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# ***United Auto Supply***

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*Foreign, Domestic & Heavy Duty Parts Specialists*

# **Employee Handbook**

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## 100 INTRODUCTION

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### 101 *Welcome Message*

Congratulations, and welcome to ***United Auto Supply Company, Inc.*** You are now part of a growing and thriving business that offers the area's largest selection of professional grade auto parts. You are part of a dedicated staff that is committed to customer service and state-of-the-art technology. Your commitment to your position and your willingness to provide your unique talents to the growth of the Company will ensure that together, we can achieve our business goals and continue to grow to be the largest supplier of auto parts in the Northeast.

### 102 *History of Company*

United Auto Supply, established in 1946, is a leading wholesale distributor of auto parts selling exclusively to independent installers, dealerships and auto parts stores. Our business has grown from a company of 4 employees to a company with over 250 employees. We manage 13 locations, service over 3,500 accounts on a daily basis and operate 100 delivery vehicles. We are a family owned business who prides our self on *Quality, Price* and *Service*. This old-fashioned business ethic, along with the basic business practice of building strong customer relationships has allowed us to succeed for more than 60 years. We are counting on you to help us extend that tradition.

### 103 *Employee Handbook Definitions*

For the purpose of this employee handbook, the following terms are defined as follows:

***United Auto Supply Company Inc.-*** United Auto Supply Company Inc. may be referred to as United Auto or the Company.

***Corporate Office*** – The corporate office is located at 450 Tracy Street, and serves as the base of operations for the Accounting, Customer Service, Human Resource, Purchasing, and Sales Departments.

***Anniversary Date*** - The date of an employee's first day of employment with United Auto. This date is used to compute certain employee benefits.

***Employee*** - An individual who is employed by United Auto Supply as a full-time, part-time, or temporary worker as defined in Section 200 Employment Classifications. Independent contractors and individuals employed by temporary employment agencies who are assigned to work at United Auto on a short-term basis are not considered employees.

***Management*** – The President, CFO, Director of Sales & Marketing, and the General Operations Manager are considered management positions. And Individual Store Managers are considered Management Representatives for their individual locations.

***Supervisor*** - An individual who has been designated by the Company to assign, direct, and/or appraise the work of a designated group of employees.

#### **104 *Employee Handbook Disclaimer***

**Employment Contract** - The policies, procedures, and rules set forth in this employee handbook are general guidelines only and are not meant to be all-inclusive. The employee handbook should therefore not be interpreted as forming an express or implied contract of employment.

**Policy Exceptions** - The employee handbook should not be interpreted as a guarantee that the policies discussed in it will be applied in all cases. At its sole discretion, the Company may make exceptions to its policies from time to time.

**Policy Interpretation** - The Company reserves the right to make the final decision as to the interpretation of all information presented in this employee handbook.

**Government Regulations** - In the event that a federal, state, or local regulation conflicts with any provision contained in this employee handbook, the regulation shall prevail and the provision deemed amended to the extent necessary to comply with said regulation.

#### **105 *Purpose of Employee Handbook***

**Purpose** - The purpose of this employee handbook is to familiarize employees with the Company and to communicate important information about many of the personnel policies that affect employment and guide daily operations. The employee handbook provides an overview of the Company's policies that relate to rules, regulations, procedures, practices, compensation, and employee benefits.

**Previous Employee Handbook** - Unless otherwise notified, this employee handbook supersedes and replaces any previous employee handbook issued by the Company concerning all policies contained herein.

**Employee Responsibility** - The employee handbook answers many questions about employment with United Auto Supply. Each employee is therefore expected to read, understand, and comply with all provisions of this employee handbook and to retain it for future reference.

**Questions** - An employee is encouraged to ask their Manager or the Corporate Human Resources Coordinator any questions regarding the information provided in this employee handbook.

#### **106 *Employee Handbook Revisions***

**Policy Statement** - The Company reserves the right to implement new policies and revise or revoke current policies at any time with or without cause or notice, with the exception of the employment-at-will policy.

**Policy Updates** – Employees are responsible for updating their employee handbooks with any new and revised policies issued.

## **200 EMPLOYMENT CLASSIFICATIONS**

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**Policy Statement** - Each employee is classified as full-time, part-time, or temporary. Each position is also designated as exempt or non-exempt from federal and New York State minimum wage and overtime provisions. Employees are notified of their employment classification and exempt/non-exempt status at the time of hire and if changed during employment.

