Group Move Relocation Policy

Toyota Group Move
Homeowner Relocation Policy

Team Members Grades 22, 23, 23, 3T/30 and Above
Team Members Bands 3 and Above
TMA Specialist and Above

February 1, 2017
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Congratulations on your relocation with Toyota!

This Group Move policy has been created to encourage all team members to join us on this journey. On behalf of the Company, we want to thank you for your willingness to make this change. We hope that it will lead to personal growth and further career development, and prove to be mutually beneficial.

Our intent is to provide our mobile team members and their families with the tools and assistance to help them relocate in a timely and cost-effective manner. While there are many benefits available to you, you will be responsible for managing costs associated with your move, and you will be expected to keep relocation costs to a minimum. We recognize and respect the diversity of our team members and strive to respond to their unique situations, while ensuring fairness and consistency. We will adhere to Company policy and legal regulations, and we will treat all team members in an ethical manner. It is our shared responsibility to communicate openly and honestly and to cooperate with one another to ensure the highest level of motivation, morale and productivity during the relocation process. Furthermore, we are committed to ensuring that our service partners meet our requirements for efficient, customer-oriented service delivery.

This Relocation Policy (Policy) is designed to provide information to make your move as smooth and easy as possible. Please read this material carefully so that you understand the comprehensive assistance available to you.

Each affiliate will continue to use their current Relocation Provider to assist team members in their transition. The Relocation Providers are globally recognized firms that specialize in assisting corporations and their transferring team members in all aspects of the relocation process. Once your relocation authorization has been received by the Relocation Provider, you will receive an e-mail that will include instructions to register with the Relocation Provider’s online relocation tool. Once registered, you will automatically be logged into your personal online relocation portal. You will use this portal to access and complete information required to finalize the authorization process with the Relocation Provider. After you have completed the information in the online relocation tool, you will be contacted by the Relocation Provider to schedule an appointment to discuss your relocation benefits.

The Relocation Provider provides a web site that offers helpful tools and resources to guide you through the relocation process. It is also used for submitting your expenses for reimbursement through the Relocation Provider.

Important Notice

In order to take maximum advantage of the relocation program benefits, do not contact any real estate agents before first talking to your Relocation Consultant. This includes registering for “relocation services” on the Internet. Your Relocation Consultant will discuss with you the selection of real estate agents when purchasing a new home.

The Relocation Provider selects brokers on the basis of defined criteria and retains them on the basis of measurable performance relative to the Relocation Provider’s metrics. The Relocation Provider picks the highest performing brokers and establishes relationships with them based exclusively on service delivery and cost performance.
Preferred brokers are prescreened to meet the following criteria:

- Recent customer service evaluations completed by Relocation Consultants and transferring team member
- Demonstrated marketplace expertise
- List to sale ratios
- Days on market performance
- Sales closed in the past year
- Performance of the agent relative to the market average
- Creative marketing and sales techniques
- Service orientation of the agent from a relocation perspective
- Overall professionalism, as established by:
  - Full-time status
  - Professional associations
  - Years in business
  - Continuing education
- Willingness to participate in a referral program
- Attention to detail/accurate and timely completion of weekly reports
- Company culture/norms/approach to service delivery and recovery

Both you and Toyota will benefit by using a real estate agent that is referred by the Relocation Provider. Toyota will be able to minimize costs, while ensuring that you work with a real estate agent that understands your needs and objectives.
To determine the relocation policy for which you are eligible, please refer to the matrix below:

<table>
<thead>
<tr>
<th>Departure Status</th>
<th>Departure Intention</th>
<th>Destination Intention</th>
<th>Homeowner policy</th>
<th>Renter Policy</th>
<th>Lump Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renter</td>
<td>Cancel Lease</td>
<td>Rent</td>
<td>X</td>
<td></td>
<td>30 days</td>
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<tr>
<td>Renter</td>
<td>Cancel Lease</td>
<td>Purchase Home</td>
<td>X + home purchase benefit</td>
<td>60 days</td>
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<tr>
<td>Homeowner</td>
<td>Sell Home</td>
<td>Purchase Home</td>
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<td>90 days</td>
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<tr>
<td>Homeowner</td>
<td>Sell Home</td>
<td>Rent</td>
<td>X</td>
<td></td>
<td>60 days</td>
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<tr>
<td>Homeowner</td>
<td>Do Not Sell Home</td>
<td>Purchase Home</td>
<td>X</td>
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<td>Rent</td>
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# BENEFITS AT A GLANCE

Below are the highlights of the Group Move homeowner benefits for Team Members Grades 22, 23, 24, 3T/30 and above and also Bands 3 and above. For additional information and details, please refer to the body of this Relocation Policy.

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| **Pre-Decision Services** | To assist you in making your relocation decision, Toyota provides the following pre-decision services:  
- Cost-of-Living Analysis  
  - Overview of cost-of-living analysis (COLA) for pre- and post-move locations  
- Pre-Decision Counseling  
- Review of all relevant policy information and guidance  
- Tax Impact  
  - Overview of tax treatment of each individual relocation cost  
  - Review of potential impact to taxable earnings, as well as potential tax bracket changes  
  - EY helpline (877-301-6009) to assist in answering your individual questions  
  - Information to provide to your chosen tax professional for a more in-depth assessment of your personal financial situation |
| **Home Finding and Temp Housing Lump Sum Allowance** | Toyota will provide a one-time Lump Sum Allowance to assist with anticipated expenses incurred during a home finding trip and the temporary housing period at the destination location; typical expenses include transportation, lodging and meals.  
- A software program developed specifically to compute relocation lump sum payments will calculate the amount based on Company Policy.  
- Homeowners: 60 or 90 days of lodging; 30 or 60 days of meals for Team Member (see matrix on page 3); 30 days of meals for family; 14 days of car rental, if needed  
- This payment will be tax assisted (grossed-up). |
| **Return Trips to the Departure Location** | Airfare to be booked through BCD Travel  
- Toyota will reimburse transportation costs for two return trips to the departure location or destination location for the team member or your spouse or domestic partner. |
| **Destination Services/Home Finding Assistance** | Your Relocation Consultant will assist you with:  
- Selecting a qualified agent  
- Understanding purchase guidelines, negotiations and contracts  
- Obtaining a new mortgage |
| **New Home Purchase Assistance** | Toyota will reimburse up to three percent of the purchase price for qualified normal and customary closing costs which may include loan discount points. Loan discount points are capped at two percent of the mortgage amount.  
- Your closing costs can be direct billed to Toyota if a Company-preferred lender is utilized. |
| **Cost-of-Living Allowance (COLA)** | Toyota will provide a COLA payment twice over a two-year period to assist when moving to a high-cost area compared to your departure location.  
- The first year payment will be at 100 percent of the COLA amount, and one year from the first payment (the second year), you will receive a payment at 50 percent of the COLA amount.  
- These payments will not be tax assisted (not grossed-up). |
| **Duplicate Mortgage** | Toyota will reimburse certain duplicate mortgage expenses on the home with the total lowest costs for a maximum of two months if you close on a home in the destination location before closing on your home in the departure location.  
- Expenses that are not tax deductible will be tax assisted (grossed-up). |
### BENEFITS AT A GLANCE

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| **Home Marketing Assistance** | - The Relocation Provider will provide assistance with marketing your home including:  
  - Ordering two Broker Market Analyses (BMAs) following your authorization with the Relocation Provider  
  - Averaging the Most Probable Sales Price listed on the two BMAs and listing the home at no more than 105 percent of this average; the Most Probable Sales Price listed on the BMAs must be within five percent of each other or a third BMA will be ordered and the two highest values averaged together  
  - Assisting with a marketing strategy  
  - If necessary, Toyota will reimburse pre-approved cosmetic home improvements, certain repairs, and/or curb appeal expenses up to a maximum of $1,000. |
| **Home Sale Assistance: Appraised Value Offer (Guaranteed Buyout Offer)** | - Providing your home meets the eligibility requirements of the home sale program, the Relocation Provider will assist you with selling and closing on your home.  
  - A Guaranteed Buyout Offer (GBO) will provide a guaranteed buyout (based on appraisals that are prepared on your home) should your home not sell to an outside buyer during the mandatory marketing period.  
  - If you accept a bona fide outside offer from a qualified buyer before accepting the GBO, the Relocation Provider will purchase the home from you at the offered price and then sell the home to the outside buyer at the same price.  
  - The Relocation Provider will order two appraisals and inspections shortly after you list your home in accordance with Toyota’s Home Marketing Assistance program.  
  - The GBO will be the average of the two appraisals (a third appraisal will be ordered if the first two are not within five percent of each other, and the two highest values will be averaged).  
  - Once you are notified of the GBO you must adjust the list price of your home to be within 105 percent of the GBO amount; if you have not secured a bona fide offer by day 31 of the offer period, you must adjust the list price to be within 102 percent of the GBO; if you have not secured an offer by day 61, you must adjust the list price to be within 100 percent of the GBO.  
  - The GBO can be amended to that of a bona fide outside offer if the outside offer is secured before the 90-day offer period expires. |
| **Independent Sale** | - If your home is deemed ineligible by Toyota for the Home Sale Assistance program or you choose not to use the program, Toyota will reimburse normal and customary selling expenses based on real estate practices in your area up to nine percent of the home sale price (broker fee cannot exceed six percent).  
  - If you elect not to participate in the Home Sale Assistance program, this reimbursement will not be tax assisted (not grossed-up).  
  - If your home is ineligible for the Home Sale Assistance program, this reimbursement will be tax assisted (grossed-up). |
| **Equity Advance** | - An equity advance of up to 80 percent of your available estimated equity based on the average of the two BMAs’ Most Probable Sales Prices or up to 95 percent of your available estimated equity based on a bona fide outside offer price or the GBO (but prior to acceptance of the offer) can be provided for a new home closing as long as your home is currently on the market through the Relocation Provider’s home sale assistance program.  
  - An equity advance is not available for homes being sold through the independent sale.  
  - In order to utilize this benefit you must be purchasing a home in the new work location. |
## BENEFITS AT A GLANCE

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| **Home Sale Incentive Bonus** | - If you are eligible, Toyota will provide a Home Sale Incentive Bonus based on the following:  
  - If you accept a bona fide outside offer prior to the GBO being presented, you will receive a bonus equal to three percent of the net sales price, minus concessions; or  
  - If you accept a bona fide outside offer on or between day 1 and 30 of the offer period, you will receive a bonus equal to three percent of the net sales price of the home minus concessions.  
  - If you accept a bona fide offer on or between day 31 and 90 of the offer period, you will receive a bonus equal to two percent of the net sales price of the home minus concessions.  
  - This payment will be tax assisted (grossed-up). |
| **Loss-on-Sale Assistance**  | - Toyota will provide financial assistance if you sell your home in the departure location and the selling price is less than the original net purchase price.  
  - Toyota will contribute 100 percent to the first $50,000 of your loss and 50 percent of the remaining loss up to a combined total of $150,000.  
  - This reimbursement/payment will be tax assisted (grossed-up). |
| **Property Management**      | - If you are a homeowner in the departure location and choose not to sell your property, Toyota may provide Property Management assistance.  
  - This reimbursement/payment will not be tax assisted (not grossed-up). |
| **Discard and Donate**       | - Toyota will provide a service to help you discard and donate some of your unused household goods and personal items |
| **Movement of Household Goods** | - Toyota, through the Relocation Provider, will arrange for the movement of your household goods with a professional van line.  
  - The van line will pack, load, transport, and unload goods, including normal appliance servicing.  
  - Additional services include:  
    - Partial unpacking services  
    - Storage for up to 60 days or Self Storage Option  
    - Shipment of up to one personal/Toyota lease vehicle per licensed driver if the distance to the destination location is greater than 200 miles  
  - Alternatively, Toyota also provides you the option to move yourself:  
    - You are required to sign the Self-Move Liability Waiver before starting the process.  
    - You will need to pay the expenses out of pocket and then seek reimbursement.  
    - Expenses covered in the self-move option are:  
      - Direct reimbursement of actual, reasonable, and customary rental fee for one moving truck, tolls and gas  
    - Note:  
      - No packing, loading and unloading services will be reimbursed  
      - No storage or auto shipment will be provided  
      - Additionally, you’ll receive a $2,500 self-move bonus (tax-assisted).  
      - The total costs of the self-move, however, including the bonus, may not exceed the cost of a van line move. |

Toyota Group Move Homeowner Policy  
Team Members Grades 22, 23, 24, 3T/30 and Above/Team Members Bands 3 and Above/TMA Specialist and Above  
Page 6
### BENEFITS AT A GLANCE

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| **Final Trip to the Destination Location** | - Airfare will be booked through BCD Travel  
  - Toyota will reimburse certain enroute transportation costs from the departure location to the destination location incurred by you and your family members.  
  - The Miscellaneous Allowance may be used to assist with meals and lodging expenses. |
| **Miscellaneous Allowance** | - Toyota will provide a Miscellaneous Allowance equal to one month’s salary based on your rate of pay at the time relocation is authorized to assist with expenses not specifically covered in the policy.  
  - This payment will not be tax assisted (no gross-up provided) |
| **Spouse/Domestic Partner Employment Assistance** | - Toyota will provide outplacement support services and reimbursement of qualified education, licensing, and cost of job hunting up to $3,000 for your spouse/domestic partner.  
  - This reimbursement will be tax assisted (grossed-up). |
| **Tax Liability Assistance** | - Unless otherwise indicated in this Policy, Toyota will assist with federal, state, local and FICA tax liability (gross-up) that arises from the taxable, but generally not deductible, portion of Company-reimbursed expenses associated with a Company-requested relocation.  
  - The estimated tax liability will take into consideration your marital status and your Company earned income (annual salary).  
  - Tax assistance is not meant to reimburse dollar-for-dollar on the resulting tax liability, but to provide for a tax assistance amount on most of your non-deductible relocation expenses.  
  - You are encouraged to seek advice from your personal tax advisor. |
| **Repayment** | - Team member will be required to sign a repayment agreement before any services can be provided.  
  - Team member will be required to repay all relocation expenses incurred by Toyota, including gross-ups, on a prorated basis should the team member leave the company within two years of effective date in the new work location or not relocate ½ the distance closer to the destination location. |
| **Eligibility Dates** | - Team member will have up to 12 months from the effective date in the new work location as specified by Toyota to initiate and complete move. |
| **Relocation Incentive Payment** | - Lump sum payment to encourage team members to make the journey to the new headquarters location (non-tax assisted). Amount varies by grade/band and will be paid in two installments. Eligibility guidelines apply.  
  - This payment will not be tax assisted (no gross-up provided) |

Please note this is only a summary of benefits. Please see body of policy for full details.

