

# Automobile Operation Manual

## I. Purpose

Operation of an HMA vehicle is a privilege. In extending this privilege to you, HMA requires that its vehicles are operated safely and maintained properly. We are concerned about your safety. In addition, the extension of this privilege creates significant potential liability for HMA. As the owner of the vehicle, HMMA may be held liable for its negligent operation. This can increase your costs and may impact the existence of the privilege. To safeguard against such liability and in consideration of your safety, HMMA has established policies and procedures to assure that its vehicles are operated safely and maintained properly. HMMA reserves the right, in its sole discretion, to withdraw, suspend or limit vehicle operation privileges from any driver whenever it believes such privileges are not in HMMA's best interests.

## II. General

### A. Seatbelts

HMA wants to assure the safety of its vehicle drivers and passengers and to protect its corporate assets. All individuals in any HMA vehicle, or in any non-HMA vehicle being used for Hyundai business, must always wear their seatbelts regardless of whether required by law.

### B. Driving While Impaired

HMA wants you to drive safely. *Do not drive if you are impaired by drugs (legal or illegal medication included) or alcohol.* The Alcohol Impairment Chart on page 7 can assist you to business, while underdetermine whether it is safe to drive following consumption of alcohol. HMA has a zero tolerance policy for operation of any HMA vehicle, or non-HMA vehicle used for HMA business, while under the influence of drugs or alcohol. If you are ticketed for driving while under the influence of alcohol or drugs, your driving privileges will be immediately suspended.

### C. Wireless Device Usage

**For drivers age 21 or older**, use of a wireless telephone or other electronic communications device (such as a Blackberry, pager, Internet browser or laptop) while driving a HMMA vehicle, or a non-HMMA vehicle used for HMMA business, requires use of a headset, speaker phone or other hands-free device. **For drivers under age 21, no use of wireless telephones or other electronic communication devices is permitted while driving a HMA vehicle or a non-HMA vehicle used for HMA business. Absolutely no texting is permitted by any HMA vehicle driver at any time while the engine is in operation.**

### D. Smoking Policy

No smoking of any type (cigarette, electronic cigarette, cigar, pipe, etc.) is permitted in an HMA vehicle, or a non-HMMA vehicle when used for HMMA business, if children under the age of 18 are present. This rule applies whether or not the vehicle is in motion.

## **E. Hitchhikers**

No driver of an HMA vehicle, or a non-HMA vehicle when used for HMA business, is permitted to pick up hitchhikers at any time for any reason.

## **F. Firearms Policy**

Any individual seeking to carry any firearms in an HMA vehicle, or a non-HMA vehicle when used for HMMA business must comply with the following rules:

1. Firearms must be unloaded and in a locked container during transport;
2. The term “locked container” means a secure container that is fully enclosed and locked by a padlock, key lock, combination lock, or similar locking device. This includes the trunk of motor vehicles, **but not the hatch of an SUV or cross-over vehicle or the utility or glove compartment.**

## **G. Loss of Driving Privileges Determined by HMA**

Abuse, misuse or unsafe use of any HMA vehicle or any non-HMA vehicle used for Hyundai business, as determined by HMA in its sole discretion, will result in the immediate loss of HMA lease/driving privileges for a minimum period of one (1) year.

## **H. Vehicle Usage Limitations**

No person shall use any HMA vehicle for any unlawful purpose, for racing, for towing of other vehicles, for the transportation of persons or property for hire, for off road driving purposes, on unpaved roads at unsafe speeds, or for any commercial purposes other than the benefit of HMA or its subsidiary or affiliate companies. “Off road driving” shall mean the operation of an HMA vehicle in any area which is not a designated and maintained public or private road, either dirt or hard surface. HMA vehicles may not be used for the purpose of conducting business for other companies, commercial concerns or charities. HMA vehicle privileges prohibit drivers from using the HMA vehicle in conjunction with other employment (e.g. – delivery, taxi service, sales representative, real estate agents, etc.). HMA vehicles, however, may be used for transportation to and from employment. The HMA vehicle may be operated anywhere in the continental United States and for travel to Canada, but it shall not be operated anywhere else, including Mexico, without the prior written consent of HMA’s Legal Department.

## **I. Unauthorized Drivers**

If you entrust HMA vehicles to unauthorized persons, in addition to losing your privileges hereunder, you will be held fully responsible for all injury and damages to persons and property caused by such

persons. (See Section V.A. 7) Further, if a family member has his/her vehicle operation privileges suspended by HMA, and is discovered to be driving an HMA vehicle during the suspension period, then HMA vehicle operation privileges for the entire family shall be immediately suspended for a minimum period of one (1) year. Two instances of driving while under suspension shall cause a family's permanent revocation of HMA vehicle operation privileges.

