the accident to their Department Manager immediately. Do not attempt to render medical care or assistance beyond your ability.

If the Company learns that an employee has failed to disclose a citation, license or insurance revocation or suspension, or accident involving a Company or customer vehicle, the employee will not be considered for transfer to another position and will be subject to termination of employment.

GPS Tracking

Technology now permits the Company to monitor the location of our vehicles. The Company reserves the right to install GPS tracking equipment temporarily or permanently on any Company vehicle or other company property (e.g., laptop). As a condition of your use, you consent to such tracking.

Demo Use

Employees who have demonstrators are required to comply with the demonstrator policy and other policies regarding driver safety. Failure to do so will result in the loss of that privilege. Likewise, driving a customer or Company vehicle without management approval is not allowed.

Toll Roads

Employees are prohibited from using or allowing any one to use any Company devices for paying tolls for personal use.

Outside Employment

There have been times when many of us have had the opportunity or the need to have two jobs at one time. It is important that such outside interests do not interfere in any way with an employee's primary job with the Company. We expect that our employees will not conduct outside or personal business while they are here at work. An employee should be careful that extra hours of work do not affect the safe performance of his or her regular job duties by leaving him or her tired and slow to react. While on leave of any kind, employees may not perform job duties for any employer, including self-employment, which are inconsistent with the employee's need for leave.

As explained in the Conflict of Interest portion of this Handbook, to the extent a second job could create a potential conflict, for example, working for a competitor or buying and selling or repairing vehicles, you are required to obtain written approval, in advance, from the General Manager (or highest level management employee at your location) or Market Director.

Overtime

Periodically, you may be scheduled for overtime or additional hours or weekend work to meet production or other business needs. We will attempt to give as much advance notice as possible when this need occurs. We expect that all employees who are asked or scheduled to work overtime or other hours outside or in addition to their normal or regular schedules will work the time as requested or scheduled, unless excused in advance by their supervisor. Employees eligible for overtime pay must not work overtime hours without pre-approval by their supervisors or Department Manager. **Working overtime without your supervisor's or Department Manager's approval may result in discipline, up to and including termination.**

If you are required to record the time you work each day (i.e., clock in and out), you must accurately record *all* the time you work, including overtime hours, so that you may be properly paid. **The Company strictly prohibits “off the clock” work.** If you believe that you have been asked to work off the clock or told not to accurately record all time worked by you, you should immediately notify your Human Resources Representative

Pay for holidays, vacation, SB Leave, jury duty or any other leave, does not count as “hours worked” for purposes of calculating an employee's entitlement to overtime premium pay during any week, unless applicable law provides otherwise.

Parking

So that we have enough parking for our customers, we require all employees to park their vehicles in the area designated for employee parking. Violations of this policy may lead to disciplinary action. If you have any questions as to where you should park your vehicle, please ask your Department Manager.

We cannot be responsible for theft from or damage to employees' personal vehicles. Please be sure to remove any valuables and lock your vehicle when parked on Company property.

Personal Appearance and Behavior

Our Company's professional atmosphere is maintained, in part, by the image we present to our customers, vendors and each other. We expect all employees to present a neat, well-groomed appearance and a courteous disposition. These qualities go further than any other factor in making a favorable impression on the public and your fellow workers.

Employees should dress and present themselves in a business-like manner that reflects professional standards. Employees must avoid extremes in dress, hairstyles and jewelry. Flashy, skimpy, tight-fitting, revealing, offensive and other non-business-like clothing, as determined by management in its sole discretion, is unacceptable. As way of example and not limitation, jeans, shorts, miniskirts (more than 3" above the knee), leggings, sweatpants, sweatshirts, t-shirts, short tops, halter tops, backless tops, sleeveless tops, tennis shoes (except as authorized by your Department Manager), sandals, extremely high heels, and hats (except as required for sun protection) are **NOT ACCEPTABLE** attire.

Clothing must fit properly. No article of clothing can be too tight or too baggy. Clothing worn to work must not be see-through or expose your cleavage, back, midriff, stomach, backside, or undergarments at any time including when bending over, lifting above your head, or any other movement. All clothing must be properly laundered and pressed and should have no holes. The Company, in its sole discretion, will determine when clothing does not meet all requirements of the appearance policy. If you have any questions about what constitutes appropriate attire, please contact your Human Resources Representative.

Employees who are provided with Company uniforms should keep them in a neat and clean condition and must always wear them when on duty.

