

NISSAN EMPLOYEE LEASE VEHICLE PROGRAM POLICY

Policy Number: C-109

Version: 2.3

Effective Date: February 23, 2012

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 Nissan Americas affiliates NNA, NMAC, NDA and NTCNA. This policy does not apply to NCI and NMEX.

POLICY

Nissan provides a vehicle lease program to enable employees and other eligible participants to enjoy the benefit of driving a Nissan or Infiniti vehicle at a rate below retail value. 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. **Eligible Program Participants:** The following persons may lease and/or operate vehicles under this program as long as they are licensed drivers and under age 75:
 - A) Upon date of hire, full-time employees not represented by a collective bargaining unit and their immediate family members. Immediate family members are defined as follows:
 - Spouse
 - Children/stepchildren and their spouses
 - Domestic partner with affidavit on file
 - Parents, in-laws and siblings (maximum two additional vehicles per employee and in compliance with Section B.3 – “Authorized number of leased vehicles”)

Nissan Employee Lease Vehicle Program Policy

- B) Nissan retirees who were eligible to lease vehicles upon date of retirement and their immediate family members (see definition above) may participate in the lease program until the retiree reaches the age of 75. Once a retiree reaches the age of 75, all lease program vehicles must be returned. Refer to Section M.2.C).
2. **Eligible Drivers:** The following persons may operate Nissan Employee Lease Program vehicles:
- A) Program participants
 - B) Children/stepchildren/legal wards of the program participant who hold a valid state driver license; provided that, such persons' name is listed on the document specified for that purpose and maintained by Corporate Vehicles. The surviving spouse and children of a deceased program participant are eligible to continue driving the leased vehicle(s) until the end of the lease term, provided the monthly payments are maintained by Electronic Funds Transfer (EFT).
 - C) If not participating in the Employee Lease Vehicle Program, the following individuals may drive a program participant's vehicle if he/she has a valid state driver license and has submitted a completed Borrowed Vehicle Agreement (BVA) to the local Corporate Vehicles Administration Department.
 - 1) Parents, parents-in-law, siblings, siblings-in-law, sons-in-law, daughters-in-law, and children/stepchildren/legal wards (not covered under (B) immediately above), up to age 75. Exception: The requirement of a signed BVA is waived under this policy if an authorized lease vehicle driver becomes temporarily incapacitated or otherwise unable to safely operate the leased vehicle. Then, in that case, another licensed driver may operate the vehicle during an emergency or temporary period of incapacity affecting the primary authorized driver, as long as the primary authorized driver is a passenger in the leased vehicle during its operation.
 - 2) The persons listed above (2.C.1) are limited to driving the leased vehicle for short periods (i.e. visits or other temporary situations, not to exceed a cumulative 10 days per year).
 - 3) The signed BVA must be promptly forwarded via fax to Corporate Vehicles or the Regional/VPC Administration Department where it shall be held in the related employee's leased vehicle file.
 - a. In case of an emergency (i.e., unanticipated use during evenings, holidays, or over weekends when Corporate Vehicles' and/or Regional/VPC staff are not available) the signed BVA must be submitted after the fact to Corporate Vehicles or Regional/VPC Administration Department immediately on the next business working day.
 - b. Failure to submit the signed BVA as stated above may result in restrictions to the related employee's lease vehicle privileges, including potential loss of those privileges.

Nissan Employee Lease Vehicle Program Policy

- c. Employees who loan their lease vehicle to any driver assume all responsibility/liability for the operation of and condition of the vehicle until the vehicle's return from the borrower.

- d. Employees who lease vehicles under the Employee-Provided Insurance (EPI) Program are responsible to ensure that all drivers who operate their leased vehicle are covered under the terms of their individually obtained insurance policy (and should consult accordingly with their carrier).

3. Nissan's Right to Decline a Vehicle Lease

- A) Nissan reserves the right to decline operation of or leasing of a vehicle for any of the following reasons to include but not limited to:
 - Revocation of driver license,
 - Invalid driver license
 - Program suspension as determined by the CVAC
 - 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
 - Multiple moving/traffic violations or accidents
 - The lessee has reached age 75
 - The designated family member is 75 or older
 - When it is not economically feasible for NNA to properly title or register the vehicle in certain states

B. Entering the Lease Program

1. Lease Vehicle Term

- A) All leases are 12 month-leases. Lease terms shall be evaluated periodically to ensure optimum remarketing conditions exist.
- B) Some factors may reduce or extend a 12 month lease term to include:
 - Replacement lease vehicle order filled quickly with on-ground inventory
 - Production delays due to model year changes or inventory volume
 - Shipping delays

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 daily average.

