



NICHOLAS

NICHOLAS FINANCIAL, INC.

ACCEPTABLE USE POLICY FOR EMPLOYEE USE OF THE INFORMATION TECHNOLOGY SERVICES

Version No:1.0 Date: May 25, 2004

SUMMARY

This policy sets out guidelines for acceptable use of Computer, Email and Internet services by employees of Nicholas Financial, Inc. The primary purpose for which access to the Computer, Email and Internet services is provided by Nicholas Financial, Inc. to its employees is to assist them in carrying out the duties of their employment. They may also use the Internet for reasonable private purposes which are consistent with this Acceptable Use Policy. They may not use the Computer, Email and Internet access provided by Nicholas Financial, Inc. in such a way as to significantly interfere with the duties of their employment or to expose Nicholas Financial, Inc. to significant cost or risk of liability. Nicholas Financial, Inc. may modify this policy upon 30 days notice in writing to its employees.

ACCEPTABLE USE

Subject to the balance of this policy, employees may use the Computer, Email and Internet access provided by Nicholas Financial, Inc. for:

- Work-related purposes;
- Utilizing any Nicholas Financial, Inc., Computer, Email, Internet service or protocol for personal purposes ONLY after obtaining permission to do so from Nicholas Financial, Inc.;

provided in each case that the personal use does not interfere with the employment duties of any Nicholas Financial, Inc. employee or his or her colleagues.

UNACCEPTABLE USE

Nicholas Financial, Inc is committed to remaining in compliance with laws and regulations governing use of the Internet and e-mail transmissions and to preserving for all of its employees and customers the ability to use Nicholas Financial's computer network and Internet services without interference or harassment from other users. Nicholas Financial, Inc. prohibits use of its Computer, Email or Internet related Services in any ways that are unlawful, interfere with use of Nicholas Financial's network or the Internet, infringe intellectual property rights, result in the publication using Nicholas Financial's Services of threatening or offensive material, constitute Spam/E-mail/Usenet abuse, or present security or privacy risks, including;

- personal commercial purposes;
- sending unsolicited bulk email;

UNACCEPTABLE USE (cont.)

- disseminating confidential information of Nicholas Financial, Inc.;
- any illegal purpose;
- knowingly causing interference with or disruption to any network, information service, equipment or any user thereof;
- disseminating personal contact information of officers or employees of Nicholas Financial, Inc. without their consent;
- knowingly causing any other person to view content which could render the company liable pursuant to equal opportunity or sex discrimination legislation at the suit of that person; or
- knowingly downloading or requesting software or media files or data streams that the employee has reason to believe will use a greater amount of network bandwidth than is appropriate.

Unlawful Activities

Nicholas Financial's Computer, Email or Internet related Services shall not be used in connection with any criminal or civil violation of any applicable local, state, provincial, federal, national or international law, treaty, court order, ordinance, regulation or administrative rule.

Interference

Nicholas Financial's Computer, Email or Internet related Services shall not be used in a manner that interferes with any communications network or the usage of services received by others.

Intellectual Property

Nicholas Financial's Computer, Email or Internet related Services shall not be used to transmit, re-transmit, or store any content or to engage in any activity that infringes the intellectual property rights or privacy rights of Nicholas Financial, Inc. or any individual, group or entity, including but not limited to any rights protected by any copyright, patent, trademark, trade secret, trade dress, right of privacy, right of publicity, moral rights or other intellectual property right now known or later recognized by statute, judicial decision or regulation.

Offensive or Threatening Material or Content

Nicholas Financial's Computer, Email or Internet related Services shall not be used to host, post, transmit, or re-transmit any content or material that is threatening, harassing, obscene, indecent, pornographic, hateful, malicious, racist, defamatory, libelous, treasonous, excessively violent or promotes the use of violence, or provides instruction, information or assistance in causing or carrying out violence against any government, organization, group or individual, or provides guidance, information or assistance with respect to causing damage or security breaches to Nicholas Financial's network or to the network of any other IP related Service.

Spam/E-mail/Usenet Abuse

Spam/E-mail/Usenet Abuse is prohibited on Nicholas Financial's IP related Services. Examples of Spam/E-mail/Usenet Abuse include but are not limited to the following activities:

- using another site's mail server to relay mail without the express permission of the site;
- using IP addresses that the Customer does not have a right to use;
- collecting the responses from unsolicited electronic messages;
- maintaining a site that is advertised via unsolicited electronic messages, regardless of the origin of the unsolicited electronic messages;
- sending electronic messages with petitions for signatures, or any chain mail related materials;
- sending unsolicited electronic messages with charity requests;
- sending messages that are harassing or malicious, or otherwise could reasonably be predicted to interfere with another usage of the Nicholas Financial's IP related Services or the Internet (e.g., through language, frequency, size or otherwise);
- sending bulk (i.e., twenty-five or more recipients) electronic messages without identifying, within the message, a reasonable means of opting out from receiving additional messages from the sender;
- sending electronic messages that do not accurately identify the sender, the sender's return address, the e-mail address of origin, or other information contained in the subject line or header;
- distributing or using software designed to promote the sending of unsolicited bulk electronic messages;
- using distribution lists containing addresses that include those who have opted out;
- posting a single message, or messages similar in content, that could reasonably be expected to provoke complaints, to more than 10 online forums or newsgroups;
- posting messages to or canceling or superseding messages on an online forum or newsgroup in a manner that violates the rules of the forum or newsgroup or that contain forged header information; and
- sending bulk electronic messages in quantities that exceed standard industry norms or that create the potential for disruption of the Nicholas Financial's network or of the networks with which Nicholas Financial interconnects.