We also want to meet our customers' expectations in terms of the Company's image and style. Thus, for our employees who have contact with our customers, we limit the types of tattoos and piercings that may be visible to the customer. Tattoos that might be offensive to customers or coworkers or violate our Policy Against Harassment and Discrimination must be kept covered while at work or while representing the Company. Likewise, we do not want to appear extreme to our customers by the number or location of piercings visible to a customer. As with articles of clothing, the Company managers will determine whether particular tattoos or piercings (including earrings) should not be visible to our customers. Please know that if tattoos or piercings are not in keeping with the image that the Company chooses to present to its customers, you may be required to cover the tattoo and cover/remove the piercing.

Good personal hygiene also is important in terms of our customers' favorable opinion and in terms of your respect for your fellow employees. Accordingly, you are expected to report to work in a clean condition.

We expect employees to behave and conduct themselves at all times in a professional manner in the workplace and when representing the Company. Unprofessional behavior in the workplace or at Company-related functions, such as inappropriate comments, jokes, gestures, printed materials, sexually related conversations, inappropriate touching of another employee (such as but not limited to kissing, hugging, massaging, sitting on laps), and any other behavior of

a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination.

We also expect employees to comply with the Company's personal appearance and behavior policy while at work. Employees who report to work in unacceptable manner may be requested to leave work and return in acceptable attire or appearance. Such time away from work will be without pay for non-exempt employees. Violation of this policy may result in discipline, up to and including immediate termination of employment. *The Company will not enforce this policy in violation of any state or federal equal employment opportunity law.*

Personal Mail, Telephone Calls, Texting, Videos, and Visits

All mail and packages that are delivered to a Company address are presumed to be related to our business. Mail and packages sent to you at a Company address may be opened by office personnel and routed to your department. If you do not wish to have your mail and packages handled in this manner, please have it delivered to your home or some other location. Company postage meters, Company-paid delivery services and letterhead is for Company business usage only.

We ask our employees to refrain from making or receiving lengthy or an excessive number of non-business phone calls, including personal cell phone calls, during work time. We also ask that employees avoid sending and receiving an excessive number of nonbusiness-related text messages, and other electronic communications or visiting social media sites that not directly related to their job duties or Company business during work time. Employees are not permitted to watch movies, videos or play games on their personal devices during work time. Personal calls should be made or returned when employees are on lunch or other approved breaks. Long distance calls should be limited to business related activities. Under no circumstances are employees permitted to use Company telephones to call "900" lines or similar pay per call services. Employees will be personally liable for unauthorized calls.

Personal visits by friends or relatives during work hours can be disruptive to our operations and are strongly discouraged. Non-employees are strictly forbidden from entering unauthorized work areas.

Privacy of Customer Information

The Company places a strong emphasis on its customer privacy. Employees are expected to protect non-public customer information, such as full names, credit application information, bank account numbers, social security numbers, telephone numbers, and addresses, from unauthorized disclosure, theft, alteration, deletion, or any other type of misappropriation.

Employees are required to take appropriate measures to protect the security and integrity of non-public customer information. These measures include, but are not limited to:

- Not leaving customer information or private documents on a desk or table or otherwise unattended where they can be easily viewed, copied, or taken;
- Locking rooms and file cabinets where customer data is stored;

- Utilizing unique computer passwords, changing the passwords when required, and not posting passwords at or near computer terminals;
- Not allowing unauthorized use of computer terminals or access of customer files;
- Referring any unusual requests for customer information to your supervisor;
- Promptly reporting to your supervisor anytime you know or suspect that customer information has been compromised or misappropriated; and
- Only revealing non-public customer information to others for legitimate business reasons when permitted by law or where the law requires disclosure.

If you have any questions about ensuring the privacy of customer information or need to report a potential violation of the policy, please contact your supervisor or General Manager (or highest-level management employee at your location).

Privacy of Employee Information

All inquiries concerning current or former employees from outside sources, such as lending institutions and reference requests by prospective employers, should be directed to the appropriate Human Resources Representative. No employee, other than the appropriate Human Resources Representative and designated management level employees, has the authority to speak to a third party or provide information for or on behalf of the Company regarding any current or former employee.

Employee records and personnel files are maintained in a confidential file and should only be accessed and used by employees authorized to do so. Nothing in this policy is intended, nor should it be construed to limit or prohibit any employee's legally protected rights to communicate with government agencies or other employees or to otherwise participate in an official government proceeding.