3. Authorized Number of Leased Vehicles

Nissan Employee Lease Vehicle Program Policy

- A) Non-Tennessee employees may lease as many vehicles as desired provided the sum of the lease rate(s) does not exceed their net pay. Non-Tennessee retirees may lease as many vehicles as desired.
- B) Tennessee employees and retirees, due to State regulations, may lease up to 4 vehicles within the state of Tennessee.. Additional vehicles may be leased but must be delivered to and registered in another state.

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 those in effect at the time of the order. There are two standard lease rates offered:

1) CPI Program (Company provided Insurance, see Section C)

- a. Vehicle lease rates include:
 - License and registration fees,
 - Regular maintenance or warranty repairs, and
 - Driver liability insurance coverage up to \$1,000,000.
 - TN ONLY: Because of state law, lease vehicles delivered in Tennessee must be processed through local Nissan or Infiniti dealers. The lease rate will therefore additionally include freight and a dealer fee as part of the total dollars billed to NNA. These additional charges will be added to the standard lease rate at a pro rata rate over the 12 months of the lease.
- b. 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

2) EPI (Employee Provided Insurance) Program (see Section C)

- a. Vehicle lease rates include:
 - License and registration fees,
 - Regular maintenance or warranty repairs, and
 - TN ONLY: Because of state law, lease vehicles delivered in Tennessee must be processed through local Nissan or Infiniti dealers. The lease rate will therefore additionally include freight and a dealer fee as part of the total dollars billed to NNA. These additional charges will be added to the standard lease rate at a pro rata rate over the 12 months of the lease.
 - MS ONLY: Due to Mississippi state law, vehicles must be registered in the county where the employee resides. Participants are individually responsible for separately securing and paying for registration on lease vehicles.
- b. This program is open to all eligible employees and retirees.

Nissan Employee Lease Vehicle Program Policy

- B) Special Discount Lease Rates may be offered periodically at Nissan's discretion and will be communicated by the Corporate Vehicle Program administrator.
- C) Employees must lease all vehicles under a single rate program. Employees 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 participant chooses to leave the lease program and then return at a later date, then he or she will retain their CPI eligibility.

5. Imputed Income

The Lease Vehicle Program is considered **a benefit, which enables participants to lease a vehicle below its standard retail market price.** **Therefore, employees/retirees** must pay taxes on the difference between the IRS defined market value of a lease and the actual lease payment amount (Ref. IRS Vehicle Tax Table). **The Payroll department** will denote this as "Car Income" on an employee's pay advice. This amount is subject to change periodically based on the employee's individual insurance rate changing or changes to the IRS regulations.

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:
 - 1) Nissan shall self-insure all company-owned vehicles for collision and comprehensive coverage (physical damage) subject to a \$250 employee-paid deductible.
 - 2) Nissan carries a business auto liability policy covering bodily injury, uninsured/underinsured motorist, and property damage to others up to \$1,000,000 and \$5,000 per person in medical payments.
- B) Insurance Coverage Exclusions
 - 1) 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.
 - 2) 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. All coverage and deductibles are subject to change; however, auto liability insurance coverage will not be less than \$1,000,000 in all states.

Nissan Employee Lease Vehicle Program Policy

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

2. EPI Program

- A) Eligible drivers 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.
- B) Each insurance carrier is required to provide the specific coverage and liability limits per the program plan. For required limits and insurance carrier options, contact the local Corporate Vehicle Administrator.
- C) Because the insurance is purchased and maintained by the employee/retiree, the insurance policy is specific to that employee/retiree. All questions regarding coverage should be referred to the employee's/retiree's insurance agent/carrier.

D. Ordering a Lease Vehicle

1. Ordering a Lease Vehicle

- A) Eligible employees/retirees must follow the procedure prescribed by the affiliate/location to order a vehicle for themselves or eligible immediate family members. For questions, contact the local Corporate Vehicle office. 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 participants of the EPI plan are encouraged to obtain alternate insurance quotations prior to placing a lease order, verify insurance provider participation and determine the impact of any special limitations that the provider may have regarding area coverage or specific state regulations.
- C) Eligible employees and retirees are required to provide a driving record for themselves and all eligible immediate family members that are to be named on the lease upon initially entering the program. Moreover, eligible drivers are subject to a DMV Driving Record Check by the Corporate Vehicles department.
- D) Corporate Vehicles or Regional/VPC Administration shall check the records of all drivers indicated on the lease agreement for citations and accidents (see Corporate Policy C-102, Operation of Company-Owned Vehicles).
 - 1) Records with multiple citations and/or accidents shall be referred to the Corporate Vehicles Advisory Committee for possible changes in driving/leasing privileges.
 - 2) 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.
 - 3) Life status changes (Marriage, child turning 16, etc.) require a driving record/permit to be added to the Lease Agreement.