For the purpose of this employee handbook, the following terms are defined as follows:

### **201 Full-Time Employees**

A full-time employee is an employee who is regularly scheduled to work 35 hours or more per week.

### **202 Part-Time Employees**

A part-time employee is an employee who is regularly scheduled to work less than 35 hours per week.

### **203 Temporary Employees**

A temporary employee is an employee who is hired to supplement United Auto Supply's workforce on a short-term basis. A temporary employee may work full-time or part-time hours/varying hours each day/week based on business needs. Employment beyond any initially stated period does not imply a change in employment classification nor does the Company guarantee employment for any set period of time.

### **204 Exempt Employees**

An exempt employee is an employee who qualifies for an exemption from federal and state minimum wage and overtime provisions. In accordance with these regulations, an exempt employee is not eligible for overtime compensation.

In some settings, inside commission salespeople may also be exempt from the overtime provisions if certain criteria are met but are still subject to the minimum wage requirements. See the Human Resources Coordinator if you have questions about this designation.

### **205 Non-Exempt Employees**

A non-exempt employee is an employee who is subject to federal and state minimum wage and overtime provisions. In accordance with such regulations, a non-exempt employee is paid the current statutory minimum wage or higher and overtime compensation when more than 40 hours are worked during a workweek.

## 300 EMPLOYMENT POLICIES

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### 301 *Employment-at-Will*

**Policy Statement** – United Auto Supply follows the practice of employment-at-will. The Company does not promise or guarantee employment for any specified period of time. Either an employee or the Company may end the employment relationship at any time, for any reason, with or without cause or notice.

**Employment Contract** - A supervisor does not have the authority to enter into a verbal or written employment contract with an applicant or employee. An employment contract must be in writing and signed by both the President or the CFO of the Company and the employee. No other oral or written statements or representations can limit United Auto Supply's right to terminate employment at-will.

### 302 *Hiring Practices*

**Policy Statement** – United Auto Supply has implemented policies and procedures to address the hiring of former employees, minors, and relatives of current employees.

**Former Employees** - A former employee may be considered for re-employment with United Auto Supply based on the reason for the previous separation and the Company's current business needs. An employee who resigns without giving or completing the requested notice or who is terminated for misconduct is generally not considered for re-employment.

If rehired, the individual is considered a new employee as of the date of re-employment and a new orientation period must be completed. Eligibility for group insurance programs is the same as for all new hires. Prior service under the 401(k) plan is restored in accordance with government regulations and the terms of the plan.

With the exception of the 401(k) plan, there is no credit for prior service for purposes of seniority or paid leave benefits.

**Minors** – Due the nature of our business, and in accordance with federal and state regulations regarding child labor laws, minors (individuals who are 14 to 17 years of age) may not be employed to work for the Company. Individuals 18 years of age or older may be hired for non-driving positions. Employees hired to drive on behalf of United Auto Supply should be at least 25 years of age.

**Relatives** - A member of an employee's family may be considered for employment if the individual possesses the qualifications required for the position. The Company reserves the right to review potential conflicts of interest based on reporting relationships. Generally, an individual may not be hired if he or she would be directly or indirectly supervised by an immediate family member. This policy is also considered when transferring or promoting an employee.



### 303 **Orientation Period**

**Policy Statement** - All new and rehired employees participate in an orientation period that is conducted by the employee's supervisor, and by the Human Resources Coordinator, Store Manager, Controller, and/or various Company representatives. The purpose of the orientation period is to welcome new employees and to familiarize them with the Company and their jobs. It also gives an employee's supervisor the opportunity to evaluate the employee's job performance and potential for development in the position so that any concerns can be addressed with the employee.

**Length** - The orientation period generally extends for the first 30 days of employment. The Company reserves the right to extend or shorten the orientation period at its sole discretion.

**Topics Covered** – Topics generally covered during the orientation period include, but are not limited to, a tour of the facility in which the employee will be working, distribution and review of this employee handbook, and enrollment in Company-sponsored benefits, if applicable. In addition, the employee's supervisor is responsible for introducing the employee to coworkers, scheduling on-the-job training, and reviewing the job description and performance requirements of the position.

