NISSAN EMPLOYEE LEASE VEHICLE PROGRAM POLICY

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Department to contact regarding this policy: Corporate Vehicles

OVERVIEW

This policy establishes the program requirements for the employee lease vehicle program: eligibility, insurance, process, registration, restrictions, maintenance, violations and terminations.

SCOPE

This policy applies to the North America Region of Nissan – NNA and NMAC locations.

POLICY

Nissan provides a vehicle lease program to allow employees and other eligible participants to enjoy the benefit of driving a Nissan or Infiniti vehicle. All vehicles leased under this program are company assets; therefore, each employee is responsible to ensure he/she and eligible family members defined below fully understand the requirements of this policy and adhere to this policy, as well as related agreements, policies, processes and procedures.

Americas Corporate Vehicles organization shall administer this program and work with applicable organizations to maintain and implement this policy.

Employees who violate any provisions of this Policy are subject to Corporate Vehicle Advisory Committee (CVAC) review and may be denied some or all of their lease privileges.

A. Lease Program Eligibility

1. Lessees: The following persons may be eligible to lease vehicles under this program as long as they possess a valid driver license and have an acceptable Motor Vehicle Record (MVR) (Ref. Section A.4 and Policy C-102, Section 7). Lessees are responsible for all lease and insurance payments for themselves and eligible participants, as well as taxes on imputed income.
   A) Upon date of hire, full-time employees
   B) Nissan retirees upon date of retirement

2. Eligible Participants: If the employee/retiree is participating in the program, the following persons related to the lessees have the ability to drive a leased vehicle as long as they possess a valid driver license and have an acceptable MVR (Ref. Section A.4 and Policy C-102, Section 7).
   A) Spouse, children/step children/ward and their spouses,
   B) Parents, parents in-laws, siblings and siblings in-law.

3. Eligible Drivers: The following persons may operate a company-owned leased vehicle as long as they possess a valid driver license and have an acceptable MVR (Ref. Section A.4 and Policy C-102, Section 7).
A) Lessees and eligible participants (whether they have a vehicle registered in their names or not). A Borrowed Vehicle Agreement (BVA) may be required if driving another lessee’s or eligible participant’s vehicle.

B) Any person with a signed Borrowed Vehicle Agreement (BVA) on file with Corporate Vehicles.

C) Restrictions:
   i. The eligible driver may drive the vehicle listed in the BVA for up to 10 days total.
   ii. Failure to submit the signed BVA as stated above may result in restrictions to the related Lessee’s lease vehicle privileges, including potential loss of those privileges.
   iii. Lessees who permit the use of their lease vehicle to any driver will assume all responsibility/liability for the operation of and condition of the vehicle.
   iv. Lessees are responsible to ensure that all drivers who operate their leased vehicle are insured (and should consult accordingly with their carrier).

4. Nissan’s Right to Decline a Vehicle Lease
   A) Nissan reserves the right to decline operation of or leasing of a vehicle, based on the individual’s driving record, including but not limited to (Ref. Section O):

   - Revocation of driver license
   - Invalid driver license
   - DUI conviction (driving under the influence of drugs or alcohol)
   - The lessee has an active traffic warrant for arrest
   - A "Failure to Appear" for an outstanding traffic warrant
   - Negligence or abuse resulting in damage beyond normal wear and tear to a leased vehicle (Refer to Guide for Unacceptable Wear and Tear)
   - Multiple moving/traffic violations or accidents
   - When it is not economically feasible for NNA to properly title or register the vehicle in certain states
   - Lessee, Eligible Participant or Eligible Driver (as described above at Sections A1 and A2) has lost driving privileges or license

B. Entering the Lease Program

1. Lease Vehicle Term
   All leases are 12 month-leases. Lease terms shall be evaluated periodically to ensure optimum remarketing conditions exist.

2. Mileage Allowed/Penalties
   A) Mileage allowed for a completed, one year lease term is 30,000 miles or 82 miles per day. Mileage allotments will be prorated daily for leases which are turned in prior to 365 days or extend beyond 365 days.

   B) A penalty of .15 cents per mile will be assessed for any overage of the 82 mile daily average.

3. Authorized Number of Leased Vehicles
   A) Non-Tennessee employees may lease as many vehicles as desired, provided that the sum of all lease and insurance rate(s) do not exceed the lessee’s/ employee’s net pay. Non-Tennessee retirees may lease as many vehicles as desired provided
the full amount associated with their leases can be drafted from a single bank account via EFT.

