

PLEASE NOTE: THIS POLICY WILL END EFFECTIVE NOVEMBER 10, 2013 AND WILL BE REPLACED BY THE INTERACTIVE RESOLUTION POLICY ON NOVEMBER 11, 2013.

<b>TOYOTA ASSOCIATE DISPUTE RESOLUTION (“T-ADR”)*</b>	<b>POLICY NO: E-17</b>
<b>DATE OF ISSUE: 01/01/2002</b>	<b>Revised 08/12/2013</b>

## I. POLICY STATEMENT (Revised 2/17/2011)

Toyota Motor Sales, U.S.A., Inc. (Toyota or the Company) recognize that disagreements can surface when people work together. Without a quick and fair way to resolve workplace issues, relationships and productivity suffer unnecessarily, to the detriment of both associates and the Company. T-ADR is a confidential and fair dispute resolution process, designed to encourage associates and the Company to work together to resolve disputes, first using internal resources and later, if necessary, professional dispute resolution specialists to provide early neutral evaluation of claims. Good faith participation in T-ADR proceedings is necessary to allow all participants to fairly evaluate all relevant issues and achieve reasonable solutions. Everyone benefits when issues are resolved early and fairly.

## II. POLICY

To satisfy its dual purposes of fair dispute resolution and early neutral evaluation by independent specialists in workplace issues, all current and former non-union associates and the Company are required to: (i) submit all Covered Claims for resolution through T-ADR and (ii) exhaust T-ADR through Step 4 Arbitration before pursuing any Covered Claim in another forum, including at a government agency or in court.

## III. PROVISIONS

1. Covered Individuals and Entities. This Policy applies to the following individuals and entities and their successors-in-interest:

1.1. Toyota Motor Sales, U.S.A., Inc. (“Toyota” or “the Company”); and

1.2. Any current or former non-union Associate (“Associate”) employed by Toyota on or after January 1, 2002.

2. Claims.

2.1. Covered Claims: Except for Excluded Claims in II(2)(¶ 2.2) below, all disputes related in any way to an Associate's employment at Toyota are Covered Claims. All Covered Claims brought by or against a Covered Individual or Entity are governed by this Policy and must be submitted for resolution through the T-ADR process. This Policy applies whether the Covered Claim is initiated by the Company or by an Associate and whether it is asserted against the Company (including managers acting in the scope of their employment) or against the Associate.

2.1.1. Examples of Covered Claims: Examples of workplace issues covered by T-ADR include, but are not limited to, the following: unfair or arbitrary treatment; difficult workplace relationships; perceived discrimination, harassment, retaliation or otherwise hostile work environment; alleged violations of public policy, health codes, safe practices or other potential regulatory concerns in the workplace; complaints about Company employment actions, such as assignments, discipline or corrective actions, appraisals, promotions/demotions/transfers, compensation; failure to accommodate disability or religion; concerns about how Company policies, practices or procedures are applied in the workplace; leaves of absence and return to work issues; alleged acts of negligence or intentional wrongful conduct such as defamation, invasion of privacy, wrongful termination or constructive discharge. Even if not listed here, a workplace issue or concern is covered by T-ADR unless it falls within the category of Excluded Claims below.

2.2. Excluded Claims: The following types of employment-related claims are Excluded Claims and cannot be submitted through the T-ADR process:

(a) claims for unemployment, workers' compensation, or employee benefits under an ERISA qualified pension, severance or welfare benefit plan (including disability and other insurance plan benefits), all matters pertaining to Toyota Vehicle Services programs, and immigration or visa issues (all of which have separate administrative and appeal procedures);

(b) challenges 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), unless an Associate's legally protected rights are violated by the way in which those plans, programs, policies, practices or procedures are applied or implemented;

(c) claims by either an Associate or the Company asserting protection of intellectual property rights (such as patents, copyrights, copy right infringements, trade secrets, inventions, violations of non-compete or non-disclosure agreements, disclosure of confidential or competition-sensitive business information, etc. (effective nationwide enforcement of legal remedies and equitable relief not available);

(d) Representative claims, class actions, claims brought on behalf of others (unable to effectively manage class in arbitration proceedings through opt-in/opt-out procedures available at law); provided, however, that if class certification is denied, associates' individual claims would return to T-ADR if Covered Claims are asserted;

(e) Claims for injunctive relief or other interim equitable relief necessary to preserve the status quo until the outcome of T-ADR is determined (timely relief and effective enforcement complicated by jurisdictional issues inherent in non-judicial forum);

(f) Claims for victim restitution in felony white collar or aggravated felony crimes (resolution typically enmeshed in on-going criminal proceedings);

(g) claims that have already been resolved through the T-ADR process;

(h) claims for which the parties have already agreed to another form of dispute resolution, such as binding arbitration in a written settlement agreement or a written employment agreement; and

(i) claims that by operation of law cannot be subject to a pre-dispute arbitration agreement, including claims arising under the whistleblower provisions of the Sarbanes-Oxley Act.

