

REGIONAL CAR POLICY

	Developed by				Approved by		
Function	LACR Global Rewards Director				LACR Mgmt, HR and Rewards		
Signature							
Date	January 2010				January 2010		
Business	<u>MDB</u>	<u>EMS</u>	<u>HNM</u>	<u>CORP</u>	<u>MDB</u>	<u>BMS</u>	
Name	Sue Waldman	Terri Osman	Yesenia CH	Juan Luis T.	Enrique U.	Oscar R.	
Date	01-10	01-10	01-10	01-10	12-09	12-09	12-09

Rev	Modification Tracking	Originated	Approved	Date
1.0	New Versión with assignment period and discounts (Effective Jan 1, 2006)	J.L. Toscano	Mgmt	Oct 24, 2006
2.0	Modified General Requirements	A. Elquezabal	Mgmt	Nov, 2008
3.0	Modified moves from Sales to non-sales	J.L. Toscano	Mgmt	Aug, 2009
4.0	Reduced categories, eliminated parking/car wash, no gas on personal time	J.L. Toscano	Mgmt	Dec, 2009

Policy Content
<u>Policy Statement/Scope</u>
<u>Responsibilities/Definitions</u>
<u>Eligibility</u>
<u>General Requirements for assignment and purchase</u>
<u>Expense reimbursement</u>
<u>Car use</u>
<u>Car replacement</u>
<u>Sale of cars to employees</u>
<u>Job or grade changes</u>
<u>Additional Information</u>
<u>Policy changes and exceptions</u>
<u>Approved car list, process and formats</u>

Summary

Policy Statement

The objective of this policy is to establish guidelines and general requirements to regulate the use and administration of cars that are assigned to Motorola employees while performing their job responsibilities.

Scope

This policy applies to all countries and regular employees in the Latin America and Caribbean Region (LACR) having the grade, function and responsibilities which require the use of a car as a work tool, based on the eligibility guidelines established below.

REGIONAL CAR POLICY

Roles and Responsibilities**1. Manager/Supervisor**

Ensure compliance with this policy and inform HR/Finance of any irregularity or non authorized exception. Ensure all employees under his/her supervision who have an assigned managerial or pool car are aware of this policy, and that their decisions are made in accordance with this policy. Verify that expenses reimbursement stated in the expense report are in the list of approved expenses specified in the policy.

2. GR / Human Resources

Responsible for the equitable application of this policy.
Ensure eligibility and revise documentation for assignment.
Clarify definitions and application of policy to all parties involved.
Conduct an annual revision of this policy and in conjunction with Finance and Purchasing/Administration departments in order to determine the necessary amendments, including car price limits (managerial assigned cars) and models (pool cars) actualization. Ensure communication of this policy.

3. Finance and Purchasing

Support Global Rewards/HR in defining price limits (managerial assigned cars) and car models (pool cars) from a cost-benefit perspective. Contract insurance policies for all cars/drivers under this policy as well as to pay all taxes and duties related to the same. Assure cars are duly registered and comply with country-specific legal requirements. Ensure compliance with this policy and inform HR of any irregularity or non authorized exception.
Respond to any local fiscal requirement and assure that this policy complies with local laws. Inform HR of any change to local laws that forces Motorola to modify this policy.

REGIONAL CAR POLICY

4 . Employees

Comply with all legal and administrative requirements established in this policy or any local laws they may be subject to. Ensure that any passenger on the assigned car uses the safety belts, and that all safety equipment has been installed correctly at the assignment. Pay all tickets or fines that may be generated by the inobservance or violation of local traffic and administrative laws. Maintain the car in good condition. Notify Human Resources immediately or as soon as circumstances allow it in writing of any accident or event that the employee may be involved with the assigned car. The employee (or any other driver) will assume legal and financial responsibility for any accident derived from the inobservance or violation of traffic or administrative laws, or inobservance or violation of this policy, which is not covered by the insurance policy. Lack of compliance with this policy will be subject to disciplinary actions including employment termination.