B) Due to State regulations, Tennessee employees and retirees may lease up to four (4) vehicles within the State of Tennessee. Additional vehicles may be leased but must be delivered to and registered in another state. The sum of all lease and insurance rate(s) may not exceed the lessee’s/ employee’s net pay.

4. Vehicle Lease Rates

A) Monthly vehicle lease payments are based on a percentage (lease rate) of dealer net costs. Lease rates may be modified for special lease programs or as directed by Nissan executive management. Lease rates are subject to change; however, individual rates are established and confirmed at the time of the order.

B) Special Discount Lease Rates may be offered periodically at Nissan’s discretion and will be communicated by the Corporate Vehicle Program administrator.

C) There are two standard lease rates offered:

i. CPI Program (Company-Provided Insurance, see Section C below), where the lease rates include:
   - License, title and registration fees
   - Applicable state & local sales, use, and similar transaction taxes
   - Regular maintenance or warranty repairs
   - Driver liability insurance coverage up to $1,000,000
   - Lease rates do not include personal loss/liability insurance
   - This program is open to the following:
     - Non-manufacturing, non-Tennessee employees
     - Non-manufacturing retirees
     - Non-manufacturing Tennessee employees hired prior to April 1, 2006

ii. EPI (Employee-Provided Insurance) Program (see Section C below), where the lease rates include:
   - License, title and registration fees,
   - Applicable state & local sales, use, and similar transaction taxes
   - Regular maintenance or warranty repairs
   - MS ONLY: Due to Mississippi state law, vehicles must be registered in the county where the employee resides
   - This program is open to all eligible employees and retirees

D) Lessees must lease all vehicles under a single rate program. Lessee’s who are either required or elect to participate in the EPI program may not enroll in or return to the CPI program. If a CPI-eligible Lessee chooses to leave the vehicle lease program and then return at a later date, then he or she will retain their CPI eligibility.

5. Imputed Income

Lessees must pay tax on the difference between the fair market value of the lease and the actual lease payments. That difference is referred to as “imputed income”. The lessee will pay tax on the imputed income for each vehicle for which he or she is the named lessee, even if the lease is for an eligible participant. For an employee, the Payroll department will denote the imputed income as “Imputed Income” on an employee’s pay advice, report the imputed income on the employee’s Form W-2 for each calendar year, and withhold applicable taxes from the employee’s cash wages. For retirees, the payroll department will collect applicable taxes and issue W-2’s each
calendar year reflecting the imputed income.

6. Vehicles Available for Lease

In most cases, all new vehicle models currently available for sale to Nissan or Infiniti dealers may be leased under the Employee Lease Vehicle Program. However, some vehicles may be unavailable for employee leasing based on model availability or management decision.

C. Lease Vehicle Insurance Options

1. CPI Program

A) Eligible drivers of company-owned vehicles leased under the CPI program will be covered by vehicle accident insurance as follows:
   i. Nissan shall self-insure all company-owned vehicles for collision and comprehensive coverage (physical damage); to partially offset Nissan’s costs associated with the coverage, employees/retirees are subject to a damage fee of $500 per incident when their vehicle is damaged.
   ii. Nissan carries a business auto liability policy covering bodily injury and property damage to others up to $1,000,000, uninsured/underinsured motorist up to $250,000, and $5,000 per person in medical payments.

B) Insurance Coverage Exclusions

   i. Nissan does not offer insurance on vehicle contents or personal property loss. Nissan also does not offer collision, comprehensive or damage insurance coverage for trailers towed by Nissan vehicles, nor for the loss of any contents of any trailer. However, liability coverage is extended to the trailer, if the trailer causes property damage to others while it is attached to or under tow by a Nissan vehicle.
   ii. Nissan’s insurance coverage may vary by state. Insurance requirements are governed by state law. Nissan will maintain insurance coverage that complies with statutory laws of the state where the vehicle is operated.
   iii. Company-provided insurance does not extend to vehicles driven by program participants outside of Nissan’s company fleet.

C) Insurance is purchased and maintained by the Risk Management Department.

2. EPI Program

A) Lessee of Company-owned vehicles leased under the EPI program must secure insurance from an NNA approved insurance carrier and must present proof of that insurance coverage to the local Corporate Vehicle Administrator prior to picking up a lease vehicle. (See Insurance Tab on Corporate Vehicle Lease Portal for approved Insurance Companies.) https://nissanemployelease.com/

B) Each insurance carrier is required to provide the specific coverage and liability limits per the program plan.