Publicity

In the course of advertising, public relations or other similar conduct for business purposes, the Company may utilize media resources. The Company may use your photograph, picture, and/or voice transcription for promotion or advertising at any time without compensation to you. If you do not want to have your likeness or voice used by the Company for advertising purposes on our website or elsewhere, please notify your manager by written memorandum or e-mail. If you do not do so, we will assume that you have no objection to our use of your photograph or voice for legitimate business purposes.

Records and Accuracy

When we are asked to maintain reports or records, we are also responsible for the integrity of those records. No employee should ever knowingly make any false or misleading entries. All Company financial reports, computer-based records, sales reports, expense accounts, time sheets

and other similar and work-related documents must be completed accurately, and in accordance with Company procedures and legal requirements governing the maintenance of records.

No accounting entries shall be recorded that intentionally conceal, disguise or misrepresent the true nature of any transaction involving the Company. Mistakes should never be covered up but should be immediately disclosed and corrected.

In addition, you are prohibited from knowingly altering, destroying, mutilating, concealing, covering up, falsifying or making a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence an investigation by any Company auditor or by any government agency.

If you believe that the Company's books and records are not being maintained in accordance with Company procedure and requirements, you should report the matter immediately and directly by calling the Group 1 Hotline at 1-877-694-6788. Company policy prohibits retaliation against any employee who in good faith reports any business or workplace conduct violation.

References

Only Human Resources is authorized to respond to reference requests. You must direct **all** employee reference requests to your Human Resources Representative. Only designated employees in the Human Resources Department are authorized to respond on behalf of the Company to a reference request about a current or former employee. Absent written authorization, Human Resources is authorized to disclose only a former employee's dates of the employment and the title of the last position held. With written authorization from a former employee, Human Resources also may be permitted to provide a prospective employer with information about the former employee's compensation.

Resignation and Exit Interviews

If you choose to resign from your position, we ask that you give us at least two weeks written notice of your intent to resign. The Company reserves the right to decide whether to allow an employee to work out any or all of the notice period. On or prior to the date of your resignation, you are responsible for returning Company property in your possession or for which you are responsible and taking care of all your outstanding accounts with the Company (e.g., company credit card expenses).

The Company may request that a departing or departed employee participate in an exit interview. The purpose of the exit interview is to obtain information about the employee's experience with the Company, including the employee's reason for resigning and to resolve any outstanding questions or issues.

Please keep in mind that *all* customer and other confidential business information to which you used or had access and used during your employment is the exclusive property of the Company. The taking, copying, use, sharing or removal of this information from the Company, in any form, and your failure to return this information before or at the time of your employment termination, or using the information for your own benefit or for the benefit of another company

constitutes theft, will be treated as such, and may subject the users to civil and criminal liability. In addition, federal regulations prohibit removing any customer information from our premises or using it at or on behalf of another employer.

Searches and Inspections

To protect the safety and property of all our employees, the Company reserves the right to inspect employee lockers, toolboxes, desks, cabinets, employees' clothes, computers, electronic devices, including cell phones, personal and company vehicles, and any other personal belongings brought onto Company property. Employees are expected to cooperate in any search.

Safety and Environmental Concerns

Our policy is to promote health and safety on the job. The health and well-being of our employees is foremost among our concerns. For this reason, you are urged to follow common sense safety practices and are responsible for correcting or reporting any unsafe condition, or defective tool or equipment to your Department Manager. Training will be provided regarding the Company's injury prevention program. Horseplay and practical jokes can cause accidents and injuries and are, therefore, not permitted. Each employee is expected to assist the Company in maintaining safe working conditions. Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: Safety First.

You must report to your Department Manager immediately all accidents, including those that do not involve serious injury and those involving customers; it is only through full knowledge of every accident that the Company can become a safer, healthier place to work for everyone.

Compliance with Environmental Laws

The Company is committed to environmental protection and employees must conduct Company operations in compliance with all applicable environmental laws and regulations that have jurisdiction over Company activities. We expect employees to abide by the letter and the spirit of these laws. Employees who do not follow environmental rules and regulations shall be subject to appropriate disciplinary action.

If your job requires that you use hazardous or toxic materials, you are expected to comply with all federal, state, and local laws and regulations concerning their safe handling and disposal. Please be sure to familiarize yourself with proper handling and safety procedures, including reviewing the MSDS (Material Safety Data Sheets) for chemicals used in your department. If you have any questions, please discuss them with your Department Manager.