Nissan Employee Lease Vehicle Program Policy

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

E) Replacement Vehicle Lease Orders

- 1) Corporate Vehicles shall 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
- 2) Lessees are responsible to submit the lease order to the applicable lease organization by the deadline. Failure to submit the form by the due date may delay delivery of the replacement vehicle until after the current lease expiration date. Employees who fail to order by the due date will not be eligible for Class II or Aged Inventory vehicles.
- 3) If an employee's replacement lease delivery date is delayed due to the order not being placed in a timely manner, the employee must return the current lease on the original expiration date. This will be required even if the replacement lease vehicle has not arrived.
- 4) If an employee'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.
- 5) 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. Employees 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:
 - 1.5 month financial penalty (based on the price of the cancelled vehicle) and
 - 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 or Regional/VPC Administration Department shall notify the employee/retiree when the leased vehicle is available for delivery.

Nissan Employee Lease Vehicle Program Policy

- B) The employee/retiree is responsible to schedule an appointment with Corporate Vehicles or Regional/VPC Administration personnel to sign the lease agreement and take delivery of the vehicle.
- C) Additional vehicle delivery procedures may vary by location and shall be communicated by each location.

2. Vehicle Lease Agreement, Registration

- A) Corporate Vehicles or Regional/VPC Administration shall ensure the lease vehicle is properly registered (including Mississippi EPI, see paragraph B) This process may vary by state and in some locations temporary registration may be issued. In some cases registration expiration date may not coincide with the vehicle pick up date and could expire before the lease.
- B) Corporate Vehicles or Regional/VPC Administration shall 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) above, due to applicable state law, vehicles of participants residing in Mississippi must be registered in the county where the participant resides. Participants 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 or Regional/VPC Administration is responsible for providing applicable vehicle lease agreement documents to the employee/retiree for approval to include:
 - Vehicle Lease Agreement and Standard Provisions
 - Authorized Drivers Form (CPI program where applicable)
 - Electronic Funds Transfer (retirees only)
 - Insurance ID card (CPI program)
- F) The employee/retiree shall not take possession of 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 authorized drivers 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.). NNA is not responsible for citations issued for expired or improper registration.

3. Failure to pick up a Lease Vehicle

- A) An employee 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:

Nissan Employee Lease Vehicle Program Policy

- 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 canceled 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 an employee is physically unable to meet the deadline above (medical leave, travel, vacation, etc.) he/she is responsible to notify Corporate Vehicles or the appropriate Regional Administrator and to pick up the vehicle within 10 working days of return to work.

F. Paying for a Lease Vehicle

1. Vehicle lease payments are made via payroll deduction from an active employee's current salary. Employees are responsible to verify that his/her deductions are correct and notify Corporate Vehicles of any discrepancies.
2. Active employees on a leave of absence, or surviving spouse and children must ensure their lease payments are maintained by EFT. Any arrearage beyond 60 days will result in the retrieval of all lease vehicles and loss of future lease privileges.
3. Retirees are required to pay lease payments (including leases for immediate family members) via EFT from their own banking institution (The EFT form must be in place before retirees can receive their lease). A notice of delinquency will be sent for any monies due beyond 30 days. Lease payments delinquent over 60 days will result in the retrieval of all lease vehicles and revocation of future lease privileges.
4. Participant arrearages (mileage overages, vehicle damage, etc.) must be paid in full prior to picking up any new leases. In addition, the arrearage balance must be paid within one year or an employee is subject to corrective action, up to and including termination of employment.

G. Lease Vehicle Restrictions

1. Towing with a Leased Vehicle

- A) Leased vehicles may not be used for towing if the Owners Manual does not provide for such use. Moreover, limitations, restrictions, cautions, warnings and other information in the leased vehicle's applicable Owners 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).

Nissan Employee Lease Vehicle Program Policy

- a. 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.
- b. Under the EPI program, employees/retirees 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. Use of a lease or demo vehicle in Mexico is allowed for travel to the facility located in Mexicali only after consulting with and gaining written approval from security management. All other travel within Mexico using a lease or demo vehicle is strictly prohibited, even if the driver obtains temporary auto insurance at his/her own expense See Policy C-102.
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 Corporate Guideline C-102.

J. Accessories on Lease Vehicles

1. Lease vehicles may be ordered with any standard manufacturer-approved accessories.
2. Accessories not on the original vehicle order may not be added during the period that the vehicle is in company lease service.
3. Original equipment and/or factory approved accessories on the vehicle at delivery may not be removed during the lease term.
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 in the Service and Maintenance Guide of the vehicle and the Owners Manual)
 - A) NNA Lease Vehicles are **company assets**. The lessee is responsible for making the vehicle available for required maintenance and repair. Ongoing and routine maintenance must be performed every six months or 7,500 miles whichever comes first.
 - 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.