C) Insurance under the EPI program must be payroll-deducted, regardless of what is offered by the insurance company.

D) Because the insurance is purchased and maintained by the lessee; questions regarding coverage should be referred to the lessee’s insurance agent/carrier.

D. Ordering a Lease Vehicle
1. Ordering a Lease Vehicle

A) The Corporate Vehicles Lease Portal is the official means to order a lease vehicle. Delivery times will vary depending on the order location, production schedule, model availability, inventory levels, etc. Some orders may be matched with available ground inventory which could reduce delivery times.

B) Eligible lessees are required to provide a driving record for themselves and all eligible participants upon initially entering the program.

   i. Corporate Vehicles may also check the records of lessees and participants for citations and accidents (See Corporate Policy C-102, Operation of Company-Owned Vehicles.)

   ii. Records with multiple citations and/or accidents shall be referred to the Corporate Vehicles Advisory Committee (CVAC) for possible changes in driving/leasing privileges. (See section O.)

   iii. The CVAC will review all questionable driving records. A questionable driving record is one with an unacceptable number of violations or accidents, conviction for or accidents resulting from driving under the influence of alcohol or drugs ("DUIs"), or other factors.

   iv. The lessee is required to report all life status changes (e.g., Marriage, child turning 16, legal guardianship, etc.) of eligible participants to Corporate Vehicles (Ref. Eligible Driver form).

Note: For specific guidelines regarding penalties associated with DUIs, refer to Corporate Policy C-102, "Operation of Company-Owned Vehicles," Policy.

C) Replacement Vehicle Lease Orders

   i. Corporate Vehicles will notify current lessees approximately four months (may vary by location) before the expiration of existing vehicle leases. Notification will include instructions on how to order new replacement vehicles as well as the ordering deadline.

   ii. Lessees are responsible to order the replacement vehicle through the Corporate Vehicle Lease Program web portal prior to the deadline communicated in the reorder notification. Failure to submit the order by the deadline may delay delivery of the replacement vehicle until after the current lease expiration date. Lessees who fail to order by the due date will not be eligible for ground stock inventory.

   iii. If a Lessee’s replacement lease delivery date is delayed due to the order not being placed in a timely manner, the Lessee must return the current lease on the original expiration date. This will be required even if the replacement lease vehicle has not arrived.

   iv. If a Lessee’s replacement lease delivery date is delayed due to production or shipping issues, the employee will continue to drive the current lease until the replacement lease arrives.

   v. Available Ground Stock inventory may be used to fill a lease order. If an order match is secured, the delivery period will likely be reduced thus shortening the existing vehicle lease term.

2. Changes or Cancellation of Vehicle Lease Orders

A) An order may not be changed after it is submitted. Lessees are responsible to ensure all options, colors or models have been researched thoroughly prior to submitting the order.

B) All lease order cancellations must be submitted in writing by the employee.
Cancelling a lease order will result in:

i. 1.5 month financial penalty (based on the price of the cancelled vehicle) and

ii. Being ineligible to order any additional lease vehicles to replace the cancelled lease for one year from the date the canceled lease would have expired, and during that period the total number of remaining leases in effect may not exceed the number of leases in effect after the cancellation.

NOTE: Financial penalty assessments are waived if cancellation is due to employee termination or relocation to another region or company location.

E. Receiving a Lease Vehicle

1. Delivery of Lease Vehicle

A) The Corporate Vehicles Department will notify the lessee or eligible participant when the leased vehicle is available for delivery.

B) The lessee or eligible participant is responsible to schedule an appointment with Corporate Vehicles to sign the lease agreement and take delivery of the vehicle. The lessee or eligible participant must take possession of the new vehicle within 10 days of its arrival unless prior arrangements have been made due to business travel interference, etc. (See Section E. 3 below.)

C) Additional vehicle delivery procedures may vary by location and shall be communicated to each location.

2. Vehicle Lease Agreement, Registration

A) Corporate Vehicles shall ensure the lease vehicle is properly registered (including Mississippi EPI, see Section B). This process may vary by state, and in some locations, temporary registration may be issued. In some cases, the registration expiration date may not coincide with the vehicle pick up date and could expire before the lease; the employee is responsible to contact Corporate Vehicle for renewal.

B) Corporate Vehicles will ensure compliance with Nissan’s policy concerning the issuance of original and duplicate Manufacturer's Certificate of Origin (MCOs) (Policy F-209).