Security Violations

Nicholas Financial's Computer, Email or Internet related Services may not be used to interfere with, to gain unauthorized access to or otherwise violate the security of Nicholas Financial's or another's server, network, personal computer, network access or control devices, software or data, or other system, or to attempt to do any of the foregoing. Examples of security violations include but are not limited to:

- intercepting, interfering with or redirecting e-mail intended for third parties, or any form of network monitoring, scanning or probing, or other action for the unauthorized interception of data or harvesting of e-mail addresses;
- attempting to attack, breach, circumvent or test the vulnerability of the user authentication or security of any host, network, server, personal computer, network access or control devices, software or data (except in the case of authorized legitimate network security operations);
- using any program, file, script, command or the transmission of any message or content of any kind, designed to interfere with a terminal session or the access or use of the Internet or any other means of communication;
- distributing or using tools designed to compromise security, including cracking tools, password guessing programs, packet sniffers or network probing tools (except in the case of authorized legitimate network security operations);
- falsifying packet header, sender, or User information whether in whole or in part to mask the identity of the sender, originator or point of origin; and
- distributing viruses, worms, trojan horses or other harmful software.

Virus Protection

Nicholas Financial employs company-wide network based enterprise virus protection services. Nicholas Financial's Computer, Email or Internet related Services may not be used to interfere, disable, subvert or avoid these corporate virus protection services in order to intentionally or unintentionally distribute viruses, worms, trojan horses or other harmful software.

Unauthorized Hardware

Nicholas Financial reserves the right to prohibit the installation or use of any Computer, Email or Internet related device connected to the company network or on company premises, that is not the property of Nicholas Financial, Inc., without the expressed written permission of the company's Chief Information Officer (Technology Director) or direct his/her supervisor thereof. The Chief Information Officer (Technology Director) will in turn obtain approval for the use of any Computer, Email or Internet related device connected to the company network or on company premises from senior company management.

Unauthorized Software

Nicholas Financial reserves the right to prohibit the installation or use of any Computer, Email or Internet related software within the company network or on company premises, that is not the property of Nicholas Financial, Inc., without the expressed written permission of the company's Chief Information Officer (Technology Director) or direct his/her supervisor thereof. The Chief Information Officer (Technology Director) will in turn obtain approval for the use of any Computer, Email or Internet related software within the company network or on company premises from senior company management. Nicholas Financial, Inc. strictly prohibits the installation or use of any unlicensed or pirated software on company devices or computers, within the company network or on company premises.

CONSEQUENCES OF UNACCEPTABLE USE

Nicholas Financial, Inc. keeps and may monitor logs of Computer, Email, or Internet usage which may reveal information such as which Internet servers (including World Wide Web sites) have been accessed by employees, and the email addresses of those with whom they have communicated. Nicholas Financial, Inc. will not, however, engage in real-time surveillance of Internet usage, will not monitor the content of email messages sent or received by its employees unless a copy of such message is sent or forwarded to the company by its recipient or sender in the ordinary way, and will not disclose any of the logged, or otherwise collected, information to a third party except under compulsion of law.

Responsibility for use of the Computers, Email, or the Internet that does not comply with this policy lies with the employee so using it, and such employee must indemnify Nicholas Financial, Inc. for any direct loss and reasonably foreseeable consequential losses suffered by the company by reason of the breach of policy.

Nicholas Financial, Inc. will review any alleged breach of this Acceptable Use Policy on an individual basis. If the alleged breach is of a very serious nature which breaches the employee's duty of fidelity to the company (for example, emailing confidential information of the company to a competitor), the employee shall be given an opportunity to be heard in relation to the alleged breach and if it is admitted or clearly established to the satisfaction of the company the breach may be treated as grounds for dismissal.

Otherwise, an alleged breach shall be dealt with as follows:

- Initially, the employee shall be informed of the alleged breach, given an opportunity to respond to the allegation, and if it is not satisfactorily explained, be asked to desist from or where applicable to remedy the breach.
- If the breach is not desisted from or remedied, Nicholas Financial, Inc. may either withdraw the employee's access to company Computers, Email, or the Internet and provide a written warning to the employee, to which the employee shall have an opportunity to respond.
- If the infringing conduct continues the employee may be dismissed.

I, _____ have read, understand
Employee Name

and acknowledge the Acceptable Usage Policies and Prohibitions contained herein and will comply with its tenets and standards under threat of penalties described within section entitled "CONSEQUENCES OF UNACCEPTABLE USE".

Employee Signature