Sleeping

Everyone needs to be fully alert in meetings and while on the job to protect the safety of all employees and to properly serve our customers. Therefore, we cannot tolerate sleeping or inattention on the job.

Smoking and Tobacco Use

Smoking, including e-cigarettes, vaping and tobacco use in the presence of customers and co-workers may be offensive to them. Smoking and tobacco use must be confined to designated outdoor smoking areas and away from all public entrances. Under no circumstances are you permitted to smoke, vape, use tobacco products or e-cigarettes in the following areas:

- inside any Company buildings, including body shops and storage facilities;
- in the presence of any customer;
- in the presence of any employee who objects;
- in customer and Company-owned vehicles;
- in vehicles for sale;
- in areas designated by the Company as nonsmoking;
- in any other areas where local ordinances or laws prohibit smoking; or
- in all areas where paint and flammable materials are present.

We do not offer or provide “smoke breaks.” Employees who let smoking interfere with their work will be subject to disciplinary action.

Social Media

We are committed to supporting your rights to interact knowledgeably and socially on the internet through blogging and in social media. Social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers. However, use of social media also presents certain risks and carries certain responsibilities. To assist you in making responsible decisions about your use of social media, we have established these guidelines.

Guidelines

“Social media” includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else’s web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the Company, as well as any other form of electronic communication.

The same principles and guidelines found in Company policies and three basic beliefs apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Despite disclaimers, your online posts can result in members of the public forming opinions about the Company, its dealerships, employees, partners, products and you. Keep in mind that conduct that adversely affects your job performance, the performance of co-workers or otherwise adversely affects customers, suppliers, people who work on behalf of the Company or its legitimate business interests is prohibited.

Know and follow the rules

Carefully read these guidelines, and the Confidential Information, Equal Employment Opportunity, Electronic Communications and No Harassment policies, and ensure your postings are consistent with these policies. Even when blogging or engaging in social media on your own time on your personal device, you are subject to all the Company's policies and procedures. Inappropriate postings that may include discriminatory remarks, harassment, bullying, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated.

Be respectful

Always be fair and courteous to co-workers, customers, suppliers or third parties who work on behalf of the Company. Also, keep in mind that you are more likely to resolve work related complaints by speaking directly with your co-workers or by utilizing our Problem Solving Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, discriminatory, threatening, intimidating, that disparage customers, employees or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment based on race, sex, disability, religion or any other status protected by law or company policy.

Please honor the privacy rights of our customers and employees by obtaining their permission before writing about or posting pictures of them and understand that doing so without their express permission might be a breach of their privacy and confidentiality.

Be honest and accurate

Make sure you always are honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Use privacy settings where appropriate. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false. Never ask anyone to post any information that you know to be false or not honest.

Post only appropriate and respectful content

Maintain the confidentiality of the Company's trade secrets and proprietary, private and confidential information. Trade secrets may include information regarding the development of systems, processes, products, knowledge and technology. Confidential and proprietary information includes, but is not limited to, customer information, information about products, sales, finances, pricing, number of products sold, number of employees, company strategy, internal reports and communications, and any other information that has not been publicly released by the Company.

Do not create a link from your blog, website or other social networking site to a Company website without identifying yourself as a Company employee.

You should always be clear that you are expressing your personal opinions. Never represent yourself as a spokesperson for Company. If the Company is subject to the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the Company, co-workers, customers, suppliers or people working on behalf of the Company. If you do publish a blog or post online related to the work you do or subjects associated with the Company, make it clear that you are not speaking on behalf of the Company. It is best to include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of the Company.”

Do not promote or sell any product or service that would compete with any of the Company’s products or services without permission in writing from your Regional Vice President. This includes, but is not limited to, new or used vehicles, parts, service or any other products sold by the Company.

Using social media at work

Refrain from using social media on work time or on equipment we provide, unless it is work-related as authorized by your manager or other member of management and is consistent with the Electronic Communications Policy. Do not use the Company’s email addresses to register on social networks, blogs or other online tools utilized for personal use.

Creating a Social Media Profile

If you would like to use your social media account for generating business for the dealership by identifying your employment status, you may do so. However, if you do create your own social media account in which any logos, pictures, statements or any other information that would identify Group 1 Automotive, Inc. or any of its dealerships or other affiliated entities are included in such site, please include the following disclaimer conspicuously on the site:

All opinions, beliefs and representations posted by me on this site are mine exclusively and do not reflect the position of my employer, or any other person employed by my employer or any of its affiliates and are hereby disclaimed by my employer.