Toyota reserves the right to modify or terminate the relocation benefits at any time at Toyota’s sole discretion.
**BEFORE YOU GET STARTED**

**Objective**
Toyota's Group Move relocation benefits are intended to:
- Facilitate your timely transition to the destination location
- Minimize your out-of-pocket expenses while effectively managing Toyota's costs
- Comply with Internal Revenue Service (IRS) regulations

**Scope of Benefits**
These benefits are designed for the sole purpose of providing support for the Toyota Group Move relocations. This policy does not apply to standard relocations not impacted by the Group Move.

This Policy describes the provisions of Toyota’s policy effective with approvals granted as of April 28, 2014.

**Program Administration**
Toyota will authorize your relocation with the Relocation Provider. Your Relocation Consultant will assist you throughout your transition and will answer any relocation questions that you may have. During the relocation process, you must act and make decisions that are both prudent and reasonable in nature.

**Definitions**

**Timeframe**
As per IRS guidelines, unless otherwise stated in this Policy, you have 12 months after the effective date in your new work location to process your relocation benefits and request reimbursement.

**Distance and Time Requirements**
This Policy is subject to current federal statutes regarding move distance requirements related to eligibility for tax deduction. The distance, over the shortest, most commonly traveled route from the former residence to the new work location must be 50 miles greater than the distance from the former residence to the former work location. Team members' new primary residence must be at least half the distance closer to the destination work location from the departure residence. For team members whose moves do not meet this guideline, please see additional information in the Appendix.

If the commute is considered a normal commute for others residing in the same general area, you may not be eligible for relocation even though the added distance may meet the 50-mile additional distance requirement. Furthermore, in moves within the same metropolitan area, should your move meet the distance requirement and you choose to relocate, the new commute may not be greater than the old commute.

In order for a taxpayer’s eligible moving expenses to be deductible, an individual must meet both the distance requirement and be employed full time in the general location of the new job location for at least 39 weeks in the 12-month period immediately following the start of work in the new location.

If you terminate employment before the 39-week period is concluded, any advances and expenses paid on your behalf or reimbursed to you are considered income and will be reported as such to the IRS unless they are repaid to Toyota within the same calendar year.
BEFORE YOU GET STARTED

Should you terminate employment within the 39-week period, there will be no remaining gross-ups for any relocation benefits provided under this Policy.

IRS Commencement of Work Test

In general, the move must have been in connection with the commencement of work at the new location, and the moving expenses must be incurred within one year after the effective date in your new work location.

Eligibility

- If a team member accepted a job offer or was in a job on or before April 28, 2014, he or she will be eligible for the Toyota Group Move policy, including the relocation bonus.

- If a team member accepted a job offer after April 28, 2014, he or she will be eligible for the Toyota Group Move policy, however will not be eligible to receive the relocation bonus. Group Move benefits will apply to the relocation to the final group move destination.

- If a team member transfers from a non-impacted position to an impacted position or from one impacted position to another impacted position after April 28, 2014, he or she will be eligible for the Toyota Group Move policy, including the relocation bonus. Group Move benefits will apply to the final group move destination.

- Team members who are transferring from non-impacted positions directly to a new headquarters location are not eligible to receive the relocation incentive bonus.

- If a team member transfers from an impacted position to a non-impacted position after April 28, 2014, he or she will be eligible for the standard relocation policy (provided all IRS relocation eligibility requirements are met).

Family Eligibility

When family members are entitled to relocation benefits within this Policy, the following will apply in determining eligibility:

- Determination of family size/status for benefit calculations is determined on the date the Relocation Provider receives your relocation authorization from Toyota.

- If Toyota employs both you and your spouse/domestic partner, only one set of benefits per household will apply. Repayment obligations of relocation benefits will be the responsibility of the team member whose benefits have been selected and applied to the relocation.

- Please see the definition of “dependents” in the Appendix.

Eligibility Dates

Provided your relocation has been authorized with the Relocation Provider, your relocation benefits may begin up to six months prior to the effective start date in your new work location. Your relocation benefits must be completed within 12 months of your effective start date in your new work location. Benefits cease upon termination of employment.
BEFORE YOU GET STARTED

Exceptions

Although the Policy is comprehensive, relocation involves so many individual circumstances that the Policy cannot be all-inclusive. The Miscellaneous Allowance benefit is designed to offset costs not specifically covered by this Policy.

All inquiries regarding the Policy should be directed to the OneToyotaHub (www.onetoyotahub.com), TFS Next Chapter (http://tfsnextchapter.org/) or to the teams in the Move Centers. Specific requests for exceptions to the Policy must be submitted in writing to your Relocation Consultant—before the expense is incurred—for consideration. All exceptions require the final approval of the Toyota Relocation Team before a commitment can be made. Failure to follow this process may result in personal expense or inconvenience to you.

To implement a consistent Policy, there will be no substitution or cash-equivalent payments provided for unused benefits or portions thereof.

Post-Move Surveys

After your relocation is complete, you will receive post-move surveys from the Relocation Provider and other vendors that assisted with your move. Surveys, which may be done via telephone, e-mail or regular mail, are very important tools to ensure the programs and providers are meeting with Toyota’s expectations. Toyota will receive a copy of these evaluations in order to assess the services provided to you. Your participation in the surveys is very important and Toyota requests that you be candid in your assessment and complete all surveys as quickly as possible.

Repayment Agreement

We consider the team members we relocate to be valuable assets to Toyota and the relocation expense to be an investment. Therefore, at the time you require relocation assistance, we will require that you sign a Repayment Agreement indicating that you understand the limitations of the relocation benefits and your obligation to repay these expenses should you leave Toyota in the stated time.

If you choose to leave Toyota within 24 months from your effective date in your new work location, fail to move ½ the distance closer to your new work location, or terminate employment for any reason (whether voluntary or involuntary) prior to the expiration of the 24-month period, relocation benefits will cease immediately and you must repay all relocation benefits, including movement of household goods, pro-rata previously reimbursed or paid by Toyota.

However, neither termination due to your death or total disability (as defined in the Toyota Long-Term Disability Plan) nor termination in the event of job elimination will trigger the repayment requirement. The Repayment Agreement must be signed and returned to Toyota prior to the authorization of any relocation benefits.

Disclaimer

Toyota reserves the right to amend, modify, suspend or terminate the relocation benefits and programs described at any time without advance notice. Toyota retains the right to establish separate relocation policies and/or benefit packages in the event of unusual or uncommon circumstances. Toyota will have the final right of decision when interpreting the terms of the relocation benefits and programs or in any communication with you. This Policy is not an offer, an employment contract, or part of either.
EXPENSE MANAGEMENT

Expense Management Process

Toyota will assist with relocation expenses in the following ways:

- Pay service providers directly for the relocation assistance that you receive
- Reimburse you for acceptable expenses that you have previously paid
- Provide a Lump Sum Allowance to assist with expenses incurred during a home finding trip and the temporary housing period at the destination location
- Provide a Miscellaneous Allowance to assist with the expenses not covered by this policy

Eligible expense reimbursements should be submitted through the Relocation Provider's web site. Your Relocation Consultant will provide additional instructions regarding the use of this site.

After the Relocation Provider receives the submission, the expenses will be checked for accuracy and consistency with Toyota’s Policy. Under no circumstances should relocation expenses be submitted through the normal business expense process. Funds will be deposited directly to an account (through ACH) designated by you unless you notify your Relocation Consultant of an alternate payment process.

Relocation expenses must be submitted within 12 months of the effective date in your new work location.

If at any time you are unsure whether or not an expense is reasonable in nature, appropriate and/or eligible for reimbursement under this Policy, you should contact the Relocation Provider prior to incurring the expense.

Provisions

It is important to remember:

- Relocation expenses must be separate and distinct from business expenses. During the period in which relocation expenses are incurred, regular business (travel and entertainment) must not be reported with relocation expenses. You must submit those expenses through the normal business expense process.
- You must complete the expense process, taking care to include a complete address/location. Omission of this data can slow your reimbursement.
- Credit card statements cannot be used in lieu of receipts.
- You should keep records and receipts of all your expenses, whether they are reimbursable under this Policy or not, as this will assist in the completion of your federal and state tax returns at year-end.

Use of Toyota’s expense-reporting system is strictly prohibited for relocation expenses that are covered under the Lump Sum Allowance. If you utilize such system, this will result in Toyota paying additional amounts for certain expenses, which should be covered through your Lump Sum Allowance. In the event of any such occurrence, your actions will be reviewed for possible disciplinary action, up to and including, job termination. In addition, you will be required to provide full restitution for such amounts, as determined by Toyota.
## PRE-DECISION SERVICES

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|                       | - Tax Impact  
|                       |   - Overview of tax treatment of each individual relocation cost  
|                       |   - Review of potential impact to taxable earnings as well as potential tax bracket changes  
|                       |   - EY helpline (877-301-6009) to assist you in answering your individual questions  
|                       |   - Information to provide to your chosen tax professional for a more in-depth assessment of your personal financial situation |
Toyota will provide a one-time Lump Sum Allowance to assist you with the relocation expenses. This Lump Sum Allowance includes two components, the Home Finding Trip and Temporary Housing.

### Home Finding Trip
- **Home finding trip**
  - Based on one trip for three days for you, and if applicable, your spouse/domestic partner. Dependent children age 6 and older will be included in the calculation
  - Transportation (airfare if the distance is greater than 200 miles; mileage per the current IRS business rate for team member personally owned/leased vehicles and IRS relocation rate for TMS lease vehicles if less than 200 miles)
  - Lodging
  - Meals

### Temporary Housing
- **Temporary housing**
  - Lodging based on 60 or 90 days (see matrix on page 3)
  - Meals for 30 or 60 days for you (team member only; see matrix on page 3) and 30 days for your family members
  - 14 days of car rental (per Toyota’s business travel policy)

Toyota has selected this option to provide you with greater flexibility in the planning and budgeting of your move.

A software program developed specifically to compute relocation Lump Sum Allowances will calculate this payment based on Company Policy. The software program uses the most current available data and is based on family size, travel distance, current housing status and lodging costs associated with the destination location.

The Lump Sum Allowance will be distributed to you once you have signed and submitted the Repayment Agreement. Toyota recommends that you spend the allowance wisely and budget appropriately as additional funds will not be provided. However, any remaining balance is yours to keep.

Although you will not submit expense reports for these expenses, it is recommended that you maintain adequate records for tax reporting and your own financial management.

The following are important factors related to the Lump Sum Allowance:
- You do not return any unused funds to Toyota.
- You will not be eligible for any additional reimbursements for components covered by the Lump Sum Allowance.
- You are responsible for keeping records, if needed, for individual tax purposes.
- You must repay the Lump Sum Allowance per the Repayment Agreement if voluntary termination or termination for cause of employment occurs.
- You must establish residence in the destination location.
HOME FINDING AND TEMP HOUSING LUMP SUM ALLOWANCE

- Your lump sum calculation is subject to change should your status as homeowner or renter, as outlined on page 3 of this policy, change within the 12-month relocation period following your effective date in the new work location.

- Do not book homefinding travel through BCD Travel. Travel arrangements for your homefinding trip should be made directly with your preferred non-Toyota travel service providers.

- Lump sum payment cannot be withheld for any reason

**Time Reporting**

Three paid days off from work will be granted to the team member for the home finding trip. Please see the Appendix for instructions on how to code your time.