## **J. Stickers/Decals**

You are not authorized to add stickers, decals, window tinting or other accessories to and/or modify the HMA vehicle in any manner without HMA's prior written consent. If an HMA vehicle is found to be modified, the sponsoring employing or primary authorized driver shall have penalty points assessed as specified in Section V.B and shall be responsible for all costs to bring the HMA vehicle back to its original condition. The only exception allowed is stickers issued for parking or community access purposes. These stickers should be placed in the lower left corner of the HMA vehicle vehicle's windshield.

## **ALCOHOL IMPAIRMENT CHART**

### **Driving Under The Influence Of Alcohol And/Or Drugs Is Illegal**

**There is no safe way to drive under the influence. Even one drink can make you an unsafe driver.**

Drinking alcohol affects your **Blood Alcohol Concentration (BAC)**. It is illegal to drive in California with a **BAC** that is .08%. However, a **BAC** below .08% does not mean that it is safe or legal to drive. The charts below show the **BAC** zones for various numbers of drinks and time periods, **Remember:** "One drink" is a 1-1/2 ounce shot of 80 proof liquor (even if mixed with non-alcohol drinks), a 5-ounce glass of 12% wine, or a 12-ounce glass of 5% beer. These "one drink" equivalents change if you are drinking ale, malt liquors, fortified wines, port, brandy, different proof liquor, **or** if you are drinking on an empty stomach, are tired, sick, upset, or have taken medicines or drugs.

**How to use these charts:** Find the weight chart. Then, look for the total number of drinks you have had and compare that to the time shown. If your **BAC** level is in the grey zone, your chances of having an accident are 5 times higher than if you had no drinks, and 25 times higher if your **BAC** level falls in the black zone.

TIME FROM 1st DRINK	BAC Zones: 90 to 109 lbs.								110 to 129 lbs.								130 to 149 lbs.								150 to 169 lbs.								170 to 189 lbs.								190 to 209 lbs.								210 lbs. & Up																							
	TOTAL DRINKS								TOTAL DRINKS								TOTAL DRINKS								TOTAL DRINKS								TOTAL DRINKS								TOTAL DRINKS																															
	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8								
1 hours																																																																								
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**Technical note:** These charts are not legal evidence of actual BAC. Actual values can vary by body type, sex, health status, and other factors. If you're unsure whether it's safe to drive, don't drive.

- Legend:**
- (.01% – .04%) Possible DUI—**Definitely unlawful in California if under 21 years old**
  - (.05% – .07%) Likely DUI—**Definitely unlawful in California if under 21 years old**
  - (.08% Up) **Definitely DUI in California**

## IV. Vehicle Operation and Maintenance

### A. Rules For Drivers

1. The HMA vehicle should be operated only when it is in safe mechanical condition.
2. The HMA vehicle should not be operated unless the driver and all passengers are wearing seat belts and, for children under 8 years and younger, unless all are properly strapped into an appropriate infant or child car seat.
3. The HMA vehicle should not be operated if the driver is physically or mentally impaired, including situations in which the driver has consumed alcohol or drugs (whether legal or illegal).
4. The HMA vehicle should be operated in conformity with all traffic laws and with appropriate consideration of adverse weather and traffic conditions.
5. The HMA vehicle may only be operated by an HMA authorized driver, with a valid driver's license, who has met HMA driving criteria eligibility standards.
6. The HMA vehicle should be operated courteously at all times, respecting the rights of other drivers and pedestrians.
7. Drivers of HMA vehicles should drive defensively at all times. A defensive driver makes no driving errors, takes road conditions into account, allows for the lack of skill or improper driving practices of others and is not drawn into an accident by unsafe actions of pedestrians and other drivers. A defensive driver takes precautions towards preventing accidents.
8. The HMA vehicle should be legally parked and kept locked when not occupied.
9. A copy of the vehicle registration and proof of insurance should be kept in the glove box of the HMA vehicle at all times.

10. The primary authorized driver of HMA vehicles must promptly respond to all citations or traffic violations. The primary authorized driver is responsible for all citations and violations, including payment of any fines. However, HMA holds the sponsoring employee responsible as well in the event that HMA authorized drivers listed on the subject HMA Employee Vehicle Lease Agreement, HMA Special Lease Agreement, HMA Vehicle Daily Rental Agreement or similar HMA vehicle agreement fail to promptly address any citation or traffic violation.

HMMA's Vehicle Administration Department will notify the primary authorized driver when they have received notice of a toll violation or a parking ticket. If the ticket/citation is not addressed after three (3) notifications from HMMA's Vehicle Administration Department or a Hyundai affiliate HR Department, the primary authorized driver will receive one (1) point which will be on his/her HMA driving record for a twelve month period. Multiple failures to pay for any toll violations or parking tickets will be cause for loss of HMA lease/driving privileges by the primary authorized driver for a minimum period of six (6) months.