**Performance Appraisal** - Throughout the orientation period, the employee's supervisor monitors and evaluates the employee's job performance, work habits, attendance, cooperation, and potential for development in the position. Any problems or deficiencies are normally addressed with the employee. The supervisor also determines if continued employment is appropriate.

**Employment Contract** - The orientation period is not a contract of employment for any set period of time nor does completion of the orientation period change an employee's status as an at-will employee.

**Transfers and Promotions** - An employee who is transferred or promoted to another position within the Company may be required to complete an orientation period for this new position. The employee remains eligible for all applicable Company-sponsored benefits during the orientation period. If an employee does not perform satisfactorily in the new position, the employee may be returned to the original job held, if a vacancy exists, or is subject to termination, at the Company's sole discretion.

### 305 **Promotions and Transfers**

**Policy Statement** – United Auto Supply encourages the career development and growth of employees through promotions and lateral transfers to other positions within the Company for which they are qualified.

**Job Vacancies** - When there is a job vacancy, management will consider current employees who possess the minimum qualifications required for the position. An employee who is interested in being considered for a job vacancy should notify the Human Resource Coordinator. In order to ensure the most qualified person is hired, the Company reserves the right to recruit external applicants for any job vacancy at any time.

**Eligibility Requirements** - To apply for a promotion or transfer, an employee must meet the following eligibility requirements:

- Completion of a minimum of six (6) months of service in the employee's current position;
- Possession of the minimum qualifications of the position as indicated on the job posting notice; and
- A satisfactory work and attendance record.

Exceptions to the above requirements may be considered on a case-by-case basis.

**Application Procedure** - An employee who is interested in applying for a promotion or transfer must submit a letter of interest to the Human Resources Coordinator within the deadline indicated.

### **306 Separation from Employment**

**Notice of Resignation** - An employee who elects to resign or retire from employment with United Auto Supply is asked to submit a written notice to the employee's supervisor 10 workdays before the date of resignation/retirement is to be effective. Supervisory staff are asked to give 20 workdays written notice. The resignation letter should include the reason for resigning and the date the resignation is to take effect. If an employee provides more notice than requested, the Company will determine whether the additional notice is necessary for efficient operations.

An employee is generally not allowed to rescind a verbal or written notice of resignation once it has been submitted to the employee's supervisor.

**Completion of Notice Period** - When a resignation notice is submitted, the Company reserves the right to waive some or all of the notice period.

**Use of Paid Benefits** - An employee will generally not receive authorization to use credited, unused vacation or personal leave during the notice period unless the time off was approved before the Company received the notice of resignation. Additionally, an employee may not normally use credited or unused vacation or personal leave to satisfy the notice period.

**Exit Interviews** - Exit interviews are generally conducted by the Human Resources Coordinator in order to discuss cancellation of employee benefits, COBRA eligibility, return of Company property, and/or United Auto Supply's policy regarding employment references. The exit interview also provides an employee the opportunity to ask any employment-related questions and give suggestions, concerns, and constructive recommendations about the Company and its policies.

**Return of Company Property** - All Company property in the employee's possession, such as, but not limited to, the employee's copy of this employee handbook, customer and Company files (i.e., electronic and paper files), equipment, name badge, keys, uniforms, and/or Company-issued clothing, must be returned to the employee's supervisor in good working order when requested, but no later than the employee's last day of work. If an employee fails to return any Company property, the Company may initiate legal proceedings.

**Credited Benefits** - Refer to *Section 900 Employee Benefits* to review the vacation policies for information regarding payment for benefits at the time of separation from the Company.

**Final Paycheck** - An employee's final paycheck for all hours worked is provided on the next regularly scheduled payday after the employee's last day of work. Any commissions that are not due at the time of separation will be paid within five business days of becoming due.

## 400 COMPANY AND EMPLOYEE RECORDS

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### 401 Confidentiality

**Policy Statement** - All Company, employee, and customer information is to be treated with discretion and confidentiality. An employee should not discuss, photocopy, duplicate, record, or reveal United Auto Supply, employee, or customer information that is not generally known to the public in any form to anyone outside the Company.

**Confidential Company Information** - All records and files maintained by the Company are confidential. This includes, but is not limited to: personnel records, trade secrets, and information relating to customers, products, processes, know-how, designs, drawings, formulas, test data, marketing data, accounting records, pricing information, business plans and strategies, training materials, negotiations, contracts, sales reports, inventions, discoveries, and any other proprietary information.