Company policy strictly prohibits employees from using their own social media account to communicate their personal beliefs, opinions or any other position, controversial or otherwise, in a manner that could be construed by the reader as being the beliefs, opinions or positions of or supported by Group 1 Automotive, Inc. or any of its affiliated companies.

This is necessary since Google optimizes most social media channels. Google will pick up your individual posts that utilize key terms as those of your dealership in the search results alongside our Company account. This creates confusion to the consumer and creates the following issues for our Company:

1. Dilutes the visibility of our Company social media page, thus causing confusion and frustration for customers trying to connect directly with us;
2. We cannot control content that is posted away from our Company account;

3. Uncensored content can offend and incite our customer base causing lost revenue opportunities; and
4. Our Company cannot provide customer support if a customer in need of our services connects with the wrong social media account.

Retaliation is prohibited

You are encouraged to report violations of this policy. The Company prohibits retaliation against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Media contact

You should not speak to the media on the Company's behalf but should direct all media inquiries to your General Manager or the highest-level management employee if you are at a non-dealership location (for example, Director or Regional Manager). The Company will designate a spokesperson to respond to the media so that no misinformation is provided.

For more information

If you have questions or need further guidance, please contact your Human Resources Representative.

Solicitation - Distribution Policy

To prevent distractions and unwanted solicitation, the solicitation by an employee of another employee for the support of any organization is prohibited during the working time of any employee involved. In addition, the distribution of advertising materials, handbills or other literature always is prohibited in all working areas and sales areas. E-Mail, fax machines, and voice mail may not be used to advertise or solicit employees during the working time of any employee involved. As examples, non-working time would be lunch or break time and a non-working area would be the break room. Non-employees are prohibited from soliciting employees or distributing materials for any cause or purpose on Company premises. Only third parties who have been invited to enter our premises and who have business to transact with the Company are authorized to enter and be on our premises. All other third parties shall be considered trespassers and be subject to removal.

Timekeeping Procedures

The Company requires all employees except those in positions of department manager and above to adhere to our timekeeping procedures to ensure that they are paid for all hours worked as required by the wage and hour laws. For this reason, you are required to accurately record all your work time each day by a time clock, a time sheet, an electronic time-keeping system, or other

means used at your work location. *Employees are encouraged to check their state addendum, if applicable, for any state specific timekeeping rules.*

If you are required to record your work hours, you are expected to log or punch in or out in **each** of the following situations:

- Before you start work each day (or attending a mandatory meeting);
- When you take your meal break;
- When you return to work after your meal break;
- Any time you leave company premises for reasons unrelated to work; and
- At the end of your shift after you have completed your work.

You should commence work immediately after “clocking in” and should perform no work after “clocking out.” If you perform any work outside your normal work hours, you are required to notify your immediate supervisor in writing no later than the following business day of the amount of time you worked and the specific work you performed. This time will be counted as hours worked.

If you forget to punch in or out, or if your entry is incorrect for any reason, you are expected to notify your manager immediately. Any changes or corrections to your timecard or time record must be completed by your Department Manager. In the event of an electronic time clock system, please discuss any changes with your Department Manager.

Under no circumstances may any employee punch another employee's timecard or work off the clock or falsify the amount of time worked. Employees are not permitted to change their own time in the timekeeping system. The failure to follow proper timekeeping procedures, including repeatedly “forgetting” to punch in or out, may lead to discipline up to and including termination of employment.

Unauthorized Interviews

Only specifically designated persons are authorized to represent and speak on *behalf of* the Company with journalists, financial analysts, shareholders, attorneys, employers, peace officers, investigators, reporters, or anyone who wants to "ask a few questions", in matters related to business operations and financial matters. More specifically, only the Company's Chief Executive Officer or Chief Financial Officer is authorized to speak on the topic of the Company's financial results, business prospects, operating results or financial or sales projections with financial analysts, stockholders and the financial community. If you are asked questions of this nature, you are to refer those questions to your General Manager, Market Director or the Vice President of Human Resources (for non-dealership employees). Similarly, if you are aware that an unauthorized interview of this nature is occurring or has occurred, immediately notify the General Manager, Market Director or the Vice President of Human Resources (for non-dealership employees). Nothing in this policy is intended, nor should it be construed to limit or prohibit any employee's

legally protected rights to communicate with government agencies or other employees or to otherwise participate in an official government proceeding.