## **V. Driver Eligibility**

### **1. MVR Reviews/Sponsoring Employee Responsibility**

Individuals authorized to operate HMA vehicles are subject to periodic reviews of their MVR and accident/incident record. If the primary or additional authorized driver exceeds the limit on number of points permitted under the HMA Point System, HMA vehicle operation privileges will be suspended. Any driver eligibility points, in accordance with the HMA Point System, accumulated by drivers of pool vehicles will be attributed to the sponsoring HMA employee, unless the renter has a lease vehicle from HMA and his or her lease point record. In addition, the sponsoring employee will be responsible for any accident reporting, damage charges, fines, tickets, abuse or missing items related to use of the pool vehicle while assigned to the sponsored pool vehicle driver.

### **2. Exceeding Point Criteria**

HMA vehicles may only be driven by designated drivers meeting HMA eligibility criteria. If an HMA authorized driver does not meet the driving record point criteria, the driver will have his/her HMA vehicle operation privileges suspended.

### **3. Unauthorized Drivers Violation Penalty**

If an unauthorized person (by act or omission) to drive any HMA vehicle assigned, used, leased or rented to an HMA employee or authorized driver, the subject employee or authorized driver will have his/her HMA vehicle operation privileges suspended for a minimum period of one (1) year and is fully responsible for the unauthorized person's actions. If a loss involving the HMA vehicle occurs and an unauthorized person is driving, the sponsoring employee or authorized driver may be held financially responsible, in HMA's sole discretion, up to the full cost of the loss, damages, repairs, tickets, fines,

towing and storage charges associated with the loss, as well as any liability for personal injury not paid by insurance (including deductibles).

For purposes of the Policy, authorized drivers include only eligible and approved HMA or Hyundai affiliate personnel, the individuals specifically identified and approved as eligible “primary authorized” and “additional authorized” drivers on the HMA Employee Vehicle Lease Agreement or similar HMA vehicle agreement, and pre-approved pool vehicle drivers, but only so long as such persons hold a valid U.S. driver’s license and operate the vehicle pursuant to the standards set forth herein.

#### **4. Medical or Health Conditions Affecting Your Ability to Drive**

If you have a medical or health condition which may affect your ability to operate the HMA vehicle, you must provide medical documentation to HMA’s Human Resources Department indicating that the condition is under control. This information will be kept confidential. Additionally, if you are on leave or otherwise not able to pay for your vehicle(s) or Field Demo by payroll deduction, you must make arrangements to timely make all applicable payments or your HMA vehicle operation privileges will be suspended. All reporting, maintenance and usage requirements are in full force and must be timely met even if the employee is on leave or on vacation.

#### **5. Responsibilities of the Primary Authorized Driver**

The primary authorized driver has an affirmative duty to immediately (within one (1) business day) inform HMA’s Vehicle Administration Department of any arrest, suspension of his/her driver’s license or ticketing for Driving Under the Influence (“DUI”), Driving While Impaired (“DWI”), any drug or alcohol related ticket (such as an open container) as well as Major Moving Violations A through D indicated in Table 2 - Moving Violation Point Assignment. Failure to provide such notice within a maximum of three (3) business days from the date of the arrest, suspension or ticket may result in permanent revocation of the driver’s privileges to operate HMA vehicles (in addition to the suspension of driving privileges discussed in Section III.B and Section V.B.). Further, and in addition to any other points, penalties or costs applicable under this Manual, if HMA’s Vehicle Administration Department is notified of a driver’s arrest, suspension of a driver’s license or a Major Moving Violation A,B,C, or D by any other entity or individual other than the driver or primary authorized driver, the primary authorized driver will receive one (1) point which will remain on their HMA record for a period of three (3) years.

#### **6. Lease Termination**

Termination – If, in the sole discretion of HMA, a driver is not fit to operate the HMA vehicle or has violated any of the terms of the HMA Employee Vehicle Lease Agreement, Special Lease Agreement, or similar HMA vehicle agreement or this Manual, said driver’s HMA vehicle operation privileges may be suspended for such time as is deemed appropriate by HMA. HMA’s discretion in this regard shall not be limited by any writing made by either HMA or any other party.

#### **7. Legal Actions Against HMA**

**IF ANY AUTHORIZED DRIVER OR A PASSENGER IN THEIR HMA VEHICLE SUES HMA FOR INJURIES, DAMAGES OR PAIN AND SUFFERING (REGARDLESS OF WHETHER THE LAWSUIT OR CLAIM IS SUCCESSFUL), SUCH DRIVER AND HIS/HER ENTIRE FAMILY WILL NO LONGER BE ELIGIBLE TO PARTICIPATE IN THE HMA VEHICLE LEASE PROGRAM OR TO DRIVE HMA VEHICLES. VEHICLES ASSIGNED OR LEASED TO SUCH INELIGIBLE FAMILIES MUST BE IMMEDIATELY RETURNED TO HMA.**

## **B. Point System**

Except as noted in Section V.A.3, eligibility to operate HMA vehicles is limited to those persons who possess a valid driver's license in the U.S. state in which they reside and is subject to the following criteria:

### **1. Driver Suspension**

HMA will suspend the driving privileges of any HMA authorized driver age 21 years or older who accumulates six (6) points under this Policy within any consecutive three (3) year period. Driving records shall be checked by HMA Vehicle Administration periodically. An updated MVR Waiver Form will be requested at the time of each HMA lease vehicle delivery or annually for Field Demo/UPV drivers. HMA will suspend the driving privileges of any HMA authorized driver under the age of 21 who accumulates three (3) points under this Policy within any consecutive three (3) year period.