Confidential information may be in physical form or may be learned through conversations with others regarding United Auto Supply or its customers. Information obtained as a result of employment with United Auto Supply and from contact with customers is considered proprietary and can only be used in the course of employment with the Company.

Confidential information should only be shared with other employees within the Company who have a business need to receive such information. Confidential information should not be disclosed to external parties, including customers, family members, and friends, except as authorized by the Company or as required by government regulation.

All confidential information and products developed by an employee, such as computer programs, designs, or inventions, remain the sole property of United Auto Supply.

**Personal Identifying Information** – The Company does not publicly post, display, or share an employee's personal identifying information with the general public nor are employees allowed to divulge such information. For the purpose of this policy, personal identifying information includes, but is not limited to, social security number, home address or telephone number, personal e-mail address, Internet name or password, parent's surname prior to marriage, or drivers' license number.

**Reference Requests** - All requests for information regarding current and former employees that are received from individuals outside the Company must be referred to the Human Resources Coordinator. No other supervisor or employee is authorized to provide information to any outside source. United Auto Supply is not responsible for information provided by an unauthorized employee.

The Human Resources Coordinator will verify dates of employment and position(s) held without the signed consent of the individual. A signed consent from the current/former employee and a signed release or *Hold Harmless Agreement* must be provided before the Human Resources Coordinator will provide any additional reference information.

United Auto Supply does not guarantee that it will release employment-related information to an outside source even with written consent. Exceptions to this policy are made only if the Company is legally required to provide the information by court order or subpoena.

**Security and Removal of Confidential Information** - An employee is responsible for properly securing and maintaining confidential and proprietary material in the employee's possession. This includes Company information stored on flash drives, laptops, and personal digital assistants (PDAs), as well as home computers that are used to conduct Company business. An employee should exercise caution when using a PDA or laptop for business purposes in public areas to ensure that confidential information cannot be viewed by others or that equipment is not stolen. Unauthorized removal of confidential or proprietary information from Company premises is prohibited. Authorization to remove confidential or proprietary information from the premises can only be given by an executive of the Company.

**Confidentiality/Non-Disclosure Agreement** - As a condition of employment, an employee may be required to sign a confidentiality/non-disclosure agreement at the time of hire or at the time of promotion or transfer into certain positions of the Company.

**Confidentiality Breach** – An employee is responsible for reporting any breach of confidential Company or employee information to their supervisor immediately.

**Separation from the Company** - The obligation to maintain confidential Company information remains in effect after an employee separates from employment with United Auto Supply.

## **402 Personnel Records**

**Policy Statement** – United Auto Supply maintains records and/or confidential personnel files on employees, former employees, and applicants in accordance with government recordkeeping and reporting requirements. Each employee is responsible for completing any employment-related forms that are required by government regulation or necessary for efficient Company operations.

**Control of Personnel Files** – Employee personnel records and medical information is confidential and is maintained and controlled by the Human Resources Coordinator.

**Review of Personnel Files** - Access to personnel files is limited. A supervisor may only review an employee's personnel file if there is a business reason to review the record. Based on the reason for the request, a current employee may review the contents of the employee's own personnel file by submitting a written request to the Human Resources Coordinator. The Human Resources Coordinator or an authorized member of management must be present when the personnel file is reviewed. An employee may not copy, remove, or place any material in the employee's personnel file without the approval of the Human Resources Coordinator.

**Changes in Status** - An employee is responsible for ensuring that United Auto Supply receives all information needed to maintain up-to-date personnel records. An employee must provide written notification to the Human Resources Coordinator of a change in name, address, telephone number, emergency contact, insurance beneficiary, insurance enrollees, tax withholding status, or marital/dependent status. This list is not all-inclusive. The Company is not responsible for any errors that result from an employee's failure to inform the Company of changes in this information in a timely manner.

#### **403    *Electronic Documents Retention***

**Policy Statement** – It is Company policy that employees retain electronic documents that are needed for business purposes or to comply with government regulations.

**Potential Litigation** - An employee is responsible for saving any electronic documents that are needed for legal and/or business reasons. If an employee believes documents may be relevant to potential litigation or the employee has been notified of pending litigation, all applicable electronic documents must be saved until informed by management that they are no longer needed.

**Retention Period** - The retention period for electronic documents depends on the subject matter and must be looked at on a case-by-case basis.