Weapons and Firearms

The Company prohibits you and all other persons (other than law enforcement and authorized security personnel) from having firearms in working areas, in buildings or on your person during working time or while performing work. Firearms are prohibited on all Company property and in Company vehicles. The only exception to this rule is that to the extent permitted by law, a person may keep a firearm in his or her personal vehicle so long as it is kept out of sight in a locked, enclosed compartment or area of his or her vehicle in the Company's parking lot.

Employees who have questions concerning the application of this policy should consult your Human Resources Representative immediately.

Except as otherwise stated in this Handbook, explosives, weapons (other than firearms) or dangerous instrumentalities of any kind are prohibited on Company property and in Company vehicles at any time. Likewise, no employee should possess any explosive, other weapon or dangerous instrumentalities at any time while performing any work for the Company. Although the Company retains the right to determine the scope of this paragraph on other weapons and the terms contained in it, "possess" as used in this policy generally means to have on your person, in your vehicle or any vehicle assigned to you, or in other property in your presence or under your control (such as bags, packages, purses, briefcases, backpacks, desks, toolboxes, lockers, etc.), while on Company premises or while you are at work for the Company.

Any violation of this policy may subject an employee to discipline, up to and including immediate termination. Employees who have any questions concerning the application of this policy should consult Human Resources immediately.

Workplace Security/Violence Policy

The Company strives to provide a safe workplace for all employees. To provide a safe workplace for our employees and to provide a comfortable and secure atmosphere for our customers and others with whom we do business, the Company will not tolerate any violent acts or even threats of violence. All employees should review and understand all provisions of this workplace violence policy to ensure a safe workplace and reduce the risk of violence.

The Company has a "ZERO" tolerance for violent acts or threats of violence or bullying against our employees, applicants, customers or vendors. This list of behaviors, while not inclusive, provides examples of conduct that are strictly prohibited.

1. Hitting or causing physical injury to another person, even if you are not the original aggressor;
2. Threats to commit a violent act, even as a joke;

3. Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress;
4. Intentionally damaging employer property or property of another employee;
5. Discussions of the use of dangerous weapons, even in a joking manner;
6. Possession of any weapon or firearm in violation of Company policy; and
7. Committing acts motivated by, or related to, sexual harassment or domestic violence.

Reporting Procedures

Any potentially dangerous situations must be reported immediately to a supervisor or your Human Resources Representative. If you have reported your concern and are not satisfied with the response provided, you should contact the Vice President of Human Resources immediately at (713) 647-5700. Reports can be made anonymously, and all reported incidents will be investigated. Reports or incidents warranting confidentiality will be handled appropriately and information will only be disclosed to others on a need-to-know basis. The Company will actively intervene at any indication of a possible hostile or violent situation.

You are urged to take all threats seriously. Please do not assume that any threat is not serious. Please bring **all** threats to our attention so that we can deal with them appropriately.



EMPLOYEE ACKNOWLEDGMENT AND AGREEMENT

1. **Handbook Receipt.** My signature below acknowledges that I have received my copy of the Company's Employee Handbook and State Specific Addendum (if applicable) (hereinafter collectively "Handbook"), and that I will familiarize myself with its contents. I understand that this Handbook represents the Company's current policies, regulations, and benefits and that nothing in the Handbook creates or is intended to create a contract or promise or representation of continued employment for a definite term. I further understand that, except for the Arbitration Agreement below and the at-will employment policy, the Company retains the right to add, change or delete wages, benefits, policies and all other working conditions at any time without prior notice to me. I understand that the Arbitration Agreement may not be changed except in writing signed by me and the President of the Company, and that any such changes will be applicable only to claims first made after the date any such changes to that Agreement are effective. I further understand that my at-will status may not be changed altered, revised, or modified except in writing signed by the President of the Company.

2. **At-Will Employment.** My signature below also acknowledges my understanding that I am employed "at-will" which means that my employment, position, and compensation shall be for no definite duration and may be changed or terminated at the will of the Company and that both the Company and I have the right to terminate my employment at any time, with or without prior notice or cause.. By signing below, I specifically acknowledge and agree that at-will status is the sole and entire agreement between the Company and me concerning the duration of my employment and the circumstances under which my employment may be terminated and that this Agreement related to my at-will status supersedes all prior agreements, understandings and representations (whether written or oral) concerning my employment with the Company which are inconsistent with my status as an at-will employee.