### **2. Notification**

HMA will endeavor to notify a driver over age 21 once he or she reaches the five (5) point threshold. Failure to receive notice, however, shall not operate as a defense against any HMA action to suspend, revoke or otherwise limit driving privileges.

### **3. Point Assignment**

Any driver's license suspension or revocation shall result in immediate suspension of HMA vehicle operation privileges.

Points shall be determined as follows:

**TABLE 1 — Accident Point Assignment<sup>1</sup>**

Number of Accidents <sup>2</sup> (within last 3 years)	Non-Preventable Points	Preventable Points
First	0	3
Second	1	3
Third & Over	2 each	3 each

<sup>1</sup> HMA's Legal Department Risk Management Counsel and/or HMA Vehicle Administration Department management shall have sole discretion to determine whether an accident was preventable under this policy. All decisions are final. A single event can qualify for point assessment under one or more separate tables of Section V.B in addition to cost reimbursement or deductible payment. When two (2) or more HMA vehicles are involved in a single accident, points may be assigned to more than one driver if fault is unclear.

<sup>2</sup> For purposes of this Point System, accidents in vehicles not owned by HMA or for which HMA is not responsible will not be assigned points attributable to the driver's record, but may, in HMA's sole discretion, be considered in determining the driver's eligibility to operate HMA vehicles.

*Mandatory immediate reporting of certain moving violations (A - D below):*

**TABLE 2 — Moving Violation Point Assignment**

	MAJOR MOVING VIOLATIONS (within last three years) <sup>3</sup>	POINTS
A	Any felony, homicide, manslaughter or commission of any crime involving use of the motor vehicle	Revocation
B	Hit and Run; Leaving the scene of an accident or evading arrest	Revocation
C	Driving under the influence of, or while impaired by, alcohol or drugs <sup>4</sup> or failure to comply with firearm transportation requirements	6 each & Suspension
D	Reckless driving, street racing, off-road racing, exhibitions of speed	4 each
E	Excessive speeds (20 mph over posted limits)	3 each
F	Texting, cell phone or electronic communication violation	2 each
G	Speeding (3 or more violations, 2 points each)	1.25 each
H	<b>OTHER MOVING VIOLATIONS (within last three years)</b>	<b>POINTS</b>
	1 or 2	1 each
	3 and over	2 each

<sup>3</sup> For purposes of this Point System, violations involving the police will be evaluated based on conviction date. HMA will assign the applicable date for other chargeable points. However, a driver's notice obligations to HMA (see Section V.A.9) apply immediately – even if a driver wishes to challenge his or her ticket in court.

<sup>4</sup> Two DUI or DWI convictions, or a combination of both a DUI and a DWI conviction, shall subject the driver to permanent revocation of all HMA vehicle operation privileges (see also Section VI.A.2)

**TABLE 3 — Chargeable Condition Point Assignment**

CHARGEABLE RETURN SURVEY / INCIDENT DAMAGE (within last 3 years)	
First Time	0 Points
Second Time	1 Point
Third Time or More	2 Points Each



<b>TABLE 4 — Noncompliance Point Assignment</b>		
	<b>AUTOMOBILE OPERATING MANUAL VIOLATION<sup>5</sup></b>	<b>POINTS</b>
<b>1</b>	Failure of employee/primary driver to report a DUI or DWI or any drug or alcohol related ticket received by an additional authorized driver/family member within three (3) business days of issuance	1 each
<b>2</b>	Failure to report vehicle damage or an accident within three (3) business days <sup>6</sup>	1 each
<b>3</b>	Unauthorized modification of vehicle (including, but not limited to, paint, stickers, decals, window tinting or accessories)	1 each
<b>4</b>	Nonpayment of toll violations or parking tickets following issuance of three (3) notifications from Vehicle Administration	1 each
<b>5</b>	Failure to timely comply with vehicle maintenance requirements	1 each
<b>6</b>	Failure to timely pick up and/or attach license plates to an assigned HMA vehicle following issuance of three (3) notifications from Vehicle Administration	1 each
<b>7</b>	Failure to obtain a police report in a timely manner when requested by Legal or Vehicle Administration	1 each
<b>8</b>	Driving without a valid U.S. driver's license except as permitted in Section V.A.3	3 each
<b>9</b>	Failure to deliver vehicle keys or other port installed vehicle options (PIOs) within five (5) business days of an HMA request <sup>7</sup>	1 each

5 Points imposed for Violation #1 will remain on the HMA driving record for a period of three (3) years. Points imposed for Violations #2-9 will remain on the HMA driving record for a period of twelve (12) months.