## 2.3. Arbitrable Claims.

2.3.1. Not all Covered Claims involve *legal* wrongs or violations of *legal rights*. Only Covered Claims that impact legal rights – that is, Covered Claims which a judge or jury would have the authority to decide under applicable law -- can proceed to Step 4 of the T-ADR process, External Arbitration. Covered Claims alleging legal wrongs or violations of legal rights are “Arbitrable Claims” under the T-ADR Policy.

2.3.2. In addition to the Arbitrable Claims described above in II(2)(¶2.3.1.), the Arbitrator selected by the parties under the provisions of this Arbitration Agreement shall have exclusive jurisdiction and authority to determine all issues related to: (i) challenges to the enforceability of the T-ADR policy in its entirety, or to specific provisions of the Policy; (ii) challenges to the mandatory exhaustion requirement of T-ADR; (iii) any other procedural challenges to T-ADR or the Arbitration Agreement contained in the Policy; (iv) interpretation of the T-ADR policy and the Arbitration Agreement contained in the Policy, and each of its or their provisions; and (v) enforcement of any agreement at Step 3 Mediation or Step 4 Arbitration, or any specific provision(s) of those agreements. The Arbitrator's rulings shall be binding on the parties with respect to all such "Arbitrable Claims."

3. Confidentiality. The T-ADR process is a private and confidential dispute resolution process.

3.1. Except as otherwise explicitly provided in this Policy, all individuals involved in or participating in any T-ADR proceedings (parties, witnesses, attorneys, etc.) agree to respect the confidential nature of this settlement process and not reveal anything about the issue(s) described in the T-ADR complaint or the substance or outcome of any T-ADR proceeding.

3.2. This confidentiality provision specifically forbids disclosing, directly or indirectly, anything pertaining to T-ADR proceedings to members of the public through any news or social media, including, but not limited to, posting information on the internet or communicating through any collaborative internet communication tool in cyberspace.

3.3. The Company cannot guarantee complete confidentiality while addressing workplace issues under T-ADR. However, the Company limits disclosure to individuals who have a legitimate reason to know specific information.

3.4. Records of T-ADR proceedings will be maintained in separate confidential files and will not be included or referenced in Associate's personnel file, unless resolution of the dispute requires some notation or change in the Associate's personnel file or employment records.

4. Mandatory Procedure.

4.1. The T-ADR process established by this Policy is mandatory and must be exhausted through Step 4 Arbitration, before a party may pursue any Covered Claim with a government agency or in court.

4.2. Nothing in this Policy prohibits any Associate from filing a complaint with the National Labor Relations Board, the Department of Labor, the Equal Employment Opportunity Commission, the Occupational Safety and Health Commission, or any other federal, state or local government agency overseeing employment laws and charged with investigating and/or prosecuting charges or complaints under any applicable federal, state, or municipal law or regulation. Similarly, a federal, state or local agency is entitled to investigate any charge or complaint filed by the Associate in accordance with applicable law. The Company may request that a government agency postpone processing of the charge or complaint until the T-ADR process has been completed.

4.2.1. When the government agency or court defers processing the charge or complaint to permit exhaustion of T-ADR, the Company will notify the government agency or court regarding the outcome of the T-ADR process.

4.2.2. Any dispute or claim that is covered by this Policy that is not resolved through the federal, state, or local agency proceedings must be submitted to the dispute resolution process established under this Policy.

## 5. Non-Binding on Associates

5.1. When addressing claims through T-ADR, the Associate is not required or compelled to accept any response at any step of the T-ADR process, but rather may choose to proceed to the next step of T-ADR. This includes being free to reject the Arbitrator's Opinion & Award at the last step of T-ADR, including any monetary award provided by the Arbitrator, and pursue a legal claim at a government agency or in court.

5.2. If the Associate accepts a proposed resolution at any step of T-ADR, it then is binding on both the Associate and the Company, and it will be the complete resolution of the Associate's issue. By accepting a proposed resolution, the Associate gives up the right to obtain any additional relief or recovery from a government agency or legal action or in any other dispute resolution forum with respect to the settled claims.

5.3. Any party opposing an Opinion & Award issued at Step 4 of T-ADR that has become final and binding on the parties has limited rights of appeal as defined under the Federal Arbitration Act, 9 U.S.C. § 10, *et seq.* for vacating or modifying the Award.

## 6. Timely Action.

6.1. To maximize T-ADR's effectiveness as a dispute resolution and early neutral evaluation process, parties should submit their workplace issue(s) promptly when they surface and move Covered Claim(s) through the steps of the T-ADR process in a timely manner.

6.1.1. Promptly processing complaints enhances witness availability and recall and promotes preservation of relevant documents and information.

6.2. Unless otherwise explicitly provided, the timelines set out in this Policy for T-ADR proceedings must be followed, and may be modified only by a written agreement signed by the parties.