**Tax Impact**

The Lump Sum Allowance will be reported as additional compensation. Toyota will provide tax assistance (gross-up).
**RETURN TRIPS TO THE DEPARTURE LOCATION**

**Benefit Description**

Toyota will reimburse transportation costs for two return trips to the departure or destination location. The trips may be used to assist with relocation-related matters or to visit family members who have been separated as a result of the relocation. These trips may not be used as additional home finding trips as that benefit has already been provided in your relocation package. These trips may not be used for non-relocation related activities. Reimbursable transportation costs include coach airfare and airport parking or automobile mileage at the current Company rate to the departure location only. All travel should be booked through BCD Travel and in accordance with Toyota's travel policy.

Optionally, the family member’s spouse or domestic partner may travel to the destination or departure location instead of the team member. However, any additional costs including lodging and meal costs will be at your expense.

Once you and your family have completed your final move to the new location (as demonstrated by your household goods move or home sale close, whichever is later), return trips will no longer be provided, even if you have not utilized your maximum number of trips.

**Reimbursable Expenses**

Toyota will reimburse the following acceptable expenses:

- Airfare – coach or economy class fare; 14 day advance purchase
- Transportation to and from the airport terminals
- Airport parking
- Airline luggage charges (one bag per person)
- Travel must be booked through BCD Travel via telephone at 1.800.255.4343.
- **Do not book your travel on the Travel Vision website**

If you choose to travel in a different class, you must pay the difference in cost at the time of booking. Should you cancel your airfare after booking, you will be responsible for any additional costs incurred.

Or, if you choose to drive:

- Mileage - reimbursed at the current IRS business rate for team member personally owned/leased vehicles and IRS relocation rate for Toyota lease vehicles.

**Time Reporting**

You must utilize your accruals/paid time off (PTO) bank to cover time away from work for return trips home. Please record your time off per your company policy.

**Reimbursement Process**

To receive reimbursement, eligible expenses accompanied by appropriate receipts/documentation, including your itinerary, must be submitted through the Relocation Provider’s web site. Please note that these expenses should not be submitted utilizing the standard expense reporting process. This reimbursement is handled through the Relocation Provider. Airfare booked through BCD Travel will be direct billed to Toyota.

Further information and detailed instructions will be provided to you during your discussion with your Relocation Consultant.

**Tax Impact**

Qualified return trip expenses will be reported as additional compensation. Toyota will provide tax assistance (gross-up).
### Benefit Description

The Relocation Provider specializes in helping you locate the right home in the right neighborhood quickly and easily. To assist Toyota in controlling relocation costs, you must allow the Relocation Provider to make the first contact with the real estate agent(s) in the destination location. The Relocation Provider only recommends knowledgeable agents with a proven track record of successfully finding homes. If you have a real estate agent you would like to recommend, it is important that you do not contact the agent. Instead, let your Relocation Consultant know who the agent is and where he/she can be reached. Your Relocation Consultant will then contact the agent to obtain his/her credentials and, if qualifications are acceptable, will select that agent to assist you in searching for a new home.

You, members of your immediate family, or other Toyota team members may not directly or indirectly benefit financially from the fees that Toyota pays for services or other costs related to your relocation. It is for that reason that Toyota will not reimburse you, an immediate family member, another relative, or another Toyota team member (or his/her spouse/domestic partner) for any fees for services performed as a real estate agent or broker for the purchase of your new primary residence.

### Relocation Consultant Assistance

Your Relocation Consultant will contact you to review the program, explain the benefits and offer assistance. This assistance includes:

- Conducting a telephone interview with you to discuss your housing needs and wants at the destination location. After this discussion, the Relocation Consultant will use the information acquired to recommend a real estate agent who is a relocation specialist in the destination area and who is knowledgeable regarding homes within the price range you have requested.

- Explaining “agency” and clarifying who the real estate agent is representing and why

- Discussing real estate agent expectations so you fully understand what the real estate agent is expected to do for you and in what timeframe

- Reviewing purchase guidelines to help you make a good decision on the home you decide to purchase

- Explaining comparable market analysis and encouraging you to have the real estate agent assist you in putting one together on the home you are purchasing. This will help you determine the best price for the property and eliminate purchasing an overpriced home.

- Assisting with negotiations—it can be very helpful to have the opinion of an uninvolved specialist when you are negotiating the purchase price of a new home.

- Reviewing the purchase agreement (contract). The Relocation Consultant will be available to look over the purchase agreement to help determine if it is written in your best interest.

- Encouraging you to be pre-approved with a lender. In many markets, sellers are requiring buyers to be pre-approved at the time the offer to purchase is made. Toyota has made lender arrangements through several preferred lenders.
HOME FINDING ASSISTANCE

Future Relocation  The new home you select today may affect your benefits for future relocations. Please refer to the Home Marketing and Home Sale Assistance, Ineligible Properties section for homes that do not qualify for Home Sale Assistance, should you be transferred again by Toyota.

Destination Services  You will be provided with assistance to help acclimate you to your new community. Services may include the following:

- Needs analysis and/or telephone consultation
- Information about housing, schools, local social life, medical facilities, banking, places of worship, special interests of family, driver’s license
- General orientation including public transportation options, area points of interest, shopping, super markets/groceries, hospitals, emergency rooms, etc.
- Pinpointing suitable neighborhoods
- Identifying sources of assistance for elder care, etc.
### Benefit Description
Prior to your home finding trip an agent will be referred to you by your Relocation Consultant from a prequalified broker network that are certified and experienced in corporate home purchase programs. The agent will be assigned based on your home finding criteria and family needs.

Toyota will reimburse up to three percent of the new home purchase price to cover normal and customary closing costs when purchasing a residence in the new work location. Toyota will reimburse the closing costs on your primary mortgage only. This home must be the primary residence in which you and your family reside. You will be responsible for payment of any costs not covered by Policy. In order to be eligible for this benefit, team member must be on title to the property and the home must be occupied within 12 months of the effective date in your new work location. This benefit is only available if you purchase/construct a home after authorization. You will not be eligible if you entered into a home purchase contract prior to authorization.

### Reimbursable Expenses
Toyota will reimburse the following expenses:

- Appraisal fee
- Attorney fees (if required by local custom)
- Credit report
- Delivery fee
- Discount points
- Flood certificate
- General home inspection (one-time)
- Inspections: engineering, pest, roof, radon, septic/well—if required by lender
- Legal fees
- Lender’s Title Insurance
- Millionaire/Mansions tax (state specific)
- Notary fee
- Origination Charges
- Owner’s title insurance*
- Power of attorney
- Recording fee
- Settlement fee
- State tax stamps and transfer
- Survey fees
- Title charges*
- Transfer fees
- Wire transfers

*If normal and customary buyer’s cost responsibility

### Points and Costs Paid
Toyota will cover points up to two percent of the mortgage amount plus lender fees (application fees, underwriting fee, processing fee, etc.). This benefit will be included in the three percent cap of the home purchase price.
NEW HOME PURCHASE ASSISTANCE

Non-Reimbursable Expenses or Fees

- Amortization schedule
- Assessment charges to real estate agent to obtain financing
- Association Fees
- Builder's risk insurance
- Builder's title insurance
- Code compliance charges
- Construction loan
- Down payment
- Earthquake insurance
- Home warranty insurance
- Homeowner's dues
- Mortgage broker finder's fee
- Mortgage Insurance
- Mortgage insurance premium (MIP for FHA loans)
- Prepaid interest
- Prepayment penalties (tax-deductible)
- Private mortgage insurance (PMI)
- Property taxes
- Repair-completion escrows
- Repairs on property
- Taxes
- Trash or sewer pro-rations

Toyota will not cover the following expenses or fees:

Toyota will not reimburse you for funds required in escrow accounts, such as prorated real estate taxes and insurance premiums.

New Construction

Toyota recommends that serious consideration should be given to purchasing new construction in regard to the impact of the financial burden, equity risk, and inconveniences associated with new construction. In addition, consider that:

- Additional costs directly resulting from the decision to build a new home will be your responsibility.
- There may be construction delays, which can extend the need for temporary housing and storage. These costs will not be reimbursed.
- In some areas, it is customary for buyers to incur closing expenses in connection with a building or construction loan.
- Newly constructed homes require more capital improvements (i.e., landscaping).
- You are more likely to experience a loss-on-resale if you have to sell your home within a short period.

None of the costs listed above will be reimbursed. Closing costs incurred following the completion of new construction will be reimbursed provided the transaction is completed within 12 months of your effective date in the new work location.
NEW HOME PURCHASE ASSISTANCE

Mortgage Lenders
Toyota, through company preferred mortgage lenders, will provide various mortgage-related services if you will be purchasing a home in the destination location. The assistance will include:

- Counseling on various types of loan programs available and the impact of those programs based upon your specific financial situation and relocation mortgage benefits.
- Pre-approval for mortgage financing, including credit review, so you are more aware of the value of a home you can acquire in the destination location. You are encouraged to be pre-approved before embarking on a home finding trip. This benefit is without cost or obligation.
- A direct bill program that eliminates the need for you to submit expenses for reimbursement because all closing costs are billed directly to Toyota. The direct bill reduces your out-of-pocket costs at closing, enabling you to potentially increase your down payment on a new home.

Toyota does not require you to use a preferred lender however, direct billing will not be available should you utilize a non-company preferred lender.

Reimbursement Process
Reimbursable home purchase costs can be billed directly to Toyota if you secure your mortgage through a Company-preferred lender. To receive reimbursement if another lender is used, eligible expenses, accompanied by appropriate documentation (copy of the signed Settlement Statement or closing disclosure) must be submitted through the Relocation Provider’s web site.

Tax Impact
New home purchase closing costs will be reported as additional compensation. Toyota will provide tax assistance (gross-up).

In most states, discount points are deductible for federal and state taxes and therefore subject only to FICA taxes. Toyota will provide tax assistance (gross-up) to cover the FICA tax liability.
**COST-OF-LIVING ALLOWANCE**

**Benefit Description**
When Toyota relocates you to an area with a cost of living higher than your present location you may become eligible for a Cost-of-Living Allowance (COLA). The goal is for you to be able to afford acceptable replacement housing without being financially overburdened. Your Relocation Consultant will determine if you will be eligible, and if you are eligible, he/she will notify you of the COLA amount.

Toyota developed the COLA program by engaging the services of an outside consulting firm. This firm determines the cost of living for work locations nationally, based on standard norms and the full basket-of-goods, including housing, food, clothing, transportation, discretionary expenses and taxes. The outside consulting firm surveys housing and fuel prices monthly; goods and services twice per year; and insurance and car prices once a year.

**COLA Calculation**
The outside consulting firm and Toyota created a matrix dividing our work locations throughout the United States into a series of tiers. The matrix will be subject to change at the discretion of Toyota. Each tier has a differential value of five percent. To determine eligibility, your Relocation Consultant will verify if your departure work and destination work locations fall within the matrix. If they do, the total differential amount noted in the matrix will be multiplied by your rate of pay at the time relocation is authorized to become the COLA amount. The COLA will be paid to you twice over a two-year period. The first year payment will be at 100 percent of the COLA amount. One year from the first payment (the second year), you will receive a payment at 50 percent of the COLA amount.

**Example**
Per the Toyota matrix, you are moving from a Tier 2 location to a Tier 4 location for a total differential of 10 percent (five percent per tier). Toyota will then multiply your rate of pay at the time relocation is authorized by the 10 percent to become the COLA amount.

- Yearly salary $80,000 x 10% = $8,000
- Year 1 Payment is $8,000
- Year 2 Payment is $4,000
- Total of $12,000

**Ending Period**
Your COLA will end if you:
- Transfer to an area that has a lower cost of living within the two-year period covered by the COLA benefit
- Do not physically live in the home as your primary residence
- Terminate your employment with Toyota

**COLA Consideration**
California, New York and Washington, D.C., have historically been in higher tiers than Texas and, therefore, a COLA may not be available for moves from these work locations. Please refer to the COLA matrix for the COLA information specific to your origin and destination work locations.

**Tax Impact**
All COLA payments will be reported as additional compensation. Toyota will not provide tax assistance (no gross-up).
DUPLICATE MORTGAGE

Benefit Description for Homeowners

Toyota will reimburse duplicate mortgage expenses for up to two months if you close on a home in the destination location before closing on your home in the departure location. For purposes of this benefit, “closing” will be interpreted to mean that financial responsibilities have started for the new home or have ended on your home in the departure location.

In order to be eligible for this benefit, you must be a homeowner in the departure location and demonstrate that continuous serious marketing efforts (i.e., reduction in price, repairs made) are being made on the home you are selling. Should you purchase a home in the new work location prior to being authorized for relocation benefits you will not be eligible for this benefit.

If you sell your home through the independent home sale option you are eligible to receive duplicate mortgage.