C) As noted in Section B.4.C) ii, due to applicable state law, vehicles of participants residing in Mississippi must be registered in the county where the participant resides. Lessees are individually responsible for securing and paying for registration on their lease vehicles.

D) Additional lease vehicle registration procedures and vehicle emission testing requirements vary by state or location. The local Corporate Vehicle administrator is responsible for communicating additional requirements as may be needed.

E) Corporate Vehicles is responsible for providing applicable vehicle lease agreement documents to the lessee for approval to include:

- Authorized Drivers Form (CPI program where applicable)
- Electronic Funds Transfer (retirees only)
- Insurance ID card (CPI program)

F) The lessee or eligible participant shall not pick up the vehicle before the documents above are completed and the vehicle has been properly registered /plated with the local authorities.
G) It is the signer’s (lessee’s) sole responsibility to ensure immediate family members who are program participants and other eligible drivers (Ref. Section A.) understand the lease agreement documents.

H) It is the lessee’s responsibility to ensure the vehicle registration remains current (e.g., temporary registration, permanent registration, etc.) on all vehicles. NNA is not responsible for citations issued for expired or improper registration.

3. Failure to Pick Up a Lease Vehicle

A) A lessee or participant who neglects to pick up their scheduled lease within 10 working days of notification will be considered to have cancelled their order, resulting in the following penalties to offset inventory carrying costs:
   - 1.5 month lease payment as a financial penalty (based on the price of the cancelled vehicle) and
   - No additional lease ordering will be permitted to replace the cancelled order for one year from the date the cancelled order would have expired, and during that period the total number of remaining leases in effect may not exceed the number of leases in effect after the cancellation.

B) If the lessee or participant is physically unable to meet the deadline above (medical leave, travel, vacation, etc.) he/she is responsible to notify Corporate Vehicles and to pick up the vehicle within 10 working days of return to work.

F. Paying for a Lease Vehicle and Related Charges:

The Lessee is responsible for verifying that his/her deductions are correct and notifying Corporate Vehicles of any discrepancies.

1. Vehicle Lease Payments

   A) Paid via payroll deduction from an active employee’s current salary.
   B) Paid via electronic bank draft for employees on leave or retired.

2. Related Charges (e.g., damage payment, administration, over mileage, early termination fee, etc.):

   A) Paid via payroll deduction and must be paid in full within 60 days. Failure to do so will result in removal from the lease program for a minimum of 6 months.

3. Arrearage Amounts (Unpaid lease rates):

   A) If for any reason open balances (arrearages) exist beyond 60 days, termination of lease privileges and issuance of a non-revocable repossession order for all lease vehicles will be initiated.

   B) Failure to pay the amount owed will result in corrective action, up to and including termination of employment, collection activity and treatment of the unpaid amount as taxable income to the lessee.

4. Electronic Bank Drafts

   Electronic Funds Transfers (EFT) will always be initiated from the lessee’s account. An employee on leave or a retiree must submit an EFT form to Nissan Accounts Receivable specifically for lease payment processing and other related charges.

   A) Electronic Funds Transfer (EFT) form available

      - WINHR>HOME>FORMS>EFT AUTHORIZATION FORM
      - WINHR>CORPORATE VEHICLES
      - WWW.NISSANEMPLOYEELEASE.COM
Nissan North Americas Policy
Nissan Employee Lease Vehicle Program

- Contact the Human Resources Service Center (HRSC):
  - By phone: 1-866-599-4647
  - By Fax: 615-267-7741
  - hrservicec@nmm.nissan-usa.com

B) Completed form must be submitted to Nissan Accounts Receivable
- NNAARArrears@Nissan-USA.com
- Fax: 615-967-3450

C) Lessee whose EFT’s are rejected for any reason more than two (2) times in a rolling 12-month period will be subject to termination of future lease privileges.