6.3. A statute of limitations is the period of time provided by the law to file a claim seeking relief or recovery for a legal wrong. **The time required to exhaust the mandatory T-ADR process does not extend the statute of limitations imposed by law for a party to file a complaint with a government agency or in court. Any party asserting a legal claim is responsible for determining the applicable statute of limitations and taking appropriate action to preserve its legal rights to assert the claim.**

6.4. To encourage resolution of workplace disputes or otherwise promote workplace accord, the Company may permit an untimely Covered Claim to proceed through the T-ADR process.

6.4.1. By allowing any untimely Covered Claim to process through T-ADR, the Company explicitly is **not** waiving any defenses relating to timeliness of that Covered Claim (including, but not limited to, timeliness, failure to exhaust, failure to mitigate, laches, waiver, etc.) or any other defenses that the Company otherwise could assert in any arbitration or legal proceeding pertaining to that Covered Claim.

## 7. Legal Representation.

7.1. A party may consult an attorney of his/her choosing at any time, at his/her/its own expense.

7.2. Neither party can be represented by counsel at any meetings conducted during T-ADR Steps 1 and 2. These are internal company proceedings involving informal discussions and Corporate review, respectively, which are intended to encourage the parties who have the dispute to talk to each other and find a mutually satisfactory resolution.

7.3. Either party may be represented by counsel at T-ADR proceedings conducted outside the Company -- Step 3 Mediation or Step 4 Arbitration. However, the represented party is responsible for paying all attorneys' fees and expenses related to that personal legal representation.

7.3.1. In the event of any jurisdictional or procedural challenges to the T-ADR Policy or Procedures (e.g., including, but not limited to, issues of enforceability, or arbitrability, or exhaustion), each party is responsible for paying any attorney or expert witness fees, discovery costs, or other expenses incurred in order to present the party's position on such issues.

7.4. If a party will be represented by counsel during either Step 3 Mediation or Step 4 Arbitration, that party must inform the HRC in writing, and provide the attorney's name and contact information. Notification of legal representation must be made sufficiently in advance of the T-ADR proceeding to allow the other party time to seek legal representation -- at least 14 calendar days before a scheduled Mediation and at least 30 calendar days before a scheduled Arbitration.

## 8. Retaliation.

8.1. Retaliation or the appearance of retaliation directed against any Associate who has filed or expressed an intention to file a T-ADR complaint or who has participated in any T-ADR proceeding has a chilling effect that could seriously undermine the effectiveness of this dispute resolution process. Toyota considers such conduct completely unacceptable.

8.2. Any Associate who believes that s/he is a victim of retaliation or reprisal prohibited by this Policy should contact his/her HRC (or, in the alternative, 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](http://www.Toyota.EthicsPoint.com)). Human Resources will conduct an investigation.

8.2.1. Appropriate action(s) will be taken based upon the results of Human Resources' investigation. Any Associate found to have engaged in retaliatory conduct will be subject to discipline, up to and including termination.

## 9. Admissibility and Precedent.

9.1. If the Arbitrator's Opinion & Award at T-ADR Step 4 is rejected, the Opinion & Award shall be admissible and given such weight as the fact finder considers appropriate in any subsequent arbitration, agency or legal proceeding between

the Company and the same individual(s) relating to the Arbitrable Claims tried in the T-ADR Step 4 Arbitration proceeding.

9.2. Except as expressly otherwise provided in this Policy, no Opinion & Award issued in any T-ADR proceeding will be admissible or given any precedential value in any separate complaint filed by any other Associate in any dispute resolution forum.

10. At-Will Employment Status. Nothing in this Policy alters the at-will employment status of any covered Associate, nor shall any provision of this Policy be interpreted or deemed to alter the at-will employment status of any covered Associate, which can be altered only by a writing explicitly changing the individual Associate's at-will employment status and signed by the Associate and the President, Executive Vice President or Senior Vice President of Toyota.

11. Policy Modifications. The Company reserves the right to modify or discontinue this Policy at any time with prior written notice to the Company's current associates.

11.1. All changes must be in writing.

11.2. Any significant procedural or substantive change in this Policy will be publicized by a posting on the Company's intranet (Toyota Vision) ninety (90) days prior to the effective date of the new terms.

11.3. The terms of this Policy which are in effect at the time that the filing party submits a T-ADR Step 2 Formal Complaint (or in expedited cases, a T-ADR Step 3 Notice to Mediate Claims) will be binding on all parties for the duration of the T-ADR proceeding. [See Section V "Forms."]

12. Severability.

12.1. If any provision of this Policy, or its applicability to any Covered Individual or Entity, is held by an arbitrator or judge to be invalid or otherwise unenforceable, then this Policy and the challenged provision shall be enforced to the greatest extent permitted by law in the jurisdiction where the T-ADR proceeding is being held.

12.2. Notwithstanding an adverse or limiting legal ruling in one T-ADR proceeding in one jurisdiction, this Policy and the challenged provision shall be given full force and effect when applied to any persons or entities in any other T-ADR proceedings, whether in the same or other jurisdictions.