Definitions

Grade	Level assigned to a job within the Company to identify the level of responsibilities of all employees.
Assigned car	Cars assigned to employees in grades S2 to S6 in sales positions, managers in grades E11-E12, directors in grades E13-E15; and, VP's within executive bands.
Pool car	Cars that are assigned to a specific area, instead of a particular employee, for the non exclusive use of one or more employees of such area, based on business needs.

REGIONAL CAR POLICY

Guidelines**1.-Eligibility**

The following employees are eligible to have a Motorola assigned car:

- 1.1. Sales jobs in bands from S2 and above, which comply with the following:
 - a) Directly involved in business sales (sales support jobs are not eligible), and
 - b) Due to the nature of their jobs must participate on a sales incentive program.
 - c) Motorola reserves the right to change this definition, and to move employees from a sales to a non sales position at any time as required by business needs.
- 1.2. All employees in the following levels: managers with grades E11-E12, directors with grades E13-E15 and Vice-presidents in executive bands.

Cars under categories 1.1 and 1.2 will be considered as a **company managerial assigned car**.

- 1.3. Pool cars.
 - 1.3.1. Pool cars are assigned to functions/areas (not to particular employees), which require being out of the office more than 50% of their full working days. This category of car is by nature of non exclusive use of particular employees. Any exception to this requires approval by IBHR HR Director.
 - 1.3.2. Correspondent Manager in conjunction with HR must make a cost-benefit analysis before making any decision to buy a pool car.
 - 1.3.3. Pool cars must be available in Motorola facilities when not in business use by an employee from the area the car has been assigned to.
 - 1.3.4. Manager of the correspondent area/function will be responsible to manage the adequate use of these cars, as well as to respond to any administrative/legal requirement related to those cars.
 - 1.3.5. Pool cars must follow any legal requirement regarding colors and identification or use of these cars.

REGIONAL CAR POLICY

2. General requirements:

- 2.1. The General Acquisition Request approval process should be initiated by Finance upon request of an eligible employee replacing a car or a manager of an eligible new hire, and upon confirmation from HR on grade and amount.
- 2.2. Finance should initiate the GAR approval process according to the approval path defined by each business.
- 2.3. Upon GAR approval, Finance notifies Procurement and employee.
- 2.4. Procurement and employee agree on vehicle selection and proceed with the PO.
- 2.5. All employees driving a Motorola car (in any of the above categories) must have a valid drivers license, granted by the correspondent authorities.

3. Purchase requirements:

- 3.1 All cars purchased by Motorola in all countries within LACR must follow policy requirements. In the case of the managerial assigned cars, employees can select the car of their preference within the price limits and brands (authorized amounts include all taxes) established for each grade/band (shown in attachment 1: Managerial Assigned Cars. Approved Price List and manufacturers) with the exception of 2-doors sport or convertible cars, pick-ups, Hummer or Mini-cords. In any case, Motorola reserves the right to evaluate if the selected car follow the parameters of a managerial assigned car and proceed with the approval.
- 3.2 In the case of pool cars, employees should select the car from the approved model list in each country (shown in attachment 2: Pool Cars. Approved Car List).
- 3.3 Employees are not allowed to negotiate directly with vendors a car adquisition, nevertheless, they can suggest authorized agencies, which may give Motorola better deals for the approved models. In any case, Motorola retains the discretion to use or not the vendor suggested by the employee.

4. Expense reimbursement.

- 4.1. Motorola will reimburse the following expenses:
 - a. Gasoline, exclusively if related to working time and in case associates do not receive gas tickets or cash. Gasoline reimbursement is subject to approved maximum monthly amounts and when car is used in personal time (including weekends and vacation) employee must absorb the expense. In the case of pool cars, gasoline will be reimbursed only when car is used for business purposes and require manager approval.
 - b. Maintenance/services based on owner's manual specification,
 - c. Tire replacement after 40,000 kilometers or equivalent in miles,
 - d. License tags or other expenses required by authorities like ecological certifications,
 - e. Taxes related to the car use or ownership,

REGIONAL CAR POLICY

4.2. Motorola will **NOT** reimburse:

- a. Gasoline and tolls when incurred during personal use.
- b. Other expenses related to use of the car such as car wash/polish or personal parking.
- c. Tire replacement or aesthetical repairs within last 6 months of assignment.