G. Lease Vehicle Restrictions

1. Towing with a Leased Vehicle
   A) Leased vehicles may not be used for towing if the Owner’s Manual does not provide for such use. Moreover, limitations, restrictions, cautions, warnings and other information in the leased vehicle’s applicable Owner’s Manual must be followed at all times when towing. Towing in excess of the manufacturer’s recommended towing limits will be considered abuse and reported to the CVAC for review.
   B) Only vehicles equipped with a genuine Nissan hitch, towing-rated bumper and wiring harness kit may be used to tow a trailer. By using only genuine Nissan hitches, towing-rated bumpers and wiring harness kits, the lessee ensures that a trailer is towed in a safe manner while minimizing the potential for damage to the leased vehicle.
   C) Nissan does not provide or offer insurance for damage to trailers or trailer contents (rented or otherwise).
      i. See Section C for applicable limitations to Nissan provided coverage for vehicles leased under the CPI Program and for a description of Nissan provided liability coverage for property damage to others caused by a trailer towed behind a Nissan leased vehicle.
      ii. Under the EPI program, lessees should consult their insurance provider for appropriate coverage information for a trailer and its contents.

H. Prohibition on Relocation of Leased Vehicles

1. Leased vehicles may not be operated more than 30 consecutive days outside state of registration.
2. Lease drivers relocating to another state for permanent residency are responsible to consult their vehicle administrator for appropriate options.
3. Nissan adheres to all applicable state laws regarding vehicle registration and residency.

I. Prohibition on Operation of Leased Vehicles outside U.S.

1. All travel to, from or within Mexico using a lease or demo vehicle is strictly prohibited, even if the driver obtains temporary auto insurance at his/her own expense.
2. If the leased vehicle is to be driven in Canada, the lease agreement requires that lessee must advise Corporate Vehicles prior to crossing border. See policy C-102.

J. Use of Accessories on Lease Vehicles

1. Lease vehicles may be ordered with any standard manufacturer-approved accessories.
Corporate Vehicles will not install or order any accessories which were part of the original order but were inadvertently dropped from the order or not installed during the manufacturing process.

2. Normally, accessories not on the vehicle at time of delivery may not be added during the period that the vehicle is in company lease service.
   A) Employees/retirees choosing to install Genuine Nissan Dealer installed accessories (ex. Tow hitches, bike racks) may do so, but only at the employee’s personal expense. The employee will also be responsible for the removal of the Genuine Nissan Dealer installed accessory at the end of the lease term.
   B) The Employee/retirees personal expense will include the cost of the Genuine Nissan accessory, plus any installation/removal costs.
   C) The Genuine Nissan accessory must also be installed by an authorized Nissan/Infiniti dealer.
   D) Any vehicle damage that may arise from installation or removal of the accessory at the end of the lease term will also be the responsibility of the employee.
   E) Aftermarket accessories are not allowed.

3. Original equipment and/or factory approved accessories on the vehicle at delivery may not be removed during the lease term and must be on the vehicle upon turn-in.

4. Violations of the above will be subject to financial penalties and/or suspension of driving privileges, subject to review by the CVAC.

K. **Maintaining a Lease Vehicle (Company Asset)**

1. **Vehicle Maintenance and Warranty Repair** (Refer to Vehicle Maintenance Schedule 2 or Standard Maintenance in the Service and Maintenance Guide of the vehicle and the Owner’s Manual.)
   A) NNA Lease Vehicles are company assets. The lessee or eligible participant is responsible for ensuring that ongoing and routine maintenance is performed every six months or at the designated “Standard Mileage” service intervals (whichever comes first) as outlined in the vehicle’s Service and Maintenance Guide.
   B) Warranty repairs may be performed by any authorized Nissan or Infiniti dealership for the make of the leased vehicle. Charges for warranty repairs are billed to Nissan directly by the dealer. Should the dealer not be aware of the billing process, the participant may direct the dealer to the local Corporate Vehicle Administrator.
   C) Maintenance of leased vehicles must be performed at an approved facility or dealer. Contact the local Corporate Vehicle Administrator to obtain a listing of approved facilities.
   D) Maintenance performed at a Nissan or Infiniti dealership may be direct billed to NNA if the specific dealer arrangements are in place with NNA Finance. Otherwise, the employee or eligible driver will be required to pay the expense and request a reimbursement from NNA. In some locations retirees may be required to pay and request a reimbursement from NNA. Each location is responsible to communicate location-specific maintenance procedures.
      i. Employees must include proof of payment, detailed service invoice and expense reimbursement request (Ref. policy F-210).
      ii. Retirees requesting reimbursement must include proof of payment, detailed service invoice and expense request (Ref. policy F-210). Approved amounts will be credited to their lease billing account provided on the EFT; no checks
will be issued for active lease participants.

iii. Dealership service/maintenance charges incurred in excess of normal amounts may not be reimbursable depending of the magnitude of the overcharge.

iv. Service charges in excess of Schedule 2/Standard Mileage intervals must be authorized in writing (e.g. email) by the local Corporate Vehicles Service Manager or their representative, prior to the services being performed.

v. Corporate Vehicles will review after-the-fact service maintenance reimbursement requests that were not pre-approved, and will make reimbursement judgment decisions on a case-by-case basis.