13. Applicable Law. The Arbitration Agreement contained in this Policy is governed by the Federal Arbitration Act to the fullest extent permitted by law. Except as explicitly otherwise provided in this Policy, proceedings initiated and conducted under this Policy will be governed by and interpreted in accordance with the law of the jurisdiction where the Associate was employed at the time the dispute arose.

#### IV. T-ADR PROCEDURES

##### 1. STEP ONE Informal T-ADR Process: Discussion with Local Management

1.1. Every Associate is strongly encouraged to discuss any workplace issue or concern with his/her immediate supervisor as soon as it arises. Both the Associate and supervisor are required to make sincere, good faith efforts to resolve the matter promptly.

1.1.1. If the Associate feels uncomfortable approaching his/her immediate supervisor to discuss the matter, the Associate is encouraged to discuss it with the supervisor's immediate manager.

1.2. The Associate may ask his/her Human Resources Consultant (HRC) for assistance in addressing workplace issue(s) at any time while the Associate is trying to resolve a matter through the internal process at the Company (T-ADR Steps 1 and 2).

1.2.1. The HRC is knowledgeable about the business unit, as well as Company policies, practices and procedures. The HRC can provide practical guidance on how to address the issue. The HRC also can investigate issues, share information to inform discussions between the Associate and management, and even facilitate discussions between the Associate and local management to explore the concerns of each and help find a satisfactory resolution. [Click here](#) to obtain the name of the HRC for your business unit.

1.2.2. If an Associate feels uncomfortable approaching his/her HRC, the Associate is encouraged to contact the Corporate Manager of Human Resources Consulting for assistance.

1.3. 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 Corporate Management Review of the issue through the Company's Formal T-ADR process.

1.4. The Associate also may obtain assistance by calling the T-ADR hotline at (310) 468-TADR [8237] or the confidential and anonymous Toyota ConcernLine at (800) 963-6401 or at [www.Toyota.EthicsPoint.com](http://www.Toyota.EthicsPoint.com).

## 2. STEP TWO Formal T-ADR Process – Corporate Management Review

2.1. The Formal T-ADR process should be initiated when the Associate in good faith reasonably concludes that Informal Discussions have not resolved the workplace issue(s) to his/her satisfaction and further discussions appear unlikely to lead to a satisfactory solution.

2.2. The Formal T-ADR process is initiated by completing the "T-ADR Step 2 Formal Complaint" form, which identifies the Associate's issue(s), the result of prior attempts to resolve the issue(s), and the resolution sought by the Associate [see Section V. "T-ADR Forms"].

2.3. The Formal T-ADR process must be initiated within six (6) months following the event that created the issue or prompted the dispute, unless the law provides a longer period (statute of limitations) in which to assert the Covered Claim(s) at issue.

2.4. The Reviewing Manager at Step 2 of T-ADR will be a Corporate Manager, or more senior executive when warranted by circumstances of the T-ADR complaint.

2.4.1. The Reviewing Manager generally will have responsibility for the facility or work group where the T-ADR complaint arises.

2.4.2. If the Associate's Corporate Manager has been directly involved in the prior attempts to resolve the issue during the Step 1 Informal Discussion process, a different Corporate Manager or more senior executive will serve as the Reviewing Manager during the Second Step Corporate Management Review.

2.5. The Reviewing Manager will review the T-ADR complaint and the positions of all interested parties through available written reports and statements. The Reviewing Manager may interview the Associate and others or request additional information.

2.5.1. The Associate may request to meet with the Reviewing Manager to explain his/her concerns.

2.6. The Reviewing Manager (with the concurrence of Corporate Human Resources) is empowered to provide the Associate any relief that the Company

determines is fair and equitable and consistent with Company policies, practices, and procedures.

2.7. The Company will provide the Associate a final written decision that explains the basis of its decision in reasonable detail.

2.7.1. The Company's Step 2 written response will be provided to the Associate within 30 calendar days of the date that the Formal Complaint was acknowledged in writing as received by Human Resources, unless the Company requires more time to fully investigate the concerns raised by Associate. In such an event, the Company will notify the Associate in writing why additional time is required and will notify Associate when the Company will provide its written Step 2 Corporate Response to Associate.

2.7.2. If the Associate has not received the Company's written Step 2 Response within 60 calendar days of submitting his/her Step 2 Formal Complaint, the Associate may proceed to Step Three without the Company's Step 2 Response. If the Associate has initiated Step 3 of T-ADR, the Company will provide its written Step 2 Response, and the Associate may choose at that time whether to accept the Step 2 Response or instead to continue with Step 3.

2.7.3. If the Associate chooses to accept the Company's Step 2 Corporate Management response, s/he should notify his/her HRC in writing of acceptance of the Corporate Response within 30 days of the date on the Company's Step 2 Response.

### 3. STEP THREE: External T-ADR Process – Mediation

3.1. Mediation is a relatively informal process in which the parties discuss their dispute with an impartial third-party facilitator who is professionally trained in dispute resolution techniques and employment law and who can assist the parties in reaching a mutually acceptable resolution.