Reimbursable Expenses

Toyota will reimburse the following acceptable duplicate mortgage expenses based on the home with the lowest total costs, including:

- Mortgage interest (first mortgage only)
- Real estate taxes
- Homeowner’s association or condominium fees
- Homeowner’s insurance
- Utilities (e.g., gas, electric, water, sewer)

Mortgage principal will not be reimbursed. The expenses will be prorated if necessary.

Shared Ownership

If you share ownership with someone other than your spouse/domestic partner and your share is at least 50 percent, reimbursement will be prorated based upon your share. Ownership is considered shared if you or your spouse has filed for divorce or legal separation or you have dissolved your partnership and the property remains in both names.

If your home is partially an investment property (e.g., an entire duplex), your residence portion must be at least 50 percent of the property. Duplicate mortgage expenses will be prorated according to your share of the residential portion of the property.

Reimbursement Process

To receive reimbursement, eligible expenses accompanied by appropriate receipts/documentation must be submitted through the Relocation Provider’s website. Be sure to include the time period the expense was incurred.

Tax Impact

Duplicate mortgage reimbursements will be reported as additional compensation. Toyota will provide tax assistance (gross-up); however, in most states, full gross-up is not necessary for the interest and real estate taxes portion as this is typically a deductible expense. For deductible expenses only FICA and Medicare gross up will be provided.
# HOME MARKETING ASSISTANCE

<table>
<thead>
<tr>
<th>Benefit Description</th>
<th>Home Marketing Assistance is provided to help you secure a sale on your home in the shortest period of time, at a fair market value, and with the least amount of inconvenience.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Estate Agent Selection and Market Analysis</td>
<td>You must not contact an agent or list your home until you have contacted your Relocation Consultant. The Relocation Consultant must refer or recommend the broker(s) to you from a prequalified broker network that are certified and experienced in corporate home sale program. You, members of your immediate family or other Toyota team members may not directly or indirectly benefit financially from the fees that Toyota pays for services or other costs related to your relocation. It is for that reason that Toyota will not reimburse you, an immediate family member or other relative, or another Toyota team member (or his or her spouse/domestic partner) for any fees for services performed as a real estate agent or broker for the sale of your primary residence. If you have a real estate agent you would like to recommend, it is important that you do not contact that agent. Instead, let your Relocation Consultant know who the agent is and where the agent can be reached. The Relocation Provider will then contact the broker/relocation director to determine if they meet the required qualifications. In the event the broker/agent is unable to meet the qualifications of the Relocation Provider and you choose to continue to work with the non-qualified agent, you may do so by utilizing the Independent Sale Option. Refer to the Independent Sale and Introductions section for further information. Upon authorization by Toyota, the Relocation Provider will arrange to have two local real estate agents inspect your home, research the current local real estate market, and complete Broker Market Analyses (BMAs). The brokers will send the completed BMAs to the Relocation Consultant who will review the results for thoroughness, accuracy and logic of conclusions.</td>
</tr>
<tr>
<td>Required Documents</td>
<td>Before listing the home for sale, you will be required to complete a Home Sale Disclosure Statement. This must be provided to all potential buyers. Failure to provide complete disclosure could cause you severe financial and legal difficulties. You may be required to provide documentation to substantiate that your home is your primary residence. Please refer to Home Sale Eligibility section. In addition, the listing agreement with your real estate agent must include the following Exclusion Clause: It is understood and agreed by property owner (“Seller”) and real estate broker (“Broker”) that regardless of whether or not an offer is presented by a ready, willing and able Buyer: 1) The owners hereby reserve the right to sell this property directly to the Relocation Provider at any time and, in such event, to cancel this agreement with no obligation for commission or continuation of the listing thereafter; or 2) The owners reserve the right to assign any acceptable written offer hereunder to the Relocation Provider for closing, with payment of commission being the obligation of the Relocation Provider and the commission earned at successful closing of the home. 3) The real estate agency and the Realtor understand, acknowledge and agree that a referral fee shall be due the Relocation Provider upon closing of the sale of the subject property. The terms and conditions of the referral agreement shall be</td>
</tr>
</tbody>
</table>
confirmed in writing by the Relocation Provider and shall become part of the listing contract.

4) The real estate agency and the Realtor understand, acknowledge and agree that no fees other than payment of the agreed commission are due and payable at closing. This includes but is not exclusive of Document Fees, Processing Fees, Board Fees or any charge due the Realtor indicated with the Listing Agreement. This provision supersedes any conflicting language with the agreement. It is agreed that the listing agent may be terminated by the seller at any time without cost or obligation to the seller if the seller is dissatisfied with the performance of the broker or agent. Please be advised the listing agreement needs to include the Non-Performance clause.

Listing the Home

Setting a proper and realistic list price is crucial to the success of selling a home in a reasonable period of time and for the highest possible price. The determination of the initial list price is based on a number of factors such as location, competition, the condition of the property, and the time of year the home is listed. Over-listing a home only benefits the competition, generally extends the marketing time of the property, and may result in a lower final sales price than if the property had been marketed more realistically from the start.

Once the Relocation Consultant approves of the two BMAs, the Most Probable Sales Price listed on the BMAs will be averaged together and the home will be listed at no more than 105 percent of this average. If the two Most Probable Sales Prices are not within five percent, a third BMA will be ordered. The two highest Most Probable Sales Prices will be averaged together and the home must be listed at no more than 105 percent of this average. You may select either agent to list the home. The Relocation Provider will work with you to set a reasonable list price and develop a marketing strategy for the home.

To increase the chances of an early sale at the highest possible price:

- Do not enter into a listing agreement with any broker without first consulting your Relocation Consultant.
- List the home at no more than 105 percent of the average of the two BMAs’ Most Probable Sales Price (if the BMAs are not within five percent of each other, a third BMA will be ordered and the two highest values will be averaged).
- Make any improvements that have been suggested by the Relocation Provider.

Please be aware that the BMA’s Most Probable Sales Price may indicate a value significantly higher than the appraisals (described in the Home Sale Assistance section) and the final sales price, especially in a down market.
HOME MARKETING ASSISTANCE

Fix-up and/or Curb Appeal Expenses

If necessary and recommended by your Listing Agent and/or the Relocation Provider, Toyota will reimburse certain costs to cosmetically fix up or repair your home up to a maximum of $1,000. This assistance is intended to help cover the cost of curb appeal and/or neutralizing your home to help it sell in a timely manner. The fix-up allowance may not be used for staging your home. The Relocation Provider can assist you with determining which fix-ups will bring you the most value for your home. The Relocation Provider’s recommendations will also be based upon the real estate agent’s opinion. To be eligible for reimbursement the expense must be approved by the Relocation Provider prior to submission. The reimbursement cannot be used as a concession in lieu of repairs to a buyer in the outside contract.
<table>
<thead>
<tr>
<th><strong>Reimbursement Process</strong></th>
<th>To receive reimbursement, eligible expenses accompanied by appropriate receipts/documentation must be submitted through the Relocation Provider’s website.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Impact</strong></td>
<td>The fix-up and/or repair reimbursements will be reported as additional compensation. Toyota will provide tax assistance (gross-up).</td>
</tr>
</tbody>
</table>
HOME SALE ASSISTANCE: APPRAISED VALUE OFFER

Benefit Description

One of the Relocation Provider’s most important roles is to help you sell your home to an outside buyer at the best possible price in the limited time available to you. If an outside buyer is not found in the allotted time, and your home qualifies, the Relocation Provider will issue you a Guaranteed Buyout Offer (GBO) based on the average of two independent appraisals. This process, if followed accurately, provides the most favorable tax treatment to both you and Toyota. To protect this program, you must under no circumstances accept a down payment or sign an offer presented by any potential buyer. Your Relocation Consultant will explain the process and all details.

Appraised Value Offer (Guaranteed Purchase Offer, aka Guaranteed Buyout Offer)

One of the most expensive portions of the relocation process is the sale of your current residence. With the appraised value offer, you will be eligible to accept a Guaranteed Buyout Offer (GBO). In order to contain costs in this area, Toyota requires that you:

- Participate in the Home Marketing Assistance program.
- List the home at no more than 105 percent of the average of the two Broker Market Analyses’ Most Probable Sales Price. Adjust the list price of your home to be within 105 percent of the GBO amount once you are notified of the GBO amount. The minimum list price must be within 97 percent of GBO.
- Adjust the list price of your home to be within 102 percent of the GBO amount if you have not secured a bona fide offer by day 31 of the offer period. The minimum list price must be within 97 percent of GBO.
- Adjust the list price of your home to be within 100 percent of the GBO amount if you have not secured a bona fide offer by day 61 of the offer period. The minimum list price must be within 97 percent of GBO.
- Inform the Relocation Provider of all outside offers received.

<table>
<thead>
<tr>
<th>Day of GBO Period</th>
<th>Minimum List Price (As a % of the GBO)</th>
<th>Maximum List Price (As a % of the GBO)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 1 – 30</td>
<td>97%</td>
<td>102% - 105%</td>
</tr>
<tr>
<td>Day 31 – 60</td>
<td>97%</td>
<td>100% - 102%</td>
</tr>
<tr>
<td>Day 61 – 90</td>
<td>97%</td>
<td>97% - 100%</td>
</tr>
</tbody>
</table>
### HOME SALE ASSISTANCE: APPRAISED VALUE OFFER

<table>
<thead>
<tr>
<th>Properties which are NOT Eligible for Home Sale Assistance or Independent Sale</th>
<th>The following types of properties do not qualify for Home Sale Assistance or reimbursement through the Independent Sale Option:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Been on the market at any time within six months of the date of the Team Member’s authorization into the program</td>
<td></td>
</tr>
<tr>
<td>• Homes that do not qualify as your primary place of residence</td>
<td></td>
</tr>
<tr>
<td>• Acquired for commercial or speculative purposes (purchased for the purpose of quick resale at a profit – not a principal residence)</td>
<td></td>
</tr>
<tr>
<td>• Houseboats</td>
<td></td>
</tr>
<tr>
<td>• Incomplete homes</td>
<td></td>
</tr>
<tr>
<td>• Land contracted homes or lease with option to own</td>
<td></td>
</tr>
<tr>
<td>• Multi-family dwelling (except a two-family residence where one part is the principal residence of the team member)</td>
<td></td>
</tr>
<tr>
<td>• Resort properties</td>
<td></td>
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<tr>
<td>• Shared ownership properties (i.e., timeshares)</td>
<td></td>
</tr>
<tr>
<td>• Summer homes/vacation homes/secondary homes</td>
<td></td>
</tr>
<tr>
<td>• Vacant land</td>
<td></td>
</tr>
<tr>
<td>• Mobile homes/manufactured homes whether on owned or leased lots or without permanent foundations</td>
<td></td>
</tr>
<tr>
<td>• Income‐producing properties other than duplexes where one of the units is occupied by the team member</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Properties which are not Eligible for Home Sale Assistance but MAY be Eligible for Independent Sale Option (Eligible for Gross Up)</th>
<th>Not qualified for conventional mortgage financing under guidelines set forth by Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Containing building materials commonly known as “Chinese Drywall” or other drywall material with similar characteristics</td>
<td></td>
</tr>
<tr>
<td>• Homes not conforming to local building codes</td>
<td></td>
</tr>
<tr>
<td>• Currently in foreclosure, short sale situation, bankruptcy or other litigation</td>
<td></td>
</tr>
<tr>
<td>• Not insurable under the Relocation Provider’s property and general insurance liability coverage for relocation homes</td>
<td></td>
</tr>
<tr>
<td>• Not zoned by 1-4 family residential</td>
<td></td>
</tr>
<tr>
<td>• Cooperative apartment units</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Properties Which Require Additional Review to Determine Home Sale Assistance / Independent Sale Option (Eligible for Gross Up)</th>
<th>• Homes undergoing renovation or construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Homes with Mineral Rights that are not conveyed to the buyer</td>
<td></td>
</tr>
<tr>
<td>• Valued at $1,000,000 or more, as determined by the average of the Broker Market Analyses, may be ineligible subject to the Relocation Provider’s evaluation to determine inclusion in the home sale policy</td>
<td></td>
</tr>
<tr>
<td>• Acreage in excess of five acres</td>
<td></td>
</tr>
<tr>
<td>• Homes that require excessive repairs involving significant structural or safety issues in excess of $5,000</td>
<td></td>
</tr>
<tr>
<td>• Homes with manufactured stone veneer or EIFS (Exterior Insulating Finishing Systems), also known as synthetic stucco</td>
<td></td>
</tr>
<tr>
<td>• Homes with leased solar panels</td>
<td></td>
</tr>
<tr>
<td>• Mobile homes/manufactured homes whether on owned lots with permanent foundations</td>
<td></td>
</tr>
<tr>
<td>• Clear title cannot be delivered</td>
<td></td>
</tr>
</tbody>
</table>
**HOME SALE ASSISTANCE: APPRAISED VALUE OFFER**

<table>
<thead>
<tr>
<th>Properties where Team Member Opt Out of Home Sale Program and Closes through Independent Sale Option (Not Eligible for Gross Up)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Team member for any reason decides to not utilize the Home Sale Assistance benefit</td>
</tr>
<tr>
<td>- Team member does not resolve inspections to the satisfaction of the Relocation Provider</td>
</tr>
<tr>
<td>- Team member does not comply with any requirements set forth by the Relocation Provider</td>
</tr>
</tbody>
</table>

Note: If you recently refinanced, please notify your Relocation Consultant.