E) The lessee must ensure all repairs dictated by warranty campaigns/bulletins are completed in a timely fashion.

2. Failure to properly Maintain a Leased Vehicle

A) Vehicle abuse and failure to properly maintain a leased vehicle includes, but is not limited to:
   • Failure to maintain the proper vehicle service intervals
   • Evidence of rough driving (burned clutches, extreme tire wear) (Refer to Guide for Unacceptable Wear and Tear)

B) The lessee may be liable for any repair costs, assessed financial penalties, and/or suspension of lease privileges, which are deemed to be caused by vehicle abuse, subject to the approval of the CVAC.

3. Use of Tobacco

Tobacco use is prohibited in all company-owned vehicles. If tobacco use is evident upon return of any vehicle, the employee/retiree will be subject to a damage fee of $500 for any damages associated with tobacco use.

L. Accidents and Violations/Citations

1. Lease Vehicle Accidents (Company Provided Insurance)

A) At scene of accident:
   i. The driver of the company lease and/or passengers should avoid admitting responsibility for the accident, and should not discuss responsibility with others at the scene. Drivers should, of course, respond factually to questions asked by a law enforcement officer.

   ii. When providing information to anyone other than a law enforcement officer at the scene of the accident, the driver of the company lease vehicle shall limit the information to:
      • Name and address of the driver
      • Driver’s license number
      • Vehicle registration
      • Name and address of the insurance company
      • Insurance Policy Number
      • Make, year, and model of the lease vehicle

B) Accident Report: The driver of the company-owned vehicle must prepare a Vehicle Accident/Incident Report to include the following:
   • Identification of the Nissan vehicle and driver
   • The other vehicle(s) and driver(s)
   • Witnesses to the accident (if any)
C) The lessee of the company-owned vehicle must submit the Vehicle Accident/Incident Report to Corporate Vehicles within 24 hours of the accident. If the accident occurred over a weekend or holiday, the report must be submitted at the beginning of the next business day. Failure to do so may result in a $150 fine.

D) The lessee of the company-owned vehicle is also responsible to ensure that any additional applicable and uniquely required reporting to the State or other governmental agencies is made in a timely fashion (e.g., California reporting requirements).

E) The lessee is responsible for obtaining a copy of any applicable police documentation within 10 working days of the accident and forwarding it to the Corporate Vehicles Department.

F) Deductibles and Fees/Employee-paid Charges
   i. If a company-owned vehicle under the CPI Program is involved in an at-fault accident, a $500 damage fee will be assessed to the lessee for each accident or occurrence.
   ii. Costs, up to $500 damage fee, related to windshield replacement/repair from road debris or damage are the responsibility of the driver.
   iii. When drivers of other vehicles are determined to be at fault, Nissan will pursue these persons or their insurance carriers to recover costs for damages sustained to Nissan vehicles.
   iv. If it is determined that an unauthorized driver was operating a Nissan vehicle at the time the vehicle sustained damage, the lessee will be held responsible for paying all costs associated with the damaged company-owned vehicle. In addition, lease privileges will be reviewed by the CVAC.

2. Lease Vehicle Accidents (Employee Provided Insurance)
   A) Eligible drivers involved in an accident covered under the EPI Program must abide by all policies of their specific insurance carrier.

   B) Accident Report: The driver of the company-owned vehicle must prepare a Vehicle Accident/Incident Report to include the following:
      • Identification of the Nissan vehicle and driver
      • The other vehicle(s) and driver(s)
      • Witnesses to the accident (if any)

   C) The lessee of the company-owned vehicle must submit the Vehicle Accident/Incident Report to Corporate Vehicles within 24 hours of the accident. If the accident occurred over a weekend or holiday, the report must be submitted at the beginning of the next business day. Failure to do so may result in a $150 fine.

   D) The lessee is responsible for obtaining a copy of any applicable police documentation within 10 working days of the accident and forwarding it to Corporate Vehicles.

   E) The lessee of a company-owned vehicle under the EPI program is responsible for the entire amount of any damage resulting from the accident.

   F) The lessee of the company-owned vehicle is also responsible to ensure that any additional applicable and uniquely required reporting to the state or other governmental agencies is made in a timely fashion, e.g., California reporting requirements.