4.3 Motorola will NOT cover expenses for accidents derived from the inobservance or violation of traffic and administrative laws or inobservance or violation of the guidelines contained in this policy, which are not covered by the insurance policy.

In those countries where Motorola had negotiated a deductible with the insurance company, Motorola will assume the responsibility for the payment of such deductible, only if the event/accident is not derived from the inobservance or violation of the traffic and administrative laws or the inobservance or violation of the guidelines contained in this policy.

Motorola will not cover those expenses resulting from tickets or administrative fines.

4.4 Motorola will only cover toll expenses when derived from business use. Toll expenses derived from personal/vacational use will not be reimbursed by Motorola.

4.5 Motorola will only cover parking expenses when derived from business related activities. Parking expenses derived from personal/vacational use of the car will not be reimbursed by Motorola.

5 Car use.

5.1. Company Managerial Assigned Cars:

5.1.1. Employees can use this type of cars at any time and under any circumstance (including vacation) without a specific permit although expense reimbursement is limited to work use as stated in previous clauses.

5.1.2. Assigned employee must be the main driver of the car. No other person is allowed to use the assigned car.

5.2. Pool cars.

5.2.1. Pool cars are provided to meet specific business needs and must be always returned to Motorola facilities at the end of the working day, unless the traveling time to the office makes this requirement impossible. In all cases, these cars must be returned to Motorola facilities during weekends, vacation or Holidays.

5.2.2. Area/functional managers will be responsible for the administration and appropriate use of these cars.

REGIONAL CAR POLICY

5.2.3. Only regular employees within the area to which the car has been assigned are allowed to drive the car.

5.2.4. The employee must have a valid driver license and must know the local traffic regulations, as well as these policy requirements.

6. Replacement.

Replacement refers to the duration of the assignment.

- 6.1. The assigned car will be replaced after three years of use (without kilometer limitation). The base for the replacement period will be the car invoice date. At the end of such period, employees will have the option to buy the car before any third party.
- 6.2. Pool cars will be replaced when they have three years of use (without kilometer limitations), and the base for the replacement period will be the car original invoice date. At the end of the period employees will NOT have the first right of refusal, but will be able to participate in the correspondent bid in case Motorola decides to bid the car internally (all employees must follow the bid process established in the specific country).
- 6.3. As part of the replacement process, the correspondent requisition must be fulfilled and approved by the correspondent parties.

7. Purchase of the car - Guidelines.

- 7.1. Eligible employees will have the right to purchase their assigned car at the end of the assignment period, with a discount of 20% from the market value determined by country's "**Blue Book**" or any other formal means used to publicly determine car values. The market value will be provided by the correspondent purchasing/finance department. Employee will follow the local purchasing procedure for the correspondent location.
 - 7.1.1. For cars that are currently assigned with a four year replacement period this policy will take effect at the end of current assignment period. In these cases the purchase discount will remain at 30%.
- 7.2. If the employee decides to buy the assigned car, he/she has an unextendible 15-day time limit after the new car is assigned, to fully pay the value of the car.
- 7.3. All responsibilities related to the assigned car will cease for Motorola at the moment the purchase is done.
- 7.4. The purchasing employee will cover all expenses derived from the purchase transaction.