If your home is a condominium, a questionnaire will need to be completed by the Association and submitted to the Relocation Provider for approval in order to be eligible for the Home Sale Assistance program. In addition, the following circumstances (as well as any of the items from the list above) will render a condominium ineligible for the Home Sale Assistance Program:

- Not approved for conventional or FHA/VA financing—lending restrictions for condominiums are more stringent.

(Please refer to [https://entp.hud.gov/idapp/html/condo1.cfm](https://entp.hud.gov/idapp/html/condo1.cfm) to validate that your condominium is approved for FHA financing)

- Restricted by-laws
- Vacant, unsold, finished condominium units do not exceed 25 percent of the total number of finished units in the complex
- Condominium units owned by absentee investors for rental purposes do not exceed 25 percent of the total finished units
- Association dues and regular assessments per year (net of utilities) do not exceed three and one-half percent (3.5 percent) of the estimated Appraised Value of the condominium
- The condominium association is not in sound financial condition
**HOME SALE ASSISTANCE: APPRAISED VALUE OFFER**

**Seller's Disclosure Statements and Title Report**

You will be responsible for complying with all federal, state and local disclosure requirements associated with the sale of your home. This includes the completion of all real estate disclosure forms that may be required. In addition, you must complete, sign and return the Relocation Provider's disclosure form.

The Relocation Provider will order a title report on the home and advise you of the results. In the event the title report indicates a cloud on title, you will be responsible for properly clearing title before selling the home. The Relocation Provider may be able to assist you in clearing clouds on title. A cloud on title is defined as any outstanding claim, lien, encumbrance, document or condition usually revealed by a title search that impairs the title and the marketability of a property.

**Homes in Trust**

Toyota requires the transferring team member to be on title for his or her principal residence in order to participate in the Toyota home sale program. Therefore, a property held in trust is required to be taken out of trust (titled only to the team member and spouse if applicable) and then titled either to an outside buyer or the Relocation Provider depending on the state. This process takes place as part of the home sale closing process.

The reason Toyota requires the home be taken out of the trust is that risk and complications may arise from the ownership interest being in a party who is not the team member and does not legally have the same obligations. In addition, this allows us to clearly identify who is entitled to the relocation benefits, who occupies the residence, and to whom will we be looking to should issues arise. Only the trustee(s) can transfer title out of the trust.

You should not incur any costs associated with taking the home out of trust; if costs are incurred, Toyota will cover the cost as a part of the Home sale benefit. Your relocation consultant will guide you through this process.
HOME SALE ASSISTANCE: APPRAISED VALUE OFFER

**Appraisal Process**

As soon as you list your home in accordance with Toyota’s Home Marketing Assistance program, the Relocation Consultant will initiate the appraisal process to establish the Guaranteed Buyout Offer (GBO) should you be unsuccessful in obtaining a buyer during the marketing period. The Relocation Provider will order two independent ERC (Employee Relocation Council) appraisals and inspections on your home at this time.

Once the Relocation Provider receives the completed appraisals, the appraisal values will be averaged together to become the GBO amount. The appraisal values must be within five percent of each other, or a third ERC appraisal will be ordered by the Relocation Provider. If three appraisals are ordered, the two highest values will be averaged to become the GBO amount. You will be required to adjust your list price to be within 105 percent of the GBO value once it is determined. Your Relocation Consultant will call you to present you with the GBO price once the appraisal reports, disclosure form(s), and any required inspections have been reviewed. Your Relocation Consultant will discuss the GBO and will send you a Contract of Sale once you have clear title, repairs are completed, and any negative equity has been satisfied. This will begin the 90-day offer period. This process typically takes between three to four weeks to complete.

You may accept the GBO on day 60 of the 90-day offer period.

The Relocation Provider may disregard any appraisal that contains insupportable information. The Relocation Provider does not participate in any profit or loss from the resale of any residence and has nothing to gain by offering anything less than the full market value for a home.

**Inspections and Repairs**

Shortly after listing your home for sale, the relocation Provider will order customary home inspections per Toyota’s guidelines (e.g., general home, termite, and well/septic/pool/hot tub, if applicable) and advise you of the results. If deemed necessary, the Relocation Provider will order additional inspections. The Relocation Provider follows the Worldwide Employee Relocation Council’s (ERC) Statement of Use: Relocation Property Assessment that identifies structural, safety and inoperable items, regardless of local/state codes.

Generally, you should expect the inspection process to take three to four weeks assuming there are no special property-related or access problems. Any required repairs necessary, including but not limited to structural, health, safety, inoperable systems and Section One termite repairs will be at your expense and must be completed prior to acceptance of the GBO. Credit to the outside buyer in lieu of repairs is not permitted for any required repairs. If any inspection discloses a significant problem, Toyota reserves the right to exclude the home from the Home Sale Assistance program.

Toyota provides for a Radon Warranty in lieu of a radon inspection.
## HOME SALE ASSISTANCE: APPRAISED VALUE OFFER

### Offer Period
During the appraisal process, you will continue to market the home while the appraisals are being completed (three to four weeks). From the time the GBO is communicated to you by your Relocation Consultant, you are given 90 days (the “offer period”) to market the home to find a potential buyer who is willing to pay a price that is at least 97 percent of the GBO price.

### Amended Value Sale/Offer
If, before the 90-day offer period expires, you are able to negotiate an outside buyer offer that is higher than the GBO, you should immediately contact the Relocation Provider. The Relocation Provider must be made aware of all offers to purchase the home that you receive. Working with you and the real estate agent, the Relocation Provider will:

- Review the offer with you
- Advise you on possible negotiation strategies as appropriate
- Determine if the offer is a bona fide purchase offer from a qualified buyer
- Instruct the agent to prepare a final agreement with the Relocation Provider as seller of the property, once verbal negotiations are complete
- Prepare a Contract of Sale between the Relocation Provider and you that represents the final terms and price of the outside purchase offer

The Relocation Provider will amend the GBO contract to reflect the higher offer value, if applicable, after verifying the quality of the offer, buyer qualifications, inspections and repairs are completed and making adjustments to reflect any unusual terms of the proposed transaction. This is called an amended value offer. (This is allowed by the IRS as it represents a more accurate determination of market value by actually obtaining a price in the market that refines the evaluation made by the independent appraisers.)

Once the terms and conditions are agreed upon, your Relocation Consultant will promptly confirm this amended value offer with you. You must verbally accept the amended value offer within one business day and return the Contract of Sale within five business days or the amended value offer will expire. In the event the amended value offer expires, the expiration will have no effect on the GBO.

You must not sign any sale agreements with the prospective buyer or accept any deposit or down payment during this period. This is a critical aspect of the amended value offer.

When selling to the Relocation Provider in an amended value transaction, you will execute and return to your Relocation Consultant the same documents and forms that are used in a GBO sale. The only difference is that the purchase offer from a willing and able buyer, rather than the appraisal process, has determined the selling price.

If you achieve an amended value offer during the marketing period, your Relocation Consultant will do his/her best to complete a sale with the buyer. Should this sale fail to close for any reason, you are still guaranteed equity based on the market value/amended value sale price.

If before the 90-day offer period expires, you receive an offer from a qualified buyer that is less than, but can be negotiated to be within 97 percent of the GBO, you will be required to accept that offer and you will be guaranteed the GBO (appraised value) amount for your home.

Items that are negotiable in the sale of your home will not be covered by Toyota. Items or expenses that will not be reimbursed include:
HOME SALE ASSISTANCE: APPRAISED VALUE OFFER

- Home improvements to help sell the home, including inspection remediation
- Assessments, mortgage points and mortgage insurance premiums, including FHA and VA funding fees
- Repairs and/or improvements requested by the buyer
- Buyer's closing costs or incentives/concessions
- Real estate agent commissions above the standard rate for your area
- Closing dates beyond 60 days of vacating your home or contracting with the Relocation Provider
- Home Warranty

Accepting the GBO

If you have not sold your home, you may accept the GBO as early as day 60 of the 90-day offer period. You will need to fill out and sign the following documents and return them to your Relocation Consultant:

- Contract of Sale
- Proof of repairs completion and payment
- Clear title and deed package
- Equity disbursement request form

When you accept the GBO from the Relocation Provider and the Relocation Provider has received the Contract of Sale and legal documents, responsibility for making mortgage payments will transfer to the Relocation Provider. You will have the right to occupy the home for a period of thirty days after you have signed the contracts with the Relocation Provider. You will continue to be responsible for the following items until you have vacated the property:

- Utilities
- Maintenance and upkeep
- Property insurance
- Prorated mortgage interest, taxes, mortgage insurance premiums, etc. (amounts which will be deducted from your equity)
- Previously agreed upon repairs
- Damages incurred during your extended stay

Any outstanding balances from the items above may be deducted on your equity statement.

When you move out of the home it should be in the same condition as when it was appraised, which means while ordinary wear and tear is acceptable, it must be in “broom clean” condition and all systems in good working order. Prior to your vacate date, the Relocation Provider will authorize your agent to complete a walk-through of the property, which will include pictures to confirm if all conditions have been met and to document pre-acquisition condition.

The home may be immediately listed with another real estate broker and you must agree to permit the Relocation Provider to show the home prior to vacate date. Toyota will assume carrying costs after you vacate the home.
Closing the Sale

Your equity will be computed, and expenses prorated, as of the date the Relocation Provider receives the Contract of Sale and applicable legal documents or your vacating date as stated in the Contract of Sale, whichever is later. The equity will be the purchase price offered by the Relocation Provider less all mortgage balance(s)/equity lines of credit and adjustments for taxes, interest, insurance, buyer concessions (if applicable) or other items related to the residence. You may also be responsible for any maintenance and/or repair items deemed necessary by Toyota or the Relocation Provider.

If the mortgage company submits funds to you that were previously paid by the Relocation Provider (i.e., escrow payments or additional interest payments), you must immediately return the funds to the Relocation Provider or they will revert to a loan, requiring interest and a payroll deduction.

The Relocation Provider will manage the closing with the outside buyer. If after all contingencies of the sale of your home to the Relocation Provider have been met and the property remains eligible for the relocation program, and the sale of the home to the outside buyer falls through, the Contract of Sale between you and the Relocation Provider will still be honored. The Relocation Provider will then take the home into inventory and be responsible for marketing and selling the property on behalf of Toyota.

Bona Fide Offer Definition

A bona fide offer generally includes the following requirements:

- The purchase price is equal to or greater than 97 percent of the GBO. The buyer is financially qualified and capable of purchasing the property utilizing common and ordinary terms, conditions, and contingencies (which may not include a contingency for the sale of the buyer’s property), and which will be contingent on favorable results of inspections, if any, and the closing date cannot be beyond 60 days.

- The property satisfies generally accepted and applicable industry criteria for a mortgage loan at standard market rates as determined by a reputable institutional lender (e.g. a bank, savings bank or mortgage company authorized to conduct business in the area). Generally accepted and applicable industry criteria for mortgage loans shall include loans eligible for repurchase under guidelines established by organizations such as “Fannie Mae” and “Freddie Mac.” The availability of financing by a particular lender such as a local portfolio lender or other non-standard lending arrangement does not constitute generally accepted and applicable industry criteria for a mortgage loan.

- A bona fide outside offer on your home has been signed and accepted during the incentive bonus period. All required supporting documentation must be received by the Relocation Provider in order to finalize and execute the offer on your home.

Tax Impact

If you sell your home through the Relocation Provider’s Home Sale Assistance program, expenses incurred are not considered additional compensation to you; therefore tax assistance (gross-up) is not applicable.
INDEPENDENT HOME SALE

Benefit Description

If your home is ineligible for the Home Sale Assistance program or you choose not to use the program, Toyota will reimburse normal and customary selling expenses based on real estate practices in your area up to nine percent of the home sale price with the broker fee not to exceed six percent.

Eligible expenses include:

- Brokerage or agent commission on sale (maximum six percent of sale price)
- Normal and customary home sale closing costs, including:
  - Attorney/escrow fees
  - Customary federal, state and local transfer taxes
  - Filing and notary fees
  - Legal fees

Excluded expenses include, but are not limited, to the following:

- Concessions
- Incentives
- Points
- Repairs
- Allowances
- Carrying costs
- Home Warranty

If you sell your home without a real estate broker, up to four percent of the home sale price will be reimbursed to assist with selling, advertising and closing costs.

If you elect the Independent Sale option, you will not be eligible for the Home Sale Incentive Bonus, Equity Advance, or Loss-on-Sale benefit.

Reimbursement Process

To receive reimbursement if you elect the Independent Sale option, eligible expenses, accompanied by appropriate documentation (copy of the signed Settlement Statement or closing disclosure), must be submitted through the Relocation Provider’s web site.