6 If damage occurs to the HMA vehicle and it is not reported and subsequently discovered by HMA, the sponsoring employee or primary authorized driver for such vehicle may also be held responsible, in HMA's sole discretion, for the full cost of repairs to the vehicle whether the damage was preventable or non-preventable.

7 The sponsoring employee or primary authorized driver shall also be responsible to pay the full replacement cost for any lost keys or PIOs.

**C. Failure to Appear**

An outstanding failure to appear citation (“FTA”) will result in immediate suspension of HMA vehicle operation privileges until proof of correction is provided. HMA may also suspend vehicle operation privileges for a minimum period of six (6) months if any driver accumulates more than one FTA.

**D. Eligibility Determined Prior to Operation**

Motor Vehicle Records and points will be evaluated for all persons requesting authorization to operate an HMA vehicle before they are permitted to operate such vehicle.

The evaluation system will also be used in the pre-employment evaluation of employees and temporary employees for whom driving is a key element of their job responsibilities, as well as to determine eligibility for HMA’s employee lease and Field Demo/UVP programs.

**E. Persons With DMV Permits Only**

HMA or Hyundai affiliate full-time employees authorized to drive HMA vehicles may, under the following conditions, allow their children (or minors from whom they are legal guardians) with DMV permits only to practice driving or take DMV driving tests:

- 1. HMA Vehicle Administration must be advised before any practice driving occurs and must review the applicable DMV permit.

2. The HMA or Hyundai affiliate employee or spouse must be in the HMA vehicle at all times during practice driving until A valid U.S. driver's license is obtained. No siblings or other authorized adult drivers may supervise such practice driving under any circumstances.

3. Accidents/damage occurring during practice driving or DMV driving tests are subject to the same penalties/deductibles and points as other driving under this Manual.

## **VI. Penalties**

### **A. Exceeding the HMA Point Schedule**

If a driver exceeds the HMA point schedule, the following penalties apply:

#### **1. Conviction of a Major Moving Violation Penalty**

If the driver of an HMA vehicle is convicted of a major moving violation described as a six (6) point violation, the driver's privileges to operate an HMA vehicle will be suspended for a twelve (12) month period. After the Twelve (12) month period elapses, the violation will be reduced to four (4) points for the purposes of this Point System. HMA vehicle operation privileges will be reinstated to the subject driver after twelve (12) months and a current review of the driver's MVR, provided that the driver's Point System total is then below the allowable three (3) or six (6) total points, as applicable.

#### **2. Permanent Revocation of Driving Privileges for Two 6-Point Violations**

If Section VI.A.1 applies, and the subject driver is involved in another six (6) point violation at any time, HMA vehicle operation privileges will be revoked permanently for such driver.

#### **3. Drivers Age 21 Years or Older**

If a driver (age 21 years or older accumulates six (6) points at any time during a three (3) year period, with no major six (6) point violations, HMA vehicle operation privileges will be suspended for a twelve (12) month period. After the twelve (12) month suspension period elapses, a two (2) point reduction credit will be applied to the driver's current Point System total. HMA vehicle operation privileges will be reinstated to the driver after the twelve (12) month suspension period and a current review of the driver's MVR, provided that the driver's Point System total is then below six (6) total points.

#### **4. Drivers Under Age 21**

If a driver (under age 21) accumulates three (3) points at any time prior to reaching age 21, HMA vehicle operation privileges will be suspended for a twelve (12) month period. After the twelve (12) month suspension period elapses, a one and a half (1.5) point reduction credit will be applied to the driver's current Point System total. HMA vehicle operation privileges will be reinstated to the driver after the twelve (12) month suspension period and a current review of the driver's MVR, provided that the driver's Point System total is then below three (3) total points.

## 5. HMA Vehicle Administration Notification

HMA's Vehicle Administration Department will advise the affected driver that HMA vehicle operation privileges are being suspended or revoked.

### B. Forgiveness

Except for drivers convicted of a six (6) point violation hereunder, any driver shall gain a one (1) point credit on the driver's HMA record (on a one time basis only in any two (2) year period) if the driver, on their own time and at their own expense, successfully completes the 4 hour or one (1) day Defensive Driving Course (DDC-4) offered by the National Safety Council chapter in your area, or the official court-run DMV traffic school in your area. No substitute driver training courses will be accepted. The driver must send a copy of the Defensive Driving Course completion certificate to HMA Vehicle Administration at HMA National Headquarters for review and crediting of the one (1) point against the driver's Point System record.

### C. Training

HMA reserves the right to require any person operation an HMA vehicle to periodically participate or attend HMA sponsored or paid defensive driving training sessions or Automobile Operation Manual training sessions.

## VII. Accident/Incident Procedures

### A. General (Accident vs. Incident and Deductibles)

For the purpose of HMA's Vehicle Administration Policies and for the Point System contained in this Manual (Section V.B), the following definitions apply:

**"Accident"** – Any event with actual or possible loss, damage or injury involving an HMA vehicle while the vehicle is occupied and/or being operated (such as a collision with an object or person).