3.1.1. The overwhelming majority of cases that are submitted to Step 3 Mediation under T-ADR are resolved at Step 3.

3.2. Any Covered Claim [see Section II (¶2)] can be taken to T-ADR Step 3 – External Mediation.

3.3. If the Associate is not satisfied with the Company's Step 2 Response, the Associate should submit a T-ADR Step 3 "Notice to Mediate Claim(s) form" to his/her HRC within 30 days of the date of the Company's Step 2 written decision [see Section V "Forms"].

3.4. The parties will jointly select the Mediator who will assist them in resolving their dispute.

3.4.1. The Mediator must be professionally trained in dispute resolution and mediation techniques and have expertise in employment law and resolving workplace disputes. Sometimes the Mediator may also need to have additional specialized expertise pertinent to the issue(s) in dispute.

3.4.2. If the parties cannot agree on a Mediator, the parties will jointly select an alternative dispute resolution organization to supply a list of qualified mediators from which the parties will select one; as a last resort, the Mediator will be chosen from the provided list through an alternate striking arrangement that gives the Associate the last choice.

3.5. Mediation is a strictly confidential settlement process, and all participants at the Mediation will be required to sign a statement committing to maintain the confidentiality of the proceedings. The confidentiality pledge applies to the Mediator as well.

3.5.1. Mediation is strictly confidential so that all participants are free to discuss their issues candidly in search for a satisfactory resolution.

3.5.2. Nothing that is said during the Mediation by any participant, including the Mediator, can be discussed or revealed after the Mediation. That means, whatever is said during the Mediation cannot be discovered or used in any subsequent arbitration or legal proceeding.

3.5.3. The Mediation will not be tape recorded or transcribed verbatim by any other method. If the Mediator takes notes during the Mediation, the Mediator will destroy those notes after the Mediation ends.

3.5.4. If the parties are continuing to discuss options for resolution at the end of Mediation, the parties may ask the Mediator to keep his notes for a specific period of time and assist in continuing settlement discussions. In that event, the Mediator shall notify both parties in writing after determining that the mediation is concluded and not been successful.

3.6. Any documents prepared by a party exclusively for presentation of the party's case in mediation are privileged by law and therefore cannot be discovered or used in any subsequent legal proceedings. Such documents shall remain confidential, even though used during mediation.

3.6.1. However, any information or documents that are otherwise admissible or discoverable in an arbitration or legal proceeding do not become inadmissible or non-discoverable merely because they were used during the confidential Mediation proceeding.

3.7. Any party may be represented by counsel at Step 3 Mediation, but parties do not have to be legally represented at the Mediation.

3.7.1. If a party will be represented by counsel at the Mediation, that party must advise the other party at least 14 calendar days in advance of the Mediation date to permit the other party to arrange for legal representation.

3.7.2. Failure to provide the required advance notice of legal representation may trigger postponement of the Mediation.

3.7.3. Each party is responsible for paying its attorney's fees and all other personal legal expenses incurred through that representation.

3.7.4. If the Associate is not represented by counsel at the Mediation, the Company generally will not have counsel at the Mediation either.

3.8. The Company will pay the Mediator's fee and the administrative costs associated with holding the Mediation (e.g., hearing room costs, calendaring and set-up fees, etc.) in their entirety.

3.9. If the parties achieve a resolution at the Mediation, their agreement will be described in a written Confidential Memorandum of Understanding or Confidential Settlement Agreement prepared at the end of the Mediation and signed by the parties.

3.9.1. By accepting a proposed resolution at Step 3 Mediation, the Associate gives up the right to obtain any additional relief or recovery through the T-ADR process or from a government agency or legal action or in any other dispute resolution forum with respect to the settled claims.

3.9.2. A Confidential Memorandum of Understanding or Settlement Agreement signed at Mediation will be fully enforceable against each party who signs and admissible in any subsequent arbitration or legal proceeding brought to enforce its terms.

3.9.3. An Arbitrator selected in accordance with the provisions for selecting an Arbitrator for Step 4 Arbitration under T-ADR shall have exclusive jurisdiction and authority to decide the enforceability of any written Confidential Memorandum of

Understanding or Settlement Agreement prepared at the end of a Step 3 Mediation, as well as to interpret any of its specific provisions.

3.9.4. If any enforcement proceeding is brought in court, the party introducing the written Memorandum of Understanding or Settlement Agreement shall request that the agreement be filed with the court under seal in order to protect the confidentiality of the settlement negotiated by the parties and the confidentiality required by the T-ADR Policy.

3.9.5. Except as provided here for disclosure to the court in enforcement proceedings, the substance of the T-ADR complaint, the fact and terms of the parties' resolution of the dispute or claims, as well as the signed Memorandum of Understanding or Settlement Agreement, shall remain confidential and shall have no precedential effect in any other associate's T-ADR complaint or in any other legal proceedings.