Nissan Employee Lease Vehicle Program Policy

- 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.
 - Employees or retirees must include proof of payment, detailed service invoice and expense reimbursement request (Ref. F-210).
 - Dealership service/maintenance charges incurred in excess of normal amounts may not be reimbursable depending of the magnitude of the overcharge.
 - Lessees are responsible to ensure only factory recommended services are performed (See Schedule 2 of the Service and Maintenance Guide and the Owners Manual) and recorded in the service manual. Service charges in excess of Schedule 2 must be authorized in advance by a Corporate Vehicles or Regional/VPC or Office Administrative staff member.
 - The Manager Corporate Vehicles, Manager of Regional Administration, or the Regional Office Administrator 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 and 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)
- 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.

L. Accidents and Violations/Citations

1. Lease Vehicle Accidents (Company Provided Insurance)

- A) At scene of accident:
 - 1) 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.
 - 2) 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:

Nissan Employee Lease Vehicle Program Policy

- 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 or Regional Office Administrator 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 will 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 or Regional Administrative Department.
- F) Deductibles and Fees/Employee-paid Charges
- 1) If a company-owned vehicle under the CPI Program is involved in an at-fault accident or no fault can be determined or the repair cost is unrecoverable from a 3rd party, a \$250 damage deductible fee will be assessed to the lessee for each accident or occurrence. (It is the lessee's responsibility to seek reimbursement, if so desired, from immediate family member drivers.)
 - 2) 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.
 - 3) 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 damages to the company-owned vehicle up to \$1,000 of the costs. 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:

Nissan Employee Lease Vehicle Program Policy

- 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 or Regional Office Administrator 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 will 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 the Corporate Vehicles or Regional Administrative Department.
- 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) 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.
- B) Citation/violation balances must be paid in full at the termination of a lease and prior to receiving a replacement lease.
- C) Employees are required to report any DUI convictions to the local corporate vehicle administrator. Failure to do so will result in the loss of all leasing privileges.
- 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.

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:
- 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).
 - 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

Nissan Employee Lease Vehicle Program Policy

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.

- 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.
- Upon the lessee's death. Note: Surviving spouse and children may continue the current lease until lease expiration date via EFT.

B) 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.

C) Retirees may continue to participate in the lease program until they reach the age of 75, at which time all company lease vehicles must be returned to Nissan. A spouse of an employee or retired employee may continue to drive a company leased vehicle until the spouse reaches the age of 75 or the lease is terminated whichever occurs first. Arrangements need to be made with the local Nissan Corporate Vehicles Administrator to return the lease vehicle prior to the retiree reaching 75. Retiree's immediate family (as defined in Section A) are eligible for the lease program until the retiree reaches age 75.

D) 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 they are moving to.

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:

- 1) 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

- 2) 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

Nissan Employee Lease Vehicle Program Policy

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 40 hr 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).
- G) Early turn-in penalty **is waived** if a spouse/dependent reaches age 75.
- H) 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.
- I) 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 or Regional / VPC Administration 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. Retirees will be billed separately.

Nissan Employee Lease Vehicle Program Policy

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, 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 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 15).

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 is followed in the operation of the leased vehicle fleet. The committee shall be made up of representatives from Legal, Risk Management, Human Resources, and Corporate Vehicles.
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
 - Abuse of a Company Vehicle (Failure to properly maintain the vehicle or misuse/rough driving)
4. If an authorized drivers' license is suspended by any state DMV, he/she may not drive any Nissan/Infiniti company owned asset.
5. Employees may contact or appeal, in writing, committee decisions via the CVAC appeals mailbox - [NNA - CVAC-Appeals](#)
6. If the CVAC determines it is necessary to take action against a driver, the committee shall notify the lessee of this action by letter or e-mail. In the

Nissan Employee Lease Vehicle Program Policy

- event a leased vehicle is to be returned to a region due to a leasing privilege suspension, the Regional Administration and Human Resources Manager will be notified.
7. If a driver's suspension period has expired, they may petition the CVAC in writing to request reinstatement to the Lease Program. If accepted for reinstatement, they will only be reinstated to the Employee Lease Program under the terms of the EPI program.

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 WIN for this process.

REFERENCES

Corporate Facilities WIN site
WINHR
C-102, Operation of Company-Owned Vehicles
Borrowed Lease Vehicle Agreement form

VERSION SUMMARY

Replaces C-109, version 2.2 dated January 13, 2012. Revised to clarify eligible drivers, update A.3, O.3.C (Right to Decline) and B.3.A (Number of Lease Vehicles).

Overall Responsibility: Corporate Vehicles
Approved: VP, Corporate Services