

PLEASE NOTE THIS POLICY IS NOT EFFECTIVE UNTIL NOVEMBER 11, 2013

**INTERACTIVE RESOLUTION PROCESS
("Resolution Process")**

POLICY NO: E 42

DATE OF ISSUE: 11/11/2013

I. POLICY

Toyota Motor Sales, U.S.A., Inc. (TMS or the Company) recognizes that disagreements can surface when people work together. The Interactive Resolution process is designed to enable associates and the Company to work together to resolve workplace disputes. Everyone benefits when issues are resolved early and fairly.

II. SCOPE

This policy applies to all non-union associates, both current and former, and the Company.

III. PROVISIONS

A. The Interactive Resolution Process

The Resolution Process is an interactive dispute resolution process that associates and the Company can use to resolve workplace disputes at TMS. This process is completely voluntary. The Resolution Process is not a required step before using the Arbitration Process under the Mutual Agreement to Arbitrate.

The associate may ask his/her Human Resources Consultant (HRC) for assistance with any step in the process. The HRC is knowledgeable about the business unit, Company policies, practices and employment issues. The HRC can provide practical guidance on how to address the issue(s) and facilitate discussion between the associate and local management. [Click here](#) to obtain the name of the HRC for your business unit.

Termination Disputes: If an associate's employment is involuntarily terminated and he/she disagrees with that termination, the former associate can proceed directly to Mediation under this Policy. The

terminated associate may contact Human Resources to receive a copy of the Mediation Request Form.

Timeliness of Disputes: Finding a mutually acceptable resolution is more likely when disagreements are brought forward early. Associates are encouraged to submit their disputes to the Resolution Process promptly.

1. STEP ONE: Informal Discussion(s) with Local or Department Management

Associates are strongly encouraged to discuss any workplace issue or concern with their immediate supervisor or next level management as soon as it arises. Both the associate and supervisor/manager are expected to make sincere, good faith efforts to resolve the matter promptly.

If the associate is unable to resolve any workplace issue(s) through informal discussions with the supervisor, local management or the National Manager, the associate should seek Executive Management Review of the issue.

2. STEP TWO: Executive Management Review

The associate can begin Executive Management Review by submitting a completed "Formal Complaint Form" to their HRC. The Formal Complaint Form identifies the issue(s), the results of prior attempts to resolve the issue(s), and the resolution sought by the associate.

a. Reviewing Manager: A member of executive management (Corporate Manager or above) assigned by the Company will review and respond to the complaint (Reviewing Manager). The Reviewing Manager will generally have responsibility for the facility or work group where the complaint arises and will not be someone involved in the complaint. The Reviewing Manager may interview the associate, as well as others, or request additional information. The associate may request to meet with the Reviewing Manager to further explain his/her concerns.

b. Company Response: The Company will provide a written response to the associate. The Company will strive to provide its written response within 90 calendar days after Human Resources received the Formal Complaint Form.

If the associate is not satisfied with the Reviewing Manager Response, and wishes to pursue the matter, the associate may proceed to mediation.

3. STEP THREE: Mediation

The associate can request mediation by submitting a completed “Mediation Request Form” to his/her HRC. At Mediation, an impartial third-party mediator will assist the parties in reaching a mutually acceptable resolution through facilitated discussion.

a. Selecting a Mediator: The associate and the Company will jointly select the Mediator. The Mediator normally will be professionally trained in dispute resolution and mediation techniques and have expertise in the subject matter area of the dispute(s) (e.g., employment law for employment disputes).

b. Mediation Costs: The Company will pay the Mediator’s fee and all administrative costs associated with holding the Mediation (e.g., hearing room costs, calendaring and set-up fees, etc.). The associate is responsible for his/her own individual expenses such as personal legal expenses incurred (if any).

c. Confidentiality during the Mediation process: Mediation is a confidential settlement process. The confidentiality applies to all participants including the Mediator.

B. Types of Disagreements Covered by the Resolution Process.

1. Covered Disagreements: Most disagreements related in any way to an associate's employment at TMS, with few exceptions, are covered by this policy. The Resolution Process is not a forum to object to operational business decisions such as to re-structure, re-organize, or downsize or to establish and/or modify Toyota policies, practices and procedures (all of which are business decisions that are subject to the Company's business judgment and sole discretion). However, associates can use the process to address what they believe is an unlawful or unfair application of policies, practices or procedures to themselves.

Examples of Covered Claims: Examples of workplace issues covered by the Resolution Process include, but are not limited to, the following:

complaints of unfair treatment, discrimination, harassment, hostile work environment or retaliation; complaints about Company employment actions, such as discipline or corrective actions, involuntary terminations, demotions; failure to accommodate disability or religion; concerns about how Company policies, practices or procedures are applied in the workplace;, etc. Even if your particular concern is not listed here, it may be covered. Submit your concern to your HRC using the Formal Complaint Form for further review.

C. Confidentiality.

The Resolution Process is a confidential dispute resolution process, designed to permit participants to talk candidly about their issues and concerns while exploring a reasonable resolution. The Company cannot guarantee complete confidentiality while addressing workplace issues; however, the Company normally limits disclosure to individuals who it believes have a legitimate reason to know specific information.

D. Retaliation

Retaliation directed against any associate who has filed or expressed an intention to file a complaint or who has participated in any Resolution Process proceeding will not be tolerated.

Any associate who believes that s/he is a victim of retaliation should contact his/her HRC (or, if they are uncomfortable doing so, may contact another HRC, the Corporate Manager of Human Resources Consulting, the Corporate Ethics Officer in Internal Audit, or the Toyota ConcernLine at (800) 963-6401 or at www.Toyota.EthicsPoint.com). Human Resources will conduct an investigation and appropriate action(s) will be taken based upon the results of that investigation. Any associate found to have engaged in retaliatory conduct will be subject to discipline, up to and including termination.

IV. RESOLUTION PROCESS FORMS

The Resolution forms referenced in this Policy are found on Toyota Vision / Toyota Connect (The Toyota intranet) on the TMS (HR) website.

Or you may contact the Resolution Process Administrator in Corporate Human Resources (310) 468-8237] to obtain Resolution Process Forms.

V. POLICY AMENDMENTS

TMS reserves the right to, modify or terminate this policy at any time at TMS's sole discretion.

VI. AT-WILL EMPLOYMENT STATUS

Nothing in this policy alters the at-will employment status of any associate, nor should any provisions of this policy be interpreted or deemed to alter the at-will employment status of any associate, which may be changed only by a writing that explicitly alters the associate's at-will status and is signed by the President, Executive Vice President, or Senior Vice President of TMS.

VII. RELATED POLICIES

Retaliation Policy