#### 4. STEP FOUR: External T-ADR Process – Arbitration (Legal Claims Only)

4.1. Arbitration involves submission of the parties' dispute to a neutral third-party decision-maker -- the Arbitrator. The Arbitrator conducts a formal hearing at which witnesses testify under oath and documents are submitted in support of the parties' positions. After the hearing, the Arbitrator will issue a written Opinion & Award, presenting his/her ruling(s) and explaining the reasons for those ruling(s).

4.2. Toyota is engaged in interstate commerce within the plain meaning of the Commerce Clause of the U.S. Constitution, and therefore the T-ADR Arbitration Agreement is covered by the Federal Arbitration Act (9 U.S.C. §§ 1, *et seq.*)

4.2.1. This Arbitration Agreement shall be enforceable to the fullest extent permitted under the Federal Arbitration Act and federal arbitration law.

4.2.2. If an Arbitrator or judge rules that this Arbitration Agreement and/or the Arbitrator's Opinion & Award issued under Step 4 of this Policy is not governed by the Federal Arbitration Act, then this Arbitration Agreement or any Arbitrator's Opinion & Award issued under this Arbitration Agreement shall be governed by the substantive laws of the jurisdiction where Toyota employed the Associate when the dispute arose, notwithstanding any conflict of laws or choice of law provisions or principles of that jurisdiction.

4.3. The Arbitrator selected by the parties under the provisions of this Arbitration Agreement shall have exclusive jurisdiction and authority to determine all issues related to Arbitrability and Arbitrable Claims, interpretation of the Arbitration

Agreement and its provisions, as well as challenges to the enforceability of T-ADR Policy provisions or the T-ADR Policy as a whole. The Arbitrator's rulings regarding arbitrability, enforceability, interpretation of the T-ADR Policy and Procedures and other procedure challenges to the T-ADR Policy or Process, whether as a whole or singling out specific provisions, shall be binding on the parties with respect to the submitted Covered Claims.

4.4. A party should file a T-ADR Step 4 "Notice to Arbitrate Claim(s)" form with his/her HRC within 30 calendar days after the date that the Mediation ends without a complete resolution of all Covered Claim(s). [See Section V "Forms."]

4.4.1. The prior steps of the T-ADR process must be exhausted before a party may request Step 4 Arbitration, unless all parties mutually agree to skip any step of the T-ADR process.

4.5. Only Covered Claims that are legal claims related to the Associate's employment relationship with Toyota can be arbitrated (see Section II (¶2) "Arbitrable Claims").

4.5.1. Neither the Company nor any Associate can refer other Covered Claims to Step 4 Arbitration under T-ADR, because the party has not experienced any legal wrong or a violation of any legal right. As a result, the party has not suffered any legal injury or loss that the Arbitrator (or a judge) would be empowered to remedy.

4.5.2. Toyota Legal and Corporate Responsibility ("LCR") will determine whether a claim is "arbitrable" based upon applicable law as defined under this Policy (see Section II (¶13) "Applicable Law").

4.5.3. If arbitrability of any issue or claim is disputed, the parties shall submit the arbitrability issue to an Arbitrator jointly selected in accordance with the procedures provided in this Policy, who shall have exclusive jurisdiction and authority to rule on all issues related to arbitrability. Submission of the arbitrability issue will be based upon the parties' joint written stipulation of the core pertinent facts, or if the Parties cannot agree, on each party's written submission of the core pertinent facts. The Arbitrator's decision regarding "arbitrability" will be binding upon the parties.

4.5.4. If a Notice to Arbitrate Claim(s) is rejected because LCR determines that the submitted claim(s) are not Arbitrable Claims under T-ADR, and the rejected claim(s) later are determined to be arbitrable, the challenged claim(s) will be submitted to Step 4 Arbitration under T-ADR at that later time, even though the dispute previously had been determined ineligible for arbitration.

4.5.5. If the Associate files a complaint with a government agency or civil court for either an Arbitrable Claim or a Covered Claim that the Company previously determined to be ineligible for arbitration, the Company will ask the agency or court to delay their legal proceedings until the T-ADR process has been completed through Step 4 arbitration.

4.5.6. If the government agency or court defers processing the complaint to permit exhaustion of T-ADR, the Company will notify the government agency or court about the outcome of the T-ADR process.

4.6. The parties jointly will select an Arbitrator to hear the parties' dispute.

4.6.1. If the parties cannot agree on an Arbitrator, the parties shall select an alternative dispute resolution organization to hear the dispute, and a qualified Arbitrator shall be selected from the firm's Employment panel in accordance with the Employment Arbitration Rules and Procedures for Arbitrator Selection issued by the Judicial Arbitration and Mediation Service (JAMS).

4.6.2. A sample of alternative dispute resolution organizations include, but are not limited to JAMS (Judicial Arbitration and Mediation Services), the American Arbitration Association (AAA), the Alternative Resolution Centers (ARC), ADR (Alternative Dispute Resolution), Judicate West, the CPR Institute for Dispute Resolution (CPR), International Academy of Mediators, etc.