**"Incident"** – Any event with actual or possible loss or damage involving an HMA vehicle while the vehicle is not occupied (such as damaged while parked or Acts of God) or parking damage (such as curb damage or parking lot barrier/pole damage where the vehicle is moving at a low rate of speed, specifically under five (5) MPH). Parking damage would normally be considered an accident since the vehicle was being operated, but will be counted as an "incident" if no other or vehicle, or property damage claim other than the HMA vehicle, was involved and if the damage was timely reported with one (1) business day as required. The special parking damage alternative to accident points may be used only twice per twelve (12) month period per driver.

In the event that your HMA vehicle is damaged, and the damage is more than a small door ding or minor scratch, you are required to show reasonable diligence in tracking the cause of the damage. Examples of

“reasonable diligence” would be a police report, contact name of the store manager where the vehicle was hit, etc. It is in HMA’s Legal Department’s discretion whether to waive this requirement.

In order to reduce HMA expenses and to keep HMA vehicle lease prices as low as possible, HMA does not carry insurance for property damage to its vehicles. Moreover, HMA carries a high insurance deductible for personal injury or property damages to other parties where HMA is help responsible. Therefore, to encourage operators of HMA vehicles to drive defensively (see section IV.A.7), and to hold those operators who are involved in accidents or incidents partially responsible for the costs of loss or damage from their use, other than ordinary wear and tear, an accident/incident deductible policy has been implemented. Ordinary wear and tear not subject to this deductible policy includes windshield damage from road debris, tire flats, repairs or replacements, and minor wheel/rim scrapes (unless due to driver negligence, misuse or abuse), as unique exceptions. A full explanation of HMA’s policies regarding what constitutes “ordinary wear and tear” is available upon request form HMA’s Vehicle Administration Department.

<b>TABLE 5 Accident/Incident Deductible Charges (within last twelve (12) months)</b>	
<b>Number of Accidents/Incidents</b>	<b>Deductible Charge</b>
First	\$250
Second	\$450
Third or More*	\$650

\* In addition to the possible loss of privileges to lease, rent or drive any HMA vehicle, in HMA’s sole discretion.

The deductible charges shown in Table 5 will be automatically payable by the responsible HMA or Hyundai affiliate employee, or special lease driver to whom the vehicle is assigned, whenever there is any accident or incident involving an HMA vehicle, or non-HMA vehicle being used for Hyundai business, **regardless of whether or not the other party was at fault**. This deductible payment is non-refundable, unless HMA receives **full recovery** for the loss from a source other that HMA’s insurance provider. The deductible charge will be based on the number of accidents/incidents within the past twelve (12) month period from the date of the latest accident/incident (see Table 5). These deductible charges may be revised by HMA’s Vehicle Administration Department at any time with reasonable prior notice. Further, more than one deductible and additional points may be charged if any HMA vehicle, upon inspection, is found to have two or more unrelated areas of damage.

If, in the sole discretion of HMA’s Vehicle Administration Department, an accident or incident is the result of the reckless driving or excessive negligence of the authorized driver, an additional charge may be imposed to partially or fully cover the cost of the damages. If it is determined that such reckless driving and/or excessive negligence has occurred, the deductible charge imposed under Table 5 shall be

the next higher level than would otherwise apply. Therefore, if this is the first accident for the twelve (12) month period, but reckless driving is determined to apply, the applicable deductible charge would be \$450 rather than \$250.

Authorized drivers involved in three (3) or more preventable accidents or chargeable incidents (or a combination of the two), where physical damage costs to HMA exceed a total of Ten Thousand Dollars (\$10,000) over a three (3) year period, shall be subject to one of the two following penalties: A. HMA vehicle operation privileges will be suspended for a twelve (12) month period for the authorized driver; or B. The driver and his/her family shall be surcharged One Hundred Dollars (\$100) per month on each HMA vehicle assigned to, that family for a twelve (12) month period.

If an authorized driver subject to one of these penalties chooses instead to discontinue HMA Vehicle Lease Program participation and enroll in an affiliate lease program, the penalty shall be held in suspension pending return of the driver and his/her family to the HMA Vehicle Lease Program. Absence from the HMA Vehicle Lease Program shall not satisfy the penalty: voluntary withdrawal shall trigger selection of Option B and the surcharge will apply until twelve (12) months have actually been paid.

Upon request, HMA employees with access to HMA vehicles will be required to sign a Vehicle Administration Accident/Incident Deductible Receipt ("Deductible Receipt") form authorizing the automatic payroll deduction charges for submission at the time of receipt of an Automobile Accident or Loss Notice for any accident or incident involving an HMA vehicle, or non-HMA vehicle being used for HMA business. In the case of special leases or non-HMA employees, the Deductible Receipt form must be submitted in the form a personal or cashier's check for the full amount of the appropriate deductible (payable to Hyundai Motor America) following the reporting of any accident or incident in order to remain a participant in the HMA Vehicle Lease Program.