Tax Impact

If your home is eligible and you elect not to participate in the Home Sale Assistance program, expenses reimbursed will be considered additional compensation. This payment will not be tax assisted (not grossed-up).

If your home is deemed ineligible for the Home Sale Assistance program by Toyota, expenses reimbursed will be considered additional compensation. This payment will be tax assisted (grossed-up).
EQUITY ADVANCE

Equity Advance (when participating in the Home Sale Assistance program)

In the event you require a portion of your equity for closing on your new home, provided your home is currently on the market through the Relocation Provider’s Home Sale Assistance program, the Relocation Provider will advance up to a maximum of 80 percent of your estimated equity based on the average of the two Broker Market Analyses’ Most Probable Sales Prices or up to 95 percent based on the bona fide outside offer or the GBO. The equity will be calculated using up to 80 percent of the average of the two BMAs most probable sales price or up to 95 percent of a bona fide offer or GBO less the following encumbrances:

- Any estimated unpaid balances on all mortgages, equity lines of credit, liens, assessments, or other encumbrances
- One year’s property taxes
- One month’s mortgage payment for each mortgage or equity line

The advance is funded the week of the closing of your new home purchase.

Contact your Relocation Consultant to request an advance. The Relocation Provider will send you a Promissory Note stating the amount advanced. The Promissory Note must be signed by you and all owners of record and returned to the Relocation Provider prior to advancing any funds. The advance is non-interest bearing prior to its due date. The amount advanced will be repaid to the Relocation Provider as a deduction from your final equity payment. Equity advances generally require 7-14 business days to process. The Promissory Note amount must be paid back in the event the relocation is not completed. All equity advance(s) must be repaid/reconciled within six months of being issued.

An equity advance is not available for homes being sold through the independent sale.
HOME SALE INCENTIVE BONUS

Benefit Description

Toyota will provide a Home Sale Incentive Bonus if a bona fide outside offer on your home has been signed and accepted during the incentive bonus period. All required supporting documentation must be received by the Relocation Provider in order to finalize and execute the offer on your home. The amount of the bonus provided will be based upon the following:

- A three percent bonus based on the net sales price if a bona fide outside offer is accepted and fully executed before or on day 30 of the offer period; or
- A two percent bonus based on the net sales price if a bona fide outside offer is accepted and fully executed on or between day 31 and day 90 of the offer period.

<table>
<thead>
<tr>
<th>Homesale Incentive Prior to GBO</th>
<th>Incentive (As % of Team Member’s Net Sales Price)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed for sale per Home Sale Program – accepted bona fide outside offer</td>
<td>3%</td>
</tr>
<tr>
<td>Home Sale By: Day Of GBO Period</td>
<td>Incentive (As % of Team Member’s Net Sales Price)</td>
</tr>
<tr>
<td>Day 1 – 30</td>
<td>3%</td>
</tr>
<tr>
<td>Day 31 – 90</td>
<td>2%</td>
</tr>
</tbody>
</table>

In order to be eligible for the bonus you must:

- Participate in the Relocation Provider’s Home Sale Assistance program. If your home is ineligible for the Home Sale Assistance program, or you choose not to participate in the program, you will not be eligible to receive a Home Sale Incentive Bonus.
- Actively market your home for sale in accordance with the Toyota Group Move Policy.
- Not enter into a listing agreement with any broker without first consulting your Relocation Consultant.
- List the home at no more than 105 percent of the average of the two BMAs’ Most Probable Sales Price (if the BMAs are not within five percent of each other, a third BMA will be ordered and the two highest values will be averaged).
- Adjust the list price of your home to be within 105 percent of the GBO amount once you are notified of the GBO amount.
- Adjust the list price of your home to be within 102 percent of the GBO if you have not secured a bona fide offer by day 31 of the offer period.
- Adjust the list price of your home to be within 100 percent of the GBO if you have not secured a bona fide offer by day 61 of the offer period.
- Work with your Relocation Consultant and the real estate agent throughout the marketing period of the home.
HOME SALE INCENTIVE BONUS

- Close your home sale through the Relocation Provider.

The Home Sale Incentive Bonus is calculated as a percentage of the net outside sales price or the GBO, whichever is higher.

If you elect the Independent Sale option, you will not be eligible for the Home Sale Incentive Bonus or Loss-on-Sale benefit.

Payment Process The Home Sale Incentive Bonus will be processed by the Relocation Provider once you have a bona fide offer and the contract has been fully executed and guaranteed by the Relocation Provider.

Tax Impact The Home Sale Incentive Bonus payment will be considered additional compensation. This payment will be tax assisted (grossed-up).
Loss-on-Sale Assistance

Toyota will provide Loss-on-Sale Assistance if you sell your home in the departure location and the gross selling price falls short of the original gross purchase price, creating a loss. This financial assistance is not intended to compensate you for unwise purchase decisions, over-improvements, or standard risks involved in homeownership. If the real estate agent/appraiser/inspector determines that the home has been neglected and deferred maintenance has occurred, you may be denied Loss-on-Sale Assistance.

Loss on sale has nothing to do with the equity position you have on your property, which may have been impacted by second mortgages or equity lines—it is simply the difference between the original home purchase price and the final home sales price.

The loss on sale calculation is based on the difference between the original gross purchase price of the home recorded on the Settlement Statement/Settlement Disclosure Form and the final gross sales price to either an outside buyer or the GBO, whichever is higher. The gross sale/purchase price is defined as the price before any additions or subtractions, such as buyer credits, concessions or allowances, etc.

The minimum acceptable sales price is:

- Pre-appraisals: 97% of the average of the two BMAs' most likely sales price
- Post-appraisals: 97% of the appraised value offer (GBO)

Both you and Toyota may share in the Loss-on-Sale amount. Toyota will contribute to your loss as follows:

- 100 percent of your loss up to $50,000
- 50 percent of the remaining loss
- Should your loss exceed $50,000, Toyota will reimburse you up to 50 percent of the loss amount over the $50,000 not to exceed $150,000 in total
- Any remaining loss thereafter will be your responsibility

Loss-on-Sale Calculation Example:

<table>
<thead>
<tr>
<th>Original Gross Purchase Price</th>
<th>Plus Capital Improvements</th>
<th>Less Sales Price</th>
<th>Equals Loss on Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>$350,000</td>
<td>$25,000</td>
<td>$330,000</td>
<td>$45,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Team Member Home Sale Loss Examples:</th>
<th>100% up to the first $50,000</th>
<th>50% of the loss above $50,000</th>
<th>Total Available Benefit (not to exceed $150,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45,000</td>
<td>$45,000</td>
<td>$0</td>
<td>$45,000</td>
</tr>
<tr>
<td>$100,000</td>
<td>$50,000</td>
<td>$25,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>$260,000</td>
<td>$50,000</td>
<td>$105,000</td>
<td>$150,000</td>
</tr>
</tbody>
</table>
LOSS-ON-SALE ASSISTANCE

Eligibility

In order to be eligible for this benefit, the following conditions and limitations apply:

- If you elect the independent sale option, you are not eligible for the Loss-on-Sale benefit.
- You must have owned and occupied your single-family home, townhouse, or condominium located in the United States as your primary place of residence on the date identified on your official company transfer notification.
- You must work with your Relocation Consultant and the real estate agent throughout the marketing period of the home. Full participation in Toyota’s home marketing and home sale programs is required.
- You must have a bona fide sales contract and close the sale of your home within one year of your official date of transfer/position change.
- If the home is purchased with large acreage, the home must be sold with the same acreage. If the property has been subdivided since date of purchase, the basis for loss-on-sale will be calculated as the original gross purchase price less sale price of subdivided parcel.
- If you share ownership in the home with anyone other than your spouse/domestic partner, you must own at least 50 percent or more of the residence to receive any Loss-on-Sale Assistance. The assistance will be prorated based on your percentage of ownership.

- Departure location home: Original home purchase: Closing Disclosure and/or Settlement Statement

Required Documents

With proper documentation, certain capital improvements will be included in the loss-on-sale protection calculation.

Capital Improvements

A capital improvement:

- Is a major addition or renovation (excluding normal maintenance)
- Is permanent in nature
- Prolongs the useful life or adapts a part of the premise to a new use
- Requires a minimum expenditure of $1,000 per improvement project in order to be included in the calculation of the loss on sale

Capital improvements are subject to review and approval and must be documented by receipts and/or canceled checks for all labor and materials and conform to local building codes.
LOSS-ON-SALE ASSISTANCE

The following capital improvements will be considered, provided the individual improvement cost is at least $1,000:

- Addition or completion of new room, garage, attic, basement, porch, patio or deck on the house
- Replacement or installation of complete new heating/central air conditioning system or major addition to existing system, but excluding maintenance or repair thereof
- Initial installation of sidewalks, curbing, street/driveway paving, as well as water, gas or sewer lines, including connection of services
- Initial installation of security/intercom system, central vacuum cleaning system, or fire alarm system
- Full renovation of a kitchen or bath, including kitchen range, dishwasher or other major built-in, non-portable appliance when installed as part of the full addition or renovation
- Basic landscaping for previously non-landscaped property
- Replacement roofing or siding

Excluded from capital improvements, regardless of their costs, are:

- Do-it-yourself or donated labor services
- Decorative remodeling which does not change the general function of a room (e.g., resurfacing floors or ceilings, painting, wall papering, paneling, built-in shelving/storage, wall-to-wall carpeting, loose carpeting and rugs, draperies, valances, blinds, and window treatments)
- Exterior painting, sealant, waterproofing, routine maintenance, minor repairs and other replacements normally required to maintain property in good condition
- Appliances such as, but not limited to, refrigerator, washer, dryer, window or wall type air conditioning, dehumidifier, light fixtures, ceiling fans, attic fans, wood stoves, fireplace inserts and similar indoor items
- Water softening/treatment equipment or hot water heaters
- Additional insulation of roof, walls or ceilings
- Storm sash, screens, windows, shutters or doors
- Gutters and downspouts
- Fencing, barbecue/grills, play houses, basketball standards, tennis courts, gym and swing sets, clothes line poles, TV/radio/satellite dish antennae, mailboxes, sandboxes, recreational vehicles, pools and similar outdoor items
- Decorative landscaping, including decorative retaining walls
- Maintenance landscaping
- All outbuildings (not attached to house) such as gazebos, storage buildings and greenhouses
- Hot tubs/spas, above-ground and in-ground swimming pools
- Pet enclosures and housing
- Improvements over and above “normal family requirements” installed for recreational, social or other personal reasons which are not specifically included in the list above
- Refinancing costs, original closing costs, or interest on loans associated with the capital improvements
Example 1

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Gross Purchase Price</td>
<td>$340,000</td>
</tr>
<tr>
<td>Less the Final Gross Selling Price</td>
<td>- 300,000</td>
</tr>
<tr>
<td><strong>Loss on Sale</strong></td>
<td>$ 40,000</td>
</tr>
<tr>
<td>Company contribution #1 (100% of first $50,000 loss)</td>
<td>-40,000</td>
</tr>
<tr>
<td>Company contribution #2 (50% of remaining loss, to a combined total of $150,000)</td>
<td>0</td>
</tr>
<tr>
<td>Team Member’s responsibility (remaining balance if any)</td>
<td>- 0</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>-0-</td>
</tr>
</tbody>
</table>

Example 2

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Gross Purchase Price</td>
<td>$995,000</td>
</tr>
<tr>
<td>Less the Final Gross Selling Price</td>
<td>- 902,000</td>
</tr>
<tr>
<td><strong>Loss on Sale</strong></td>
<td>$93,000</td>
</tr>
<tr>
<td>Company contribution #1 (100% of first $50,000 loss)</td>
<td>-50,000</td>
</tr>
<tr>
<td>Loss-on-Sale Balance</td>
<td>$43,000</td>
</tr>
<tr>
<td>Company contribution #2 (50% of remaining loss, up to a combined total of $150,000) (50% of $43,000)</td>
<td>21,500</td>
</tr>
<tr>
<td>Team Member’s responsibility (remaining balance if any)</td>
<td>- 21,500</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td>-0-</td>
</tr>
</tbody>
</table>

Reimbursement Process

To receive reimbursement the team member must complete the capital improvements worksheet which will be provided by the relocation consultant and/or available in the OTMC documenting eligible expenses. The reimbursement request must be accompanied by appropriate receipts/documentation must be submitted through the Relocation Provider’s web site. Documentation includes proof of the original purchase price of the home and the closing statement for the sale of the home. Under no circumstances will the payment be made before the home is sold or acquired by the Relocation Provider.

Tax Impact

The Loss-on-Sale reimbursement will be reported as additional compensation. Toyota will provide tax assistance (gross-up).
## Benefit Description

In lieu of the Home Sale Assistance benefit, Toyota may provide Property Management Assistance on your residence.

If you decide to leave the Property Management program and enter the Home Sale Assistance program within one year of your official date of transfer/position change, the Property Management benefits provided to you will be deducted from future expenses or collected back from you in the event that there are no further expenses to be reimbursed. No extensions to the one-year timeframe will be approved. If you decide to sell your home during the Property Management one-year timeframe, contact your Relocation Consultant.