3. Traffic Citations/Violations
A) Employees are required to report any DUI convictions to the local Corporate Vehicle Administrator. Refer to policy C-102, Section 15.

B) Nissan is not responsible for traffic citations, parking citations or toll violations received against a driver when using the leased vehicle; these are always the responsibility of the lessee.

C) Citation/violation balances must be paid in full within 60 days of notification of the violation. Failure to do so may result in delaying the delivery of a replacement unit and or removal from the employee lease program.

D) Refusal to pay citations/violations will result in the loss of all lease privileges for a minimum of one year subject to review by the CVAC, as well as reporting of the penalty amount as taxable income, subject to tax withholdings, to the employee/retiree.

M. Terminating a Lease Agreement

1. Nissan's Right to Terminate Vehicle Lease Agreement

Nissan may terminate any lease agreement at its sole discretion, for any reason, upon three (3) business days’ notice in writing to the lessee.

2. Lease Vehicle Termination

A) A leased vehicle must be held for the duration of the lease except as provided below. The lease contract is terminated immediately when one of the following events occurs:

   i. An employee accepts a subsequent lease contract for a replacement vehicle (i.e. prior vehicle lease expiration or to participate in a special vehicle lease program).

   ii. Upon voluntary termination of employment from Nissan: the separating employee is responsible for coordinating the return of all leased / company owned vehicles to Corporate Vehicles or a dealership designated by Corporate Vehicles on or before his/her last day of employment. Failure to return company assets on or before the last day of employment may delay final paycheck processing.

   iii. Upon involuntary termination of employment from Nissan; the separating employee is responsible for coordinating the return of all leased / company owned vehicles to Corporate Vehicles or a dealership designated by Corporate Vehicles immediately. Failure to return company assets will result in the repossession, may delay final paycheck processing, may be reported to local authorities as stolen and may be reported to the IRS and applicable state taxing authority as taxable income to the employee/retiree arising from theft.

   iv. Upon the lessee's death. Note: Surviving spouse and children may continue the current lease until its expiration date; however, payment for said lease must be established via EFT.

   v. The employee:

      • Transfers to a position in another Nissan vehicle division that requires that employee lease the vehicle brand marketed by that division.

      • Is promoted to a position that includes an assigned demonstrator vehicle. The lessee may return the leased vehicle without an early turn-in penalty. The employee will be assigned a used or new demonstrator vehicle depending on the current applicable demonstrator assignment or "drive out" policy in effect at the time.
• Breaches the lease contract terms.

B) Employees, who are relocated by the company to a different state or country, may return the affected leased vehicle(s) with no penalty and apply for a replacement vehicle(s) at their new assignment. In some cases, Corporate Vehicles may choose to re-title the vehicle in the state where they are moving.

3. Lessee’s Right to Terminate Vehicle Lease Agreement

A) In addition to the automatic lease termination events described in previous sections, the lessee may voluntarily terminate the lease agreement under one of the following circumstances:

i. Another eligible employee or retiree assumes the lease and all lease terms and obligations. No additional lease ordering will be permitted to replace the assumed vehicle for one year from the date the assumed lease would have expired, and during that period the total number of remaining leases in effect may not exceed the number of leases in effect after the assumption.

Or

ii. By paying an early termination fee of one and one-half month's lease rate. No additional lease ordering will be permitted to replace the terminated lease for one year from the date the canceled lease would have expired, and during that period the total number of remaining leases in effect may not exceed the number of leases in effect after the cancellation.

B) The early turn-in penalty is not waived for changes that may occur to an employee or Authorized Driver’s family/lifestyle due to pregnancy, birth, adoption, immediate family member’s change or loss of employment, financial hardship, etc. Employees who opt to terminate their lease early are subject to the turn-in penalty, and therefore no additional lease ordering will be permitted to replace the terminated lease for one year from the date the canceled lease would have expired, and during that period the total number of remaining leases in effect may not exceed the number of leases in effect after the cancellation. In addition, employees may only exercise this option three times during their employment with Nissan; after which, the employee is no longer eligible for the lease program.

C) The financial early turn-in penalty is waived due to reduction of lessee’s normal (not to include overtime hours) work hours to less than a 40 hour work week. No additional lease ordering will be permitted to replace the terminated lease for one year from the date the canceled lease would have expired, and during that period the total number of remaining leases in effect may not exceed the number of leases in effect after the cancellation.