Even if it is believed that the loss or damage costs for the subject accident/incident are less than the required deductible charge, it is up to HMA's Legal Department's discretion when to submit the deductible charge and Deductible Receipt form for processing. If the final actual total cost of the loss or damages is less than the deductible paid, a reimbursement check for the overage will be issued within a reasonable time. HMA will attempt to recover the full loss if the accident/incident was not the driver's fault, but is under no obligation to do so. If full recover for the loss is received by HMA, Legal will void the deductible, if it has not been submitted, or have Finance issue a deductible reimbursement check for the full amount of the deductible previously submitted for the specific accident/incident.

HMA considers this deductible policy to be a reasonable cost-sharing arrangement for the privilege of operating an HMA vehicle. No debates, discussions or exceptions to the application of the deductible policy will be permitted. All decisions with regard to whether wear and tear is ordinary will be made by, and at the sole discretion of, HMA's Vehicle Administration Department or Regional Vehicle Administration personnel, and will final.

## **B. At the Scene**

1. Courteously decline request for your signature on anything. There is no law requiring you to sign anything (except a traffic citation).
2. Do not admit fault to anyone until you have consulted with HMA's Legal Department. A proper determination of fault requires a dispassionate review of all relevant factors. It is difficult to make such an assessment in the excitement at the accident scene.
3. Cooperate with any official police investigation of the accident.
4. If you cannot find the owner of a parked vehicle or other property you have damaged, leave your contact information or telephone number in a conspicuous place.
5. Do not leave the scene of an accident until you are certain it is proper to do so.
6. Unless the damage is clearly and unmistakably superficial, do not operate your vehicle after an accident until it is properly repaired. All damage repairs or mechanical repairs to HMA vehicles must be reported to, and approved in advance and directed by, HMA.
7. Obtain all pertinent information on all driver involved, i.e., name, driver's license number, address, telephone number, insurance company, insurance agent, license plate number and make and year of vehicle. Be sure to obtain names, addresses and telephone numbers of witnesses, if any.
8. If safe to do so, please take scene pictures of the area and the vehicles' position when the collision occurred.
9. If the accident involves any bodily injury, if there is property damage in excess of \$500,000, or if you suspect the other driver has violated a traffic law, you should call the police or wait for them to arrive at the scene of the accident. Be sure, however, that you do not leave the scene of such an accident until the police arrive and allow you to do so.
10. If your vehicle is not drivable, please contact Hyundai Roadside Assistance. Their tow vendor is Cross Country Towing and their phone number is 1-800-243-7766. Please remember HMA will not reimburse you for towing if you use an outside vendor instead of Cross Country Towing.

### **C. At the Office/Home**

1. Complete HMA's Automobile Incident or Accident Notice form and return it to HMA's Vehicle Administration Department within one (1) business day of the event, and sign and turn in a replacement Vehicle Administration Accident / Incident Deductible Receipt form with payroll deduction authorization, or, for special lease or non-HMA driver, a check for the appropriate deductible amount. Failure to submit HMA's Automobile Incident or Accident Notice form and Vehicle Administration Accident/Incident Deductible Receipt form with a maximum of three (3) business days of the event is a serious violation of HMA Policy, punishable by point allocation and, if willful or repeated, by permanent revocation of the driver's privilege to operate HMA vehicles, in HMA's Vehicle Administration Department's sole discretion.

It may be necessary to complete separate reporting forms required by your respective state within a specified time period. Securing, completing and submitting these required additional forms in a timely manner is the driver's responsibility. (Note: California driver of HMA insured vehicles do not have to complete and submit the SR-1 form since HMA's insurance carrier has our liability insurance coverage on file with the DMV.)

2. If you are involved in a severe accident, you may contact HMA's Legal Department Risk Management counsel at the HMA National Headquarters in California for guidelines.

3. If the accident happens after hours or on a weekend when you cannot contact HMA's Vehicle Administration Department but require immediate assistance, refer to the glove box kit in your vehicle for HMA's current motor assistance vendor. You must still complete HMA's Automobile Incident or Accident Notice form and forward it to HMA's Vehicle Administration Department on the first business day following the accident.

4. If your accident is investigated by the police, sheriff or highway patrol, you must get their police report as soon as possible and send it to HMA's Vehicle Administration Department. It is the driver's responsibility to pay for a copy of the police report as soon as it is available, and to forward the copy to HMA's Vehicle Administration Department upon receipt. If the police report is not received in a period of eight (8) weeks after the date of the accident/incident, their driver will be assigned one (1) point which will remain on his/her HMA record for twelve (12) months. An exception will only be made if the Police Department is able to verify that the report is not ready and it has taken an unusual length of time to process.