## Property Management Allowance

If you are eligible to receive the Property Management benefit, Toyota will assist with expenses by providing an allowance of $300 per month, annualized to one payment of $3,600 to assist with expenses such as securing a renter, property management fees, advertisement to secure a renter, or additional maintenance while absent, for a period of one year after relocation date.

You are responsible for selecting and contracting services with the property management firm, and provide a fully executed property management agreement to your Relocation Consultant.

The Relocation Provider can arrange for Property Management Assistance if you decide to rent out your home. A Certified Property Management Specialist will:

- Contact you via email within 24 hours.
- Email you a Property Management Packet (description of services and Management contract), Data Owner Sheet form, a copy of the Inspection Report.
- Arrange a time to discuss services.
- Assist in the selection of the most qualified local broker.
- Arrange for a detailed inspection report with photo documentation to be completed to determine and document the condition of the property upon your departure.
- Administer payments of operating inspections and other obligations on your behalf.
- Coordinate repairs and scheduled maintenance on your behalf.
- Obtain contract proposals for services/repairs on your behalf. The cost of repairs will be your responsibility.
- Provide on a quarterly basis a weekly inspection report that includes photos taken on a weekly basis.
- Provide monthly and annual income and cash flow financial statements.

## Property Management Termination

Property Management Assistance will cease upon the sale of the property, termination of employment, subsequent relocation, or 12 months from the effective date in the new work location.

## Tax Impact

All Property Management payments/reimbursements will be reported as additional compensation. Toyota will not provide tax assistance (no gross-up).
## MOVEMENT OF HOUSEHOLD GOODS

### Benefit Description
Toyota will provide, through the Relocation Provider, a moving company to assist you with the movement of household goods. The Relocation Provider will select the van line and will coordinate the details. The moving company selected will:

- Provide all required packing materials.
- Crate and uncrate necessary household items as recommended by the movers.
- Perform normal appliance servicing at origin and destination locations.
- Perform all packing, loading, transporting, and unloading.
- Provide partial unpacking services.
- Remove debris upon completion of the move (includes one pick-up by the carrier of all cartons unpacked by you within 30 days of delivery); make sure during any unpacking that you inspect every carton and all packaging material so that no item is accidentally discarded.

Special arrangements for shipping antiques or other items of extreme value must be approved in advance and supporting documentation such as insurance appraisals is required for verification.

One household goods shipment will be provided from one origin location to one final destination location in the new work location. A split delivery to a temporary housing location and the Toyota preferred household goods mover’s storage facility in the destination location is permitted, however only one delivery from the storage facility to the final destination is provided. Shipment from the team member’s temporary housing location to the final destination is the responsibility of the team member.

### Discard and Donate Service
Toyota will provide an outsourced service to help you discard and donate some of your unused household goods and personal items. Not only will the service reduce the cost to move your goods to the destination location, it will also help maximize your tax deductions and help charitable organizations in the process.

The service includes:

- In-home consultation to help you with decisions on which items not to move.
- Separating and packing of items that are going to be discarded or sold.
- Making all the arrangements for items to be discarded or sold, on your behalf.
- Making arrangements with local charitable organizations for pick-up of donated goods.
- Preparing a list of items that were sold, discarded or donated to charity.
- Giving you a list of items that were donated for your personal tax return.
- Making arrangements with local consignment companies for items to be sold.

### Excluded Items, Services and Costs
Toyota will not cover the cost to move certain items. This list includes, but is not limited to:

- Aerosol products, flammable or hazardous materials
- Antique, classic, project, or collectible automobiles
- Any items requiring excessive or special van accommodations (i.e., ATVs, jet skis, airplanes, camping trailers, golf carts, etc.)
- Boats (14 feet in length or longer)
MOVEMENT OF HOUSEHOLD GOODS

- Car lifts, engines, or other large mechanical equipment
- Farm equipment or trailers
- Firewood, logs, patio blocks or other construction materials
- Frozen foods or other perishables
- Furs, jewelry, money, personal papers, records, tickets, securities or legal documents
- Liquor or carbonated beverages
- Pets and pet runs
- Plants
- Stamps, coins or other valuable collections (i.e., wine, etc.)
- Yard items that are non-portable, large and require additional labor for dismantling and reassembly (i.e., swimming pools, spas/hot tubs, storage sheds, satellite antennas, etc.)
- Furnishings from a second/vacation home
- Firearms, ammunition, hunting equipment, and safes in excess of 750 lbs.

In addition to the above list, Toyota will not cover the cost of certain services and extra charges. This list includes, but is not limited to:

- Cost of appraisals on your goods
- Disassembly/reassembly of exercise equipment and large yard items such as swing sets; removal/reinstallation of yard items secured in cement
- Draining of waterbeds
- Exclusive use of the van or expedited service
- Housecleaning, maid service or janitorial services at either your new or departure location
- Overtime charges for weekend or holiday moves
- Removal or installation of draperies, wall-to-wall carpeting or related items
- Re-stocking of freezer
- Movement of items related to secondary businesses
- Tips to the moving crew

You may use your Miscellaneous Allowance for the movement of excluded items or services.

Valuation

Replacement value protection is provided through the selected moving company. Any item(s) lost or damaged while in the carrier’s custody will be either repaired or replaced with a similar kind or the carrier will pay the replacement value of such item(s). The maximum liability for loss or damage is $125,000 (does not include automobiles). If this amount of coverage is not adequate, additional coverage may be purchased by contacting the moving company.

Pre-Move Survey

Prior to the start of packing, the moving company representative will complete a survey, by phone or in person, of those household goods you will be moving. This survey is used to determine what services, materials and equipment will be required to complete your move. If, after the survey has been completed, you decide to move additional items of significant size or weight, you must notify the moving company representative so that the proper materials are available and proper space is allocated on the moving van.
MOVEMENT OF HOUSEHOLD GOODS

Full Packing and Partial Unpacking of Goods

Toyota will cover a full pack of your household goods. Please allow the movers to pack all of your goods. However, if you must pack some of your goods, leave the box open so it can be inspected by the movers. The movers will need to either inspect or repack self-packed items to ensure they will be covered by valuation.

Toyota will cover a partial unpacking service, which includes:

- Unloading the moving van and placing furniture and boxes in specific rooms in the home per your instructions
- Unpacking mattresses and assembling beds
- Unpacking dresser mirrors and similar items and reassembling
- Reassembling any item disassembled by the mover to facilitate transportation. Exceptions include any item needing professional expertise to reassemble, such as a slate pool table, major appliances, etc.
- Removing any cartons and debris from items you or mover unpacked on the day of delivery

You will be asked to check items off the mover’s inventory to ensure all items arrived. Items can be repositioned upon request.

Inventory List

Read the inventory list prepared by the movers very carefully before you sign the document. You will want to be sure it is accurate and includes all goods intended for shipment. When your goods arrive, you or a responsible family member must be present to check off every item brought into your home.

Damaged Goods

If you discover any damage to your goods, set the damaged goods and container aside and immediately notify your Relocation Consultant for directions on how to file a claim. The moving company will provide you with the proper claim forms and procedures. Cost consideration is not given for sentimental value you may have for your item(s).

Storage In-Transit

If you must vacate your previous residence before you have procured permanent housing at the new location, Toyota will pay for storage costs of household goods for up to 60 days in the household goods mover’s storage facility. Storage costs are calculated on a daily basis. If you should incur additional storage costs beyond 60 days, you will be billed directly for those expenses.

Although storage is provided, Toyota recommends that you attempt to coordinate the shipment to be transported directly from your former home to your new home to avoid excessive handling of your household goods. Toyota does not cover the cost of accessing items that have been placed in storage and will pay to move the goods to your new home one time only.

Your mover will designate an agent to arrange storage of your goods. Make sure you obtain the name, address and telephone number of the warehouse where your goods will be stored.

The cost of damage to your goods due to acts of nature (hurricanes, tornados, etc.) are not covered.
MOBEMENT OF HOUSEHOLD GOODS

**Self-Storage Option**

In the event that you elect to utilize a self-storage facility in lieu of van line provided storage you will be provided a $750 payment towards your storage costs. Delivery into self-storage constitutes final delivery of your van line shipment. The team member will be responsible for all costs and risks associated with delivery from self-storage. This benefit may not be utilized if you elect the self-move option.

You will additionally be required to sign a self-storage waiver acknowledging release of liability to Toyota, the Relocation Provider, and the van line.

**Automobiles**

Toyota will provide, through the Relocation Provider, the shipment of up to one vehicle per licensed driver if the distance to the destination location is greater than 200 miles. The licensed driver must be a member of your household, your dependent as outlined in the Appendix, and moving with you. The automobiles must be operable and their value must exceed the cost of shipping. Insurance coverage will be provided on your automobiles. If the mile restriction is met, one automobile may be shipped in advance for use during the temporary housing period. The assistance does not apply to antique, classic, project, or collectible automobiles.

If the distance is less than 200 miles or you choose to drive to the destination location, Toyota will reimburse at the current IRS business reimbursement rate for team member personally owned/leased vehicles and the IRS relocation rate for TMS lease vehicles. (See the Final Move Trip to the Destination Location.) Toyota covers up to one personal/TMS lease vehicle per licensed driver, whether by shipping (if eligible) or mileage reimbursement, or a combination of the two.

In order to be eligible for insurance coverage, do not pack any personal/household goods items in an automobile(s) to be shipped.

**Reimbursement Process**

The cost of moving household goods from your former residence to your new home will be paid directly by Toyota on your behalf.

**Tax Impact**

The cost to move your household goods and up to 30 days of storage is not taxable; therefore tax assistance (gross-up) does not apply. Toyota will provide tax assistance (gross-up) on any additional days of storage up to an additional 30 days or the self-storage lump sum (if applicable). See the Tax Liability Assistance section for additional information.

**Self-Move Option**

Alternatively, Toyota also provides you the option to move yourself. When taking this option, you will be required to sign a Self-Move Liability Waiver before starting the process of your move. Additionally, you will need to pay the expenses out of your pocket and then seek reimbursement.

Expenses covered in the self-move option are:

- Direct reimbursement of actual, reasonable and customary rental fee for one moving truck, trailer hitch (if needed), tolls and gas

**Note:**

- Portable storage shipments, i.e. PODS, will not be reimbursed.
- Packing, loading and unloading services will not be reimbursed.
- Storage or auto shipment services will not be provided or reimbursed.
- Cost of boxes, packing materials and supplies is included in the $2,500 bonus amount.

Additionally, you’ll receive a $2,500 self-move bonus (tax-assisted). However, the total costs of the self-move, including the bonus, may not exceed the cost of a van line move.
FINAL TRIP TO THE DESTINATION LOCATION

Benefit Description
Final trip air travel should be booked through Toyota’s designated travel agency and in accordance with Toyota’s travel policy. Toyota will reimburse other actual and reasonable transportation expenses from the departure location to the destination location incurred by you.

Direct Bill to Toyota
- Airfare (the move must be more than 200 miles)
  - Fourteen day advance purchase is required
  - Transportation by coach or economy class fare
  - Travel must be booked through BCD Travel via telephone at 1.800.255.4343.
  - Do not book your travel on the Travel Vision website
  - Should you change your reservation, cancel your airfare or miss your flight after booking, you will be responsible for any additional cost incurred.

Reimbursable Expenses
Toyota will reimburse the following acceptable expenses:
- Transportation from the departure residence to the departure terminal
- Airline luggage charges (one bag per person)
- Transportation from destination terminal to residence

- Mileage
  - Reimbursed at the current IRS business rate for team member personally owned/leased vehicles and IRS relocation rate for TMS lease vehicles
  - Parking and tolls
  - Toyota covers up to one personal/Toyota lease vehicle per licensed driver, whether by shipping (if eligible) or mileage reimbursement, or a combination of the two
  - See the Movement of Household Goods, Automobiles section

Vehicle Rental
Should you choose to ship your personal vehicle(s) and rent a passenger vehicle to drive to your final destination, and the move is more than 200 miles, Toyota will reimburse the cost of the rental vehicle in lieu of airfare. The IRS mileage rate will not apply.

Covered expenses include:
- Rental of one mid-size automobile (RVs are not eligible for reimbursement)
- Transportation to and from the rental car location
- Fuel
- Parking and tolls
- Mileage will not be reimbursed
- Receipts should be submitted to the Relocation Provider
**FINAL TRIP TO THE DESTINATION LOCATION**

Your trip must be made by the most direct route—no vacation, extended trips, personal side trips or leisure travel will be covered.

**Time Reporting**

Team members will receive five paid days off from work for their move. Time off must be coordinated by your management team and must be used within your authorization period. Please refer to the Appendix for instructions on how to code your time.