3. **Arbitration Agreement.**

a. **Mutual Agreement to Arbitrate.** My signature below further acknowledges my understanding and agreement that by accepting an offer of employment or by continuing employment with the Company, I specifically and knowingly waive and relinquish my right to bring a claim against the Company in a court of law and that I will utilize binding arbitration pursuant to the Federal Arbitration Act as the sole and exclusive means to resolve all Covered Claims that I may have against the Company and current or former owners, officers, directors, managers, supervisors, employees, agents, attorneys, insurers, benefit plan administrators and any person or entity I allege to be a joint employer with the Company. Covered Claims, explained more fully below, are those which may arise from, relate to, or have any relationship or connection whatsoever with my seeking employment with, employment or termination by, or other association with the Company, whether based on tort, contract, statutory, or equitable law, or otherwise.

I understand and agree that the only exceptions to the requirement to utilize binding arbitration shall be for: claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board; claims for medical and disability benefits under Workers' Compensation; claims for unemployment compensation filed with the state; charges and complaints filed and pursued with the United States Equal Employment Opportunity Commission or state equivalent (although I understand and agree that if I choose to pursue a claim following the exhaustion of such administrative remedies, that claim *shall* be subject to the arbitration provisions explained herein); and any other claim that is not subject to arbitration pursuant to applicable law.

I also understand that the Company (as defined herein) also agrees to waive and relinquish its right to bring any claim in a court of law that it may have against me and to submit any such claim against me to binding arbitration. Both the Company and I specifically acknowledge and

agree that our agreement to waive our right to bring claims in a court of law shall be binding on any person who seeks to represent me or the Company in a lawsuit against the other brought in a court of law. I also understand and agree that nothing in this Agreement shall prevent the Company or me from obtaining provisional remedies, including but not limited to, temporary injunctive relief to the extent permitted by state law from a court of competent jurisdiction pending final resolution of the dispute pursuant to this Agreement. **I FURTHER UNDERSTAND THAT BY AGREEING TO SUBMIT COVERED CLAIMS TO ARBITRATION, BOTH THE COMPANY AND I GIVE UP OUR RIGHTS TO A JURY TRIAL.**

b. **Company Defined.** I specifically understand and agree that as used herein and throughout the Employee Handbook, my employer shall be referred to as the “Company” and that for purposes of this Agreement the term “Company” is defined to include all parent, subsidiary, and affiliated corporations, associated or controlled companies, their successors, predecessors, and assigns, and all past and present officers, directors, agents, stockholders, partners, owners, representatives, managers, supervisors, employees, insureds, administrators, attorneys, and employees thereof, other entities, assigns, and all persons acting on, by or through, under or in concert with them and that I am agreeing to arbitrate any claims I might bring against any of them.

c. **Covered Claims Defined.** I understand and agree that for purposes of this Agreement, “Covered Claims” which the Company and I agree to submit to binding arbitration include, but may not be limited to, all claims, disputes, and/or controversies (except specifically excluded above) related in any way to my employment or my seeking employment and the termination of my employment, including, but not limited to, claims related to my compensation; claims of harassment, discrimination, retaliation, and wrongful discharge based on or arising from any federal, state, or local law, whether constitutional, statutory, or common law or regulation; and all claims arising from or based on Title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act, as amended, the Americans with Disabilities Act, the Equal Pay Act, the Civil Rights Acts of 1866, 1871, and 1971, the Fair Credit Reporting Act, the Vietnam Era Veterans Readjustment Act, the Uniformed Services Employment and Reemployment Rights Act, the Fair Labor Standards Act, the Family and Medical Leave Act, the Older Workers Benefit Protection Act, the Immigration Reform and Control Act, the Employment Retirement and Income Security Act, and the Sarbanes-Oxley Act; and, all claims based on all other federal, state, or local statutory or common laws or regulations which would otherwise require or allow resort to any court of law or other governmental dispute resolution forum between me and the Company. I understand that any claim either party wants to make in arbitration must be presented before the expiration of the applicable statute of limitations for that type of claim and that all required and mandatory administrative remedies must be exhausted prior to initiating arbitration for those claims.