5. If damage occurs to the HMA vehicle and is not reported and subsequently discovered, the sponsoring employee for such vehicle will be held responsible for the full cost of repairs to the vehicle whether the damage was preventable or nonpreventable.

6. If you disagree with a citation or seek to revise the finding in a police report, you may do so on your own time and at your own expense. Should the police or court agree to revise moving violations or other facts relevant to an accident, it is your responsibility to submit supporting documentation to HMA's Vehicle Administration Department in order to initiate a reassessment of points and liability under this Policy.

## VIII Insurance

HMA's liability arising out of the ownership, maintenance and/or use of any HMA vehicle, or commercial rental vehicle used for Hyundai Motor America business, is adequately insured. HMA reserves the right, in its sole discretion, to revise insurance coverage as it deems appropriate.

- **“Hyundai Affiliates”** – Please be advised that **HMA's insurance does not extend to commercial rental cars used in the course of your business (such as rentals by your employees on business trips) or to vehicles owned or borrowed for your corporate use (such as pool cars). HMA purchases Special Event Vehicle Insurance for its corporate business**

**events only that is separate from the HMA Vehicle Lease, Field Demo/UVP and Special Lease Programs. Similarly, risk management costs for Hyundai affiliates are assumed by those affiliates. Hyundai affiliates should contact their insurance brokers to ensure proper coverage is in place.**

- **“Commercial Rental Cars”** – HMA employees are insured for commercial rental car use to the extent the commercial rental car is used in the course of HMA business. All policies applicable to HMA vehicles are also applicable to commercial rental cars used for HMA business. **HMA insurance does not cover commercial rentals during vacations or for personal business.** When commercial rental car use is for HMA business only, the driver is advised to sign the commercial rental agreement as follows: “Hyundai Motor America by (driver’s name)”, and be sure to decline the additional charge for the collision or damage coverage on the commercial rental agreement. Please note: HMA’s Vehicle Administration Department does not reimburse you for the cost of any rental vehicle. If your leased HMA vehicle or Field Demo/UVP is not drivable for any reason, you may seek access to a pool vehicle from HMA’s Vehicle Administration Department or Regional Distribution Department personnel if one is available. HMA does not guarantee availability of pool vehicles. If a pool vehicle is not available, or if you are not reasonably close to an HMA facility to seek a pool vehicle, then rental of a replacement vehicle is not reimbursable under this Policy. However, you are free to seek reimbursement from your Hyundai department or affiliate if your use of a rental is for Hyundai business. To the extent you use a rental vehicle for HMA business, insurance is provided by HMA. For personal driving, insurance is not provided for rental vehicles, even when they are used as replacements for HMA lease or Field Demo/UVP vehicles.
- **“Personal Property”** – anything stowed in your HMA vehicle is stowed at your risk. Theft or damage to your personal effects is not insured by HMA. Remember to always lock your vehicle and remove all valuables.
- HMA insurance does not cover damages or liability incurred while you are driving personally-owned vehicles.
- HMA Departments seeking Special Event Vehicle Insurance coverage must complete a request form located under “Knowledge Management” on HMA’s Autoway system and submit the completed form to HMA Risk Management.
- Umbrella insurance is available (at employee/driver cost) for coverage of certain personal risks not covered by HMA insurance, including personal commercial rental car use. HMA offers such coverage to its employees through payroll deduction, but it is also available from your local insurance agent.
- Travel medical insurance is available for foreign nationals visiting the United States from HMA’s Vehicle Administration Department at a daily charge payable by the visitor.
- **“Proof of Insurance”** – Physical proof of insurance must be maintained in your HMA vehicle. Please contact HMA’s Vehicle Administration Department or HMA’s Regional Distribution Department personnel if you lack proof, or need an updated automobile insurance I.D. card for your HMA vehicle.



HMA reserves the right to change this Automobile Operation Manual at any time without notice. Current copies may be obtained from HMA's Vehicle Administration Department, or HMA's Regional Distribution Department personnel. Additionally, the full text of this Automobile Operation Manual is available electronically on HMA's Autoway system.

## **If You Have An Auto Accident:**

1. Call the Police If:
  - There is an injury;
  - You suspect the other driver has violated a traffic law (such as no driver's license, D.U.I., etc.); or
  - There is more than \$500.00 in property damage
2. Obtain the following information:
  - Name, address, driver's license number, telephone number, insurance agent, insurance company, policy number, license plate number, and description of the vehicles involved (make, model, year, etc.).
  - Names, addresses, and telephone numbers of any witnesses.
  - If safe to do so, take scene pictures of the area and the vehicles' position when the accident occurred.
3. **Do not discuss the accident with anyone except the Police.**
4. **Do not admit fault to anyone until you have consulted with HMA's Legal Department.**
5. **Do not leave the accident scene until it is proper to do so.**
6. **Complete HMA's Automobile Accident or Accident Notice Form and return it to HMA's Vehicle Administration Department within one (1) business day of the accident.**
7. **All accidents must be reported to HMA even if there is no visible damage to the vehicle.**