**Vehicle Shipment/Rental**

The lump sum allowance has already provided for a rental car for up to 14 days. Should the vehicle shipment be delayed beyond 14 days, Toyota will provide reimbursement for one rental vehicle per household up to the time the vehicle shipment is received. You may book your rental vehicle directly with the rental car company and submit required receipts for reimbursement. Your relocation consultant will verify both your arrival date and the arrival date of your vehicle. Provision is subject to change and will be based on final policy determination by Vehicle Services at the time of relocation.

**Reimbursement Process**

To receive reimbursement, eligible expenses accompanied by appropriate receipt/documentation, including your itinerary, must be submitted through the Relocation Provider’s web site. Please note that these expenses should not be submitted utilizing the standard expense reporting process. This reimbursement is handled through the Relocation provider. Airfare booked through BCD Travel will be direct billed to Toyota.

**Tax Impact**

Airfare and mileage expenses within the IRS guidelines are not taxable; therefore tax assistance does not apply. Toyota will provide tax assistance (gross-up) on any mileage reimbursements that exceed the IRS guidelines, which are considered taxable. See Tax Liability Assistance for additional information.

Lodging and meals can be covered by your Miscellaneous Allowance; however, you may be able to deduct these expenses on your tax returns. The determination of deductibility should be decided between you and your tax advisor. Toyota’s tax withholding does not constitute personal income tax advice.
MISCELLANEOUS ALLOWANCE

The relocation process may create expenses for you not specifically covered by some other provision of this Policy, or your individual move may create a need for additional monetary assistance for a current benefit provided. To compensate for these expenses, Toyota will provide a Miscellaneous Allowance equal to one month’s salary, based on your rate of pay at the time relocation is authorized.

This list is intended to provide examples of items that might be paid with the Miscellaneous Allowance but is not intended to be an exhaustive list:

- Disassembly/reassembly of household goods items during the move
- Additional tax liability
- Auto registration(s)
- Child/family care
- Club membership or dues payments
- Driver’s license
- Excessive crating
- Homeowner’s property insurance if cost is excessive
- House cleaning services
- Household goods services not covered by policy
- Household goods pick-ups and deliveries at additional locations (i.e., mini-storage facilities)
- Installation of appliances, carpeting, window treatments, etc.
- Laundry/dry cleaning
- Lodging and meals for the final trip
- Overnight mail or postage charges
- Phone, utility or cable deposits and installation fees
- Piano tuning
- Professional tax services
- Shipment or boarding of pets
- Tax consulting or preparation
- Tips to movers
- Weekend delivery of HHG (delivery during the week is covered by policy)
- Storage in excess of the number of days covered by Toyota (see the Movement of Household Goods, Storage in Transit section)
MISCELLANEOUS ALLOWANCE

Payment Process  The Miscellaneous Allowance will be provided by the Relocation Provider after the Relocation Provider has received your signed Repayment Agreement.

You are not required to submit receipts for expenses incurred under the Miscellaneous Allowance; however, you may want to retain receipts for your own financial management.

Tax Impact  The Miscellaneous Allowance payment will be reported as additional compensation. Toyota will not provide tax assistance (no gross-up).
SPOUSE/DOMESTIC PARTNER EMPLOYMENT ASSISTANCE

Benefit Description
If your spouse/domestic partner will be pursuing employment in the destination location, Toyota will reimburse certain expenses up to a maximum of $3,000. The re-employment service company will be coordinated through the Relocation Provider.

Eligible expenses include:
- Licensing
- Certifications
- Professional career search consultation
- Outplacement services
- Job hunting expenses such as airfare, lodging, meals and rental car if the interviewing company is not reimbursing these expenses

A spouse/domestic partner may begin utilizing these services up to 12 months in advance of the team member’s effective date in the new work location. Expenses may be reimbursed up to one year after the team member’s effective date in the new work location. If the team member does not accept the new position with Toyota, any expenses incurred will not be reimbursed.

Reimbursement Process
If the expense is not direct billed, eligible expenses accompanied by appropriate receipts/documentation must be submitted through the Relocation Provider’s web site.

Tax Impact
All reimbursements or direct payments will be reported as additional compensation. Toyota will provide tax assistance (gross-up).
TAX LIABILITY ASSISTANCE

Benefit Description

The Internal Revenue Service (IRS) considers all relocation reimbursements made by Toyota to you or on your behalf “compensation for services” and will be taxable income to you. If the IRS “criteria” for moving has been met, the cost for the shipment of household goods, storage-in-transit for up to 30 days, and travel to the new location (excluding meals and mileage over the IRS excludable rate) will be considered “moving expenses” and therefore excludable from your W-2 income. Taxable relocation reimbursements or payments made on your behalf will be included in your income for the year in which the payment was made or recorded. Therefore, if some of your expenses carry over into the following year, those expenses will be included in your W-2 income the following year. Generally, reimbursements processed in October will be recorded in the following calendar year due to reporting timing restraints. You are solely responsible for maintaining all records and receipts necessary to claim allowable federal (and where applicable, state and local) income tax deductions.

Internal Revenue Service Regulations

The Revenue Reconciliation Act of 1993 resulted in a number of changes in how moving expenses are treated and which of those expenses will continue to be tax deductible. To begin with, the following criteria must be met:

- The commute from your departure residence to the new work place must be at least 50 miles farther than the commute from your departure residence to the old place of work by the shortest, most commonly traveled route. For team members whose moves do not meet this guideline, please discuss with your Relocation Consultant.
- You must be employed full time for 39 weeks. The 39 weeks must occur during a 12-month period that begins when you arrive at the new location. This requirement is waived in case of death, disability, involuntary termination or retransfer at Toyota’s request.
- Except for some circumstances that involve your ability to move your family to the new location, the requirement calls for expenses to be incurred within one year of arrival in the general area of the new job location.
- Any expense that you incur must be “reasonable” in nature to be deductible. Expenses that are excessive will not be deductible.
- The move itself must be related to either continuing work at a new job location or starting a new job at a new location.

Definition of Moving Expenses

After the above criteria have been met, the IRS recognizes the following as “moving expenses”:

- Costs related to the movement of household goods and personal effects from the former residence to the new residence
- The cost of transportation (mileage is limited to the current IRS rate) and lodging for you and your family during the final move from the former residence to the new residence

Payment of these “moving expenses,” either directly or through reimbursement from Toyota, will be excluded from your reported income.

Other moving expenses that are either reimbursed or paid directly by Toyota will be reported as taxable income. These expenses may include such items as:

- Reimbursement for meals, lodging, transportation and other expenses that occur while house hunting, traveling, or residing in temporary housing
- Reimbursement or direct payment by Toyota for expenses relating to the purchase of
**TAX LIABILITY ASSISTANCE**

- a new residence
- Reimbursement for expenses relating to the sale of the departure residence when you do not accept or were not eligible for the Home Sale Assistance program
- The payment of charges that are by law or custom the responsibility of the Seller (such as a transfer tax) even when such charges are paid as part of the home sale program (check with your personal tax advisor)

**Tax Gross-up**

Unless otherwise indicated in this Policy, Toyota will assist with federal, state, local and FICA tax liability (gross-up) that arises from the taxable, but generally not deductible, portion of Company-reimbursed expenses associated with a Company-requested relocation. The estimated tax liability will take into consideration your marital status and your Company earned income (annual salary).

The amount of tax gross-up will be remitted by Toyota directly to the appropriate revenue agency and reported as withheld taxes on your W-2 Wage and Tax Statement.

The determination of whether an item is or is not deductible by you on your individual income tax return is a personal decision you must make. The way that an item is treated by Toyota for purposes of income tax withholding does not constitute tax advice and you should consult a personal tax advisor.

Note: Taxable expenses are those that are considered taxable income and therefore included in your income and subject to Federal, State, FICA, Medicare and Local taxes. Deductible expenses are those that are included in your taxable income for which you are entitled to claim a federal or state tax deduction. Excludable expenses are those moving expenses or reimbursements that the IRS considers non-taxable. These amounts are not included in your taxable income.

**Gross-Up Table**

The chart below indicates which relocation expenses are excludable from your W-2 income if IRS criteria are met. If the expense is taxable and therefore will appear as income on your W-2, the chart indicates if Toyota will provide tax assistance (gross-up) on the expense.

<table>
<thead>
<tr>
<th>Policy Component</th>
<th>Excludable</th>
<th>Tax Assisted (Grossed-up)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lump Sum Allowance</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Return Trips (transportation costs)</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>New Home Purchase Assistance</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Cost-of-Living Allowance</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Duplicate Mortgage</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Home Marketing – Fix-up/Repairs</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Home Sale Assistance through the Relocation Provider</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Independent Home Sale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Team Member chooses not to participate</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>- Team Member’s home is ineligible for the program</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Home Sale Incentive Bonus</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Loss-on-Sale Assistance</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Property Management</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>
TAX LIABILITY ASSISTANCE

<table>
<thead>
<tr>
<th>Policy Component</th>
<th>Excludable</th>
<th>Tax Assisted (Grossed-up)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Movement of Household Goods:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Van line services</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>- Valuation</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>- Storage of household goods up to 30 days</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>- Storage of household goods after 30 days</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>- Automobile(s)</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>- Self-Storage Lump Sum</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Final Trip to the Destination Location:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Airfare</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>- Mileage reimbursed to current IRS exclusible amount</td>
<td>Yes</td>
<td>N/A</td>
</tr>
<tr>
<td>- Mileage reimbursed above current IRS exclusible amount</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Miscellaneous Allowance</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Spouse/Domestic Partner Employment Assistance</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

N/A = Not applicable

Information on taxability or non-taxability of specific moving expenses can be obtained from your tax advisor or by reading IRS Publication 521 (Moving Expenses) or Publication 523 (Tax Information on Selling Your Home). These booklets can be obtained by contacting the IRS at 1-800-TAX-FORM or logging into their website at www.irs.gov. Only your Toyota base salary on the effective date of the relocation is used to calculate the tax gross-up, as well as Federal, State, Social Security and OASDI taxes.

Although this is a generous tax assistance policy, this policy is not meant to reimburse dollar-for-dollar on the resulting tax liability, but rather to provide for a tax assistance amount on most of your non-deductible relocation expenses. The tax effects of relocation transactions can only be determined on an individual basis. For instance, your total family, bonus or spousal income may affect your tax bracket and consequently, the taxes due on reimbursed relocation expenses. In addition, because each dollar of gross-up is considered additional income, there is a continued tax obligation on the tax reimbursement. Furthermore, any additional taxes owed or any tax deductions that become unavailable due to relocation reimbursement that cause the team member to move into a different tax bracket, will not be paid by the Company. These tax liabilities or benefits will be an obligation or benefit to the team member.
Definition of Dependents:
Your “dependents” who are eligible for the relocation policies must reside in the team member’s household within the United States, Puerto Rico, or Canada and include:
- Your legal spouse or same-gender domestic partner;
- Your or your same-gender domestic partner's eligible dependent children up to age 26;
- Your or your same-gender domestic partner’s unmarried children of any age who are fully disabled. To be fully disabled your dependent child must be mentally or physically disabled and incapable of self-support.
- Qualified as dependents as defined under Toyota Benefits Policies

Important! If requested, you must provide supporting documentation (e.g., a marriage license or birth certificate) for each dependent.

Determination of family size/status for benefit calculations is determined on the date the Relocation Provider receives authorization from Toyota.

Distance Eligibility within IRS 50 mile regulation – (Work locations Erlanger, Kentucky to Georgetown, Kentucky)
For this Group Move policy, Toyota has taken the unique stance of including moves that may not meet the standard definition for eligibility according to the IRS regulations. This means relocation benefits will be provided to these team members, although the relocations will be taxed differently, because they do not meet the IRS distance test. In these cases, any benefits that would have been non-taxable (if the distance test was met), will be taxable. The taxes for these benefits will be paid by Toyota and grossed-up for the team member.

Eligibility and benefits levels will be provided based on the following:

<table>
<thead>
<tr>
<th>TEMA TM’s Permanent/Home Location</th>
<th>Relocation Package</th>
</tr>
</thead>
<tbody>
<tr>
<td>TEMA at Georgetown</td>
<td></td>
</tr>
<tr>
<td>TEMA at NAMC</td>
<td></td>
</tr>
<tr>
<td>TEMA at Erlanger: TMs whose commute will <strong>not increase</strong> with move to Georgetown (e.g., live in Lexington)</td>
<td>Not eligible</td>
</tr>
<tr>
<td>TEMA at Erlanger on assignment in Georgetown with no increase in commute (e.g., currently reside in Lexington, Dry Ridge, etc.)</td>
<td>Eligible for Toyota Group Move relocation package</td>
</tr>
<tr>
<td>TEMA at Erlanger: TMs whose commute will <strong>increase</strong> as a result of move to Georgetown</td>
<td>Must move greater than half the distance closer to the destination work location</td>
</tr>
<tr>
<td>TEMA on assignment in Georgetown or another NAMC with an increase in commute (e.g., live in Union, Walton, etc.) and whose permanent location is Erlanger</td>
<td></td>
</tr>
</tbody>
</table>
Time Coding
You may be granted paid time off from work in order to coordinate your move. Please code your time as “Company Excused Paid Time.”