d. **Class and Collective Action Waiver.** By signing this Agreement, I specifically understand and agree that all Covered Claims required to be submitted to binding arbitration pursuant to this Agreement shall be brought only in my individual capacity or that of the Company. My signature below further represents my specific understanding and agreement that this binding arbitration agreement shall not be construed or interpreted to allow or permit the consolidation or joinder of other claims or controversies involving any other employees with my claims, or permit any claim I may have to proceed as a class action, collective action, private attorney general action or any similar representative action. I further understand and agree that no arbitrator shall have the authority under this Agreement to order any such class, collective, or representative action. **By signing this Agreement, I understand that I am knowingly and specifically waiving any substantive or procedural rights that I may have to bring or participate in an action brought on a class or collective action basis.**

e. **NLRA Rights.** I acknowledge that this Agreement is not intended to interfere with my rights to collectively bargain, to engage in protected, concerted activity, or to exercise other rights

protected under the National Labor Relations Act, and that I will not be subject to disciplinary action of any kind for opposing the arbitration provisions of this Agreement.

f. **Initiation of Arbitration.** If I wish to bring a claim to arbitration under this Agreement, I understand that I must initiate my claim(s) by providing a written statement of my claim(s) to the office of the General Counsel at Group 1 Automotive Inc., 800 Gessner, Suite 500, Houston, Texas 77024. I understand that if the Company wishes to bring a claim against me that it will provide me with written notice of the claim. I also understand that I have the right to be represented by an attorney in the arbitration of any claim under this agreement, but it is not required that I have an attorney. I further understand that I must present any claim in arbitration before the statute of limitations expires for that type of claim.

g. **Arbitrator Selection.** At the beginning of any arbitration process under this Agreement, the Company and I will need to select an arbitrator by mutual agreement. In addition to requirements imposed by law, the arbitrator selected by me and the Company to arbitrate any and all Covered Claims shall be a retired federal or state court judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. In the event we cannot agree on the selection of an arbitrator, the Company and I will select an alternative dispute resolution provider and request from that provider a list of an odd number of potential arbitrators (minimum five), all of whom shall be retired judges. From that list we will alternatively strike arbitrators, with the Company going first, until one arbitrator is left. That arbitrator shall be the arbitrator who will hear our case. If the Company and I cannot agree on an alternative dispute resolution provider, an arbitrator will be appointed according to law. The Company shall be responsible for advancing the costs of arbitration to the extent required by law. The arbitrator shall have the authority to determine whether arbitration costs should be shared or borne by a specific party to the extent permitted by applicable law. Each party will bear its own litigation costs (e.g., filing fees, depositions, copying, etc.) unless the arbitrator awards such costs as permitted by law.

h. **Applicable Rules.** To the extent applicable in civil actions in United States District Courts, the following shall apply and be observed in any arbitration initiated under this Agreement: all rules of pleading, discovery, and evidence (including the right to resolution of the dispute by means of motions for summary judgment and judgment on the pleadings). Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of "just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with the arbitration proceedings are privileged. As reasonably required to allow full use and benefit of this Agreement, the arbitrator shall extend the times set for the giving of notices and setting of hearings.

i. **Arbitration Awards.** Arbitration awards shall include the arbitrator's written reasoned opinion and, at either party's written request within thirty (30) days after issuance of the award, shall be subject to affirmation, reversal or modification, following review of the record and arguments of the parties by a second arbitrator who shall be selected pursuant to Arbitrator Selection provision above and as far as practicable, shall proceed according to the law and procedures applicable to appellate review by the United States Circuit Court of Appeals of a civil judgment following court trial.

j. **Entire Agreement.** I understand that this is the entire agreement between the Company and me regarding dispute resolution, the length of my employment, and the reasons for termination of my employment, and this Agreement supersedes any and all prior agreements regarding these issues. Oral representations or agreements made before or after employment do not alter this Agreement.

k. **Severability.** Should any term or provision, or portion thereof of this Arbitration Agreement, be declared void or unenforceable, it shall be severed and the remainder of this Agreement to arbitrate shall be enforceable. I understand and agree that no implied, oral or written agreement contrary to the express language of this Arbitration Agreement is valid unless signed by me and the President of the Company and that any such changes will be applicable only to claims first made after the effective date of any changes to this Agreement.

BY MY SIGNATURE BELOW, I ATTEST THAT I READ AND UNDERSTOOD THIS AGREEMENT AND HAD THE OPPORTUNITY TO ASK QUESTIONS ABOUT THIS AGREEMENT BEFORE SIGNING IT, AND THAT I AGREE TO COMPLY WITH AND BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS.

Print Full Name _____

Signature _____

Date _____

[RETAIN IN EMPLOYEE PERSONNEL FILE]