4.7. Even though the Arbitrator may belong to a different alternative dispute resolution organization, Step 4 Arbitration under T-ADR will be held under JAMS' Employment Arbitration Rules and Procedures in effect at the time that the initial written T-ADR claim was made (either the Step 2 Formal Complaint, or the Step 3 Notice to Mediate Claims in expedited cases).

4.8. The Arbitrator's fees and the administrative costs associated with holding the Arbitration hearing (e.g., set-up or calendaring fees, room costs, etc.) will be paid entirely by the Company.

4.9. Any party may be represented by counsel at the Step 4 Arbitration, but the parties do not have to be legally represented at Arbitration.

4.9.1. If a party will be represented by counsel at Step 4 Arbitration, that party must advise the other party at least 30 calendar days in advance of the scheduled Arbitration date to permit the other party to arrange for legal representation.

4.9.2. Failure to provide the required advance notice of legal representation may trigger postponement of the Arbitration.

4.9.3. Each party is responsible for paying the attorney's fees and all other personal legal expenses related to that representation.

4.9.4. Each party is responsible for paying any expert witness fees, discovery costs, and all other expenses incurred in order to present the party's position on procedural issues (*e.g.*, including, but not limited to, issues of enforceability, arbitrability, exhaustion, etc.) or the party's factual case at Step 4 Arbitration.

4.10. Sworn testimony provided through deposition or at the Arbitration hearing in connection with T-ADR Step 4 Arbitration proceedings is prior sworn testimony that is admissible the same as a deposition would be admissible under the applicable rules of evidence in any subsequent legal proceeding. Verified discovery responses provided in connection with T-ADR Step 4 Arbitration proceedings are verified discovery responses admissible the same as such discovery responses would be admissible under the applicable rules of evidence in any subsequent legal proceeding.

4.11. Discovery at T-ADR Step 4 shall be governed by JAMS' Employment Arbitration Rules and Procedures, with the following clarification: The Parties at T-ADR Step 4 are **not** limited to "one deposition of an opposing Party or an individual under the control of the opposing Party." The Parties should attempt to agree on the number, time, location and duration of the depositions. If unable to reach agreement, the Arbitrator shall have the authority to determine these issues by reference to the court rules pertaining to discovery in the jurisdiction where Toyota employed the Associate. The Arbitrator's decision regarding the appropriate scope of discovery shall be binding on the parties for the submitted Arbitrable Claims.

4.11.1. To effectuate T-ADR as an early neutral evaluation process and to conserve scarce judicial resources, the discovery cut-off established by the Arbitrator in T-ADR Step 4 Arbitration proceedings shall continue in effect in any subsequent legal proceeding pertaining to the Arbitrable Claim(s) submitted to the Arbitrator in T-ADR Step 4 Arbitration.

4.11.2. Additional discovery in any follow-on legal proceeding pertaining to the Arbitrable Claim(s) submitted to the Arbitrator in T-ADR Step 4 Arbitration will be available only upon noticed motion to the court and a clear showing of excusable neglect and good cause.

4.12. To avoid a piecemeal dispute resolution process and to effectuate the early neutral evaluation feature of the T-ADR policy, each party is required to submit for resolution by the Arbitrator all Arbitrable Claims existing between the parties relating to the parties' employment relationship.

4.12.1. A party will be unable to raise in subsequent legal proceedings any Arbitrable Claim that existed and was ready to be tried (*i.e.*, ripe for adjudication) when the Step 4 T-ADR Arbitration was held and that was not submitted to the Arbitrator for resolution.

4.13. In deciding the dispute, the Arbitrator is required to follow the applicable laws of the jurisdiction in which Toyota employed the Associate, as well as all lawful Company policies and procedures.

4.14. The Arbitrator will issue a decision reporting his/her findings of fact and conclusions of law, together with his/her decision on the merits of the case within 30 calendar days of the close of the hearing or submission of post-hearing briefs, whichever is later.

4.14.1. No party shall be held responsible for or penalized for the Arbitrator's failure to comply with this deadline for issuance of the Opinion & Award.

4.15. When the Arbitrator determines that a party has sustained the burden of persuasion on a legal claim, the Arbitrator shall have the same power and authority (and no more) as a judge in court would have to grant monetary damages or any other relief available under applicable principles of law in the relevant jurisdiction, including awarding costs and attorneys fees.

4.15.1. Upon the Company's request, the Arbitrator shall assess an award of front pay in lieu of reinstatement or promotion.

4.16. Parties have a duty to mitigate any damages that may have been sustained as a result of disputed employment actions.

4.17. If the Associate accepts the Arbitrator's decision as a complete resolution of his/her Arbitrable Claim(s) and gives notice of his/her acceptance in writing to the Company's Corporate Manager of Human Resources Consulting at the following address within 30 days of the date the Arbitrator's Opinion & Award is issued, the Arbitrator's decision becomes binding on both the Associate and the Company:

Toyota Motor Sales, U.S.A.,  
Corporate Human Resources

Attn: Corporate Manager of Human Resources Consulting Mail Stop  
HQ 18  
19001 S. Western Avenue,  
Torrance, CA 90501

4.17.1. When the Associate accepts the award as a complete resolution of his or her Arbitrable Claim(s), the Company cannot appeal the Arbitrator's decision, except on the limited grounds permitted under federal law for vacating or modifying a binding arbitration award.