REGIONAL CAR POLICY

- 7.5. If an employee is transferred out of the country of assignment and as a result would lose the right to have a car, and he/she has more than 18 months of assignment, Motorola will give the right to purchase the car with a discount proportional to the assignment period based on the "Blue Book" market value (or any other formal means used to publicly determine car values).
- 7.6. In cases when an employee is terminated for a reason other than for cause (including employees on clause 7.1.1), and the car has been assigned more than 18 months, the employee will have the right to buy the car with a discount, proportional to the months of assignment, at the date of termination. In the case the employee has less than 18 months of assignment he/she can buy the car at the **Blue Book** market value described above (or any other formal means used to publicly determine car values) with no discount. In these cases General Manager/Director of the business, Business Human Resources and Business Finance approvals are required.
- 7.7. Motorola will open a bid process in the following instances:
- a) The employee does not want to purchase the assigned car, or
 - b) Employee does not comply with requirements in paragraphs 7.2, 7.5, and 7.6.
- 7.7.1. Bids will be managed by the purchasing/finance department based on local procedures. In any case the minimum bid price will be 20% below the "Blue Book" value as described above (or any other formal means used to publicly determine car values).
- 7.7.2. The employee that purchases a car from a bid process will not be able to participate in another bid process for the following two years, or take advantage of another employee to bid on his behalf within such period. In all bid processes the preference will be given to employees who does not have an assigned car.

8. Promotions, grade changes and/or transfers between businesses/roles

- 8.1. In case an employee is promoted to a grade, which entitles him/her to a new car category, he/she will have to comply with the three year assignment with the actual car before the purchase of a new category car in accordance with the employee's new grade.
- 8.2. In case an employee is transferred from one business to another within the same country, she/he will have to keep the car assigned at the moment of the transfer and comply with the three-year assignment before he/she is entitled to a new car.
- 8.3. In case an employee is transferred from a sales to a non-sales job and as a result would lose the right to have a car, Motorola will give the right to purchase the car with a discount proportional to the assignment period based on the "Blue Book" market value.

9. Additional Information.

- 9.1. Special situations.

REGIONAL CAR POLICY

9.1.1. If the selected car is not available within 45 working days, the employee will be able to select another car within the price limits established in the attachments of this policy. In the case of pool cars, the manager should select another car from the approved model list.

9.1.2. When necessary Motorola has the right to reassign a previously used car. In such cases, the employee will be eligible for a replacement vehicle once the car reaches its three year anniversary based on purchase invoice date and purchase discount will be prorated.

9.2. Cars during a repair period (due to an accident).

9.2.1. In case an assigned car is under repair due to an accident (only if the accident is not derived from the inobservance or violation of traffic and or administrative laws or the inobservance or violation of the guidelines contained in this policy), the employee can either use a Motorola pool car when available or rent a similar type of car until repairs are completed, with approval of Business Director and HR.

9.3. Car loses.

9.3.1. In case of a total loss of the car (as determined by the insurance company) derived from robbery or accident Motorola will provide a new car within the price limits established in the attachments of this policy. In the case of pool cars, car should be selected a car from the approved model list.

9.3.2. In those countries where Motorola had negotiated a deductible with the insurance company, the employee will assume the responsibility for the payment of such deductible, when the total loss of the car due to an accident is derived derived from the inobservance or violation of the traffic and administrative laws or the inobservance or violation of the guidelines contained in this policy.

9.4. Car accesories.

9.4.1. **Employees are not** allowed, even at their own expense, to install additional accessories/equipment which changes the original design of the car, both internally (CD players, speakers, steering wheels, etc.) or externally (spoilers, sportive wheels, etc.).

10. Policy suspension or termination.

Motorola reserves the right to modify, suspend or cancel car assignments at any time based on legal economical, commercial, market or any other reason.

11. Exceptions.

All exceptions to this policy require written approval from their correspondent IBHR Directors with previous review/recommendation of Rewards.

REGIONAL CAR POLICY

Attachment 1

Managerial Assigned Cars. Approved Price List. Including all taxes

- Please refer to price lists and brands defined for each country -

Attachment 2

Pool Cars: Approved Models List

- Please refer to model lists defined for each country -