D) Early turn-in penalty is waived if the employee purchases a new vehicle under the Vehicle Purchase Plan. Such vehicle purchases must be titled in the name of the employee or employee and spouse to qualify for the penalty waiver. New or used vehicle purchases on behalf of other immediate family members are not eligible for the waiver.

E) Early turn-in penalty is waived due to death of the employee/retiree or eligible immediate family member driver.

F) Early turn-in penalty is waived due to divorce (legal documents must be provided). Note: the date of the divorce on the decree automatically makes the ex-spouse a non-eligible driver and participant. The car may be turned in either prior to or no later than the finalization date on the divorce decree.

G) Early turn-in penalty may be waived, due to serious illness, leave of absence (LOA), military obligation, or incapacity of an eligible lease vehicle driver at the
discretion of the CVAC. Each request is decided on a case-by-case basis, and only upon receipt of written verification signed by the eligible driver's physician or medical caregiver.

H) Early turn-in is not allowed to change model, color, accessories, etc.

N. Lease Vehicle Return

1. The lessee must turn in the vehicle to the Corporate Vehicles Department or dealership upon the lease termination date or upon delivery of the replacement lease vehicle, whichever occurs first. All keys, remotes, navigation disks, towing accessories, headphones, etc. must also be turned in with the vehicle. For active employees, costs associated with replacing missing items will be payroll deducted (see section F – Paying for a lease Vehicle and the Related Charges). Retirees will be billed separately.

2. Lease vehicles are company assets. When the leased vehicle (asset) is returned, it is inspected to determine its condition. If the vehicle is returned in a condition that requires extra cleaning and/or fumigating (e.g. cigarette/cigar smoke) the lessee is subject to the cost of the cleaning.

3. The lessee may be charged for the full amount to repair any damage or replacement costs and may be subject to the loss of future leasing privileges. Items inspected include dents and scratches, burns or stains on the interior, missing or broken accessories, etc. Excessive wear and tear (Refer to Guide for Unacceptable Wear and Tear) that may result in decreased resale value is noted. The CVAC determines the charges to be paid on a case-by-case basis (See Corporate Policy C-102, Operation of Company-Owned Vehicles, section 20).

O. Corporate Vehicle Advisory Committee (CVAC)

1. The CVAC shall ensure Nissan’s commitment to protect the public and its employees, as well as Nissan itself, from unreasonable risk of harm arising from the use and operation of company vehicles. The committee shall be made up of representatives from various groups within Nissan to represent various business perspectives.

2. The committee will meet monthly and review driving records that have significant numbers of traffic violations and/or accidents and/or review reports of vehicle abuse.

3. Warning Letters and Suspensions

   A) The committee will issue letters of warning in marginal driving record situations to the lessee. Moving violations and at-fault accidents serve as warnings in themselves and do not require a formal warning letter from the CVAC.

   B) A driver will have his/her privileges suspended if, after receiving such a warning, he/she incurs additional at fault accident(s) or violation(s) or exhibits non-compliance to this policy or the warning letter.

   C) A suspension may be implemented immediately without a warning letter; the committee's actions are dependent upon information provided by various state DMVs or the Nissan/Infiniti regions and on the timing of a driver’s accidents or violations. Some examples of incidents that can result in suspension, financial penalties and/or both are (this list is not intended to be exhaustive or inclusive of all possible incidents):
      - DUI/DWI
      - At-fault accidents, moving violations or combinations thereof
      - Allowing an unauthorized driver to operate a lease vehicle
P. Purchasing of Off Lease Vehicles

Only full time employees of Nissan affiliates within the scope of this policy are eligible to purchase his or her own off-lease vehicle. Each full-time working employee shall be entitled to purchase no more than one (1) motor vehicle per twelve month period and must title the vehicle in the employee’s name and shall retain the motor vehicle for no less than one hundred eighty (180) days from date of purchase. Refer to the CV Portal for the process.

REFERENCES

Corporate Vehicles (CV) Lease Portal
WINHR
Guide to Unacceptable Wear and Tear
C-102, Operation of Company-Owned Vehicles
Borrowed Lease Vehicle Agreement form

VERSION SUMMARY

Replaces C-109, version 3.2 dated September 14, 2015. Revised to update insurance information, add reference to the new guide, and update CPI insurance regarding windshield replacement/repair.

Overall Responsibility: Corporate Vehicles
Approved: Director, Corporate Services