4.17.2. By accepting a proposed resolution, the Associate gives up the right to obtain any additional relief or recovery from a government agency or legal action or in any other dispute resolution forum with respect to the settled claims.

4.18. The Associate is required to notify the Company's Corporate Manager of Human Resources Consulting in writing at the following address within 30 days of the date the Arbitrator's Opinion & Award is issued if the Associate is rejecting the Arbitrator's Opinion & Award.

Toyota Motor Sales, U.S.A.,  
Corporate Human Resources  
Attn: Corporate Manager of Human Resources Consulting Mail Stop  
HQ 18  
19001 S. Western Avenue,  
Torrance, CA 90501

4.18.1. If the Associate expressly rejects the Arbitrator's decision through timely written notice to the Company, the Arbitrator's Opinion & Award will not be binding on either party.

4.18.2. After properly notifying the Company in writing of his/her decision to reject the Arbitrator's Opinion & Award, the Associate may pursue his/her arbitrated claim(s) through the legal system.

4.18.3. If the Associate fails to notify the Company's Corporate Manager of Human Resources Consulting in writing within 30 days following the date of the Arbitrator's Opinion & Award that s/he is rejecting the Arbitration decision, the Arbitrator's Opinion & Award will become binding on both parties as a complete resolution of the Associate's claim(s).

4.19. The Associate is responsible for determining and complying with the applicable statutes of limitation for filing a government agency complaint or lawsuit asserting any legal claim.

4.20. The Arbitrator's Opinion & Award shall be admissible in any subsequent legal proceeding between the same parties pertaining to the Associate's employment at the Company and given the evidentiary weight that the fact-finder in that proceeding considers appropriate.

4.20.1. The Arbitrator's Opinion & Award shall have no evidentiary or precedential value or effect in any proceeding under the T-ADR Policy or any government agency or judicial proceeding maintained by any other associate.

4.21. No participant in any T-ADR proceeding, including counsel for any party, shall disclose or reveal (directly or indirectly) any portion of the proceedings or the Arbitrator's Opinion & Award in any medium or forum, including, but not limited to, any members of the public through any news or social media, including posting information on the internet or communicating through any collaborative internet communication tool in cyberspace.

## 5. Expedited Processing under the T-ADR Process.

### 5.1. Terminations.

5.1.1. Challenges to termination decisions shall begin with the first external step under the T-ADR process -- Step 3 External Mediation. The Associate should contact his/her former HRC or the T-ADR Administrator in Corporate Human Resources [at (310) 468-TADR or 468-8237] to obtain a copy of the T-ADR Policy Nos. 17A [Summary] and 17 [Policy & Procedures] and the Step 3 T-ADR "Notice to Mediate Claim(s)" form, if copies were not included with termination letter.

5.1.2. Terminated Associates must file the Notice to Mediate Claim(s) form for Covered Claim(s) within six (6) months after the event or incident that created the issue or prompted the dispute, unless applicable law provides a longer period (statute of limitations) in which to assert the Covered Claim(s) at issue.

5.1.3. **NOTE:** Because the employment relationship is over and piecemeal litigation of claims is inefficient and wastes judicial resources, terminated Associates are required to submit through T-ADR all timely Covered Claims relating to their employment at Toyota at the time they file a Notice to Mediate Claim(s) to dispute their termination. T-ADR must be exhausted through Step 4 Arbitration with respect to any claim that the Associate intends to assert outside of T-ADR. All Covered Claims -- whether separate causes of action, whether involving one or more than one primary right, whether involving one or more than one subject of controversy, whether arising out of the same or different occurrence or set of operative facts -- all Covered Claims existing between the

Company and Associate must be submitted through T-ADR following termination if the Associate intends to assert the claim outside of T-ADR. Failure to exhaust T-ADR for any claim will foreclose pursuing them in another forum.

## 6. Other Provisions

6.1. If a provision of this Policy (No. B: T-ADR Policy and Procedures) conflicts with a provision in the T-ADR Policy Summary (Policy No. 17A) or another company document, this Policy (No. B) controls.

6.2. Any party who fails to object in writing after knowledge that another party has failed to comply with a provision or requirement of this Policy and/or any incorporated rules will have waived the right to object to that noncompliance.

## V. T-ADR FORMS

1. The T-ADR forms referenced in this Policy are found on the Toyota intranet (Toyota Vision) on the TMS (HR) website under Guides, Forms, and Handbooks/Employment Forms.

2. Alternatively, please contact the T-ADR Administrator in Corporate Human Resources (310) 468-TADR [310-468-8237] to obtain the T-ADR Policy Summary [Policy No. E-17A], T-ADR Policy and Procedures [Policy No. E-17] and/or T-ADR Forms.