**Method of Retention** - E-mails that are to be retained should be printed and saved in the appropriate file or copied into a Word document. Instant messages should be saved using the logging function on Instant Messenger or by copying the message into a Word document. If any electronic documents that are stored on laptops, PDAs, and/or home computers are to be retained, they should be forwarded to an employee's business e-mail so that they can be saved on the Company's network server.

#### **404    *Records Disposal***

**Policy Statement** - The security of all confidential Company, employee, and customer information is a top priority of United Auto Supply. Documents that no longer need to be retained for business purposes are to be disposed of in accordance with government regulations and Company policy.

**Disposal of Paper Documents** - Any paper document containing personally identifiable information regarding an employee or customer must be shredded, destroyed, and/or modified to make it unreadable prior to its disposal. United Auto Supply has secured the services of a company that disposes of confidential documents and all employees are expected to dispose of such documents by placing them in the proper receptacle.

**Disposal of Electronic Documents** - An employee should routinely delete outdated or otherwise unnecessary E-mails and computer files that no longer need to be retained.

**Definition of Personally Identifiable Information** - Personally identifiable information includes any information regarding an individual which, because of name, number, personal mark, or other identifier, can be used to identify said person in combination with any one or more of the following: social security number, driver's license number, non-driver identification card number, mother's maiden name, home address or telephone number, personal e-mail address, financial services or banking account number or code, electronic serial number, or personal identification number.

## 500 COMPLIANCE POLICIES

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### 501 *Equal Employment Opportunity*

**Policy Statement** – United Auto Supply is an Equal Opportunity Employer. The Company does not unlawfully discriminate on the basis of a person's race, religion, creed, color, sex, age, national origin, disability, sexual orientation, marital or familial status, pregnancy, military status, veteran status, predisposing genetic characteristics or carrier status, arrest or conviction record, domestic violence victim status, or any other protected class or status.

This policy applies to all terms and conditions of employment including, but not limited to, recruiting, hiring, placement, promotion, termination, layoff, transfer, leave of absence, compensation, benefits, training, and social and recreational programs.

**New York State Labor Regulations** - In compliance with NYS labor regulations, United Auto Supply will not discriminate or retaliate against an employee who requests or takes time off for lactation breaks, to donate blood or bone marrow or to vote, or who displays an American flag on the employee's person or in his or her work area. The Company will not discriminate against an employee who engages in lawful, leisure-time recreational activities outside of working hours for recreational purposes (e.g., sports, games, hobbies). In addition, the Company will not discriminate against an employee because of his or her membership in a union, participation in political activities outside of working hours, or for the legal use of consumable products during nonworking hours unless it violates the Company's substance free workplace or substance testing policy.

In accordance with New York State penal regulation, the Company will not discriminate against an employee who is a victim of a crime for taking time off to appear in court as a witness, to consult with a district attorney, or to obtain an order of protection.

**Diversity and Fair Treatment** – United Auto Supply recognizes the rich diversity of its employees and the varying cultures, backgrounds, and experiences they each bring to the workplace. The Company is committed to maintaining and promoting a work environment where employees' and customers' similarities and differences are respected and valued. An employee is expected to treat coworkers, customers, vendors, suppliers, and other non-employees that the employee comes in contact with on the job with fairness, dignity, and respect. The Company prohibits an employee from engaging in any form of discrimination, harassment, or other offensive behavior targeted towards an individual based on any of the protected classes or groups listed above.

**Discrimination by Others** - The Company prohibits employees, vendors, suppliers, visitors, customers, and any other individual that an employee comes in contact with during the course of employment from harassing or discriminating against United Auto Supply employees based on any protected class or status.

**Americans with Disabilities Act** - In compliance with the Americans with Disabilities Act (ADA) and New York State Human Rights regulation, United Auto Supply provides an equal employment opportunity to applicants and employees with disabilities in regards to all terms and conditions of employment. In addition, the Company does not discriminate based on a person's relationship or association with an individual with a disability.

**Reasonable Accommodation** – United Auto Supply will provide a reasonable accommodation to an employee with a disability, unless it imposes an undue hardship on the Company. An employee who believes an accommodation is needed to perform the essential functions of the employee's job should contact the Human Resources Coordinator. If the need for

accommodation is not obvious, the Company may require medical documentation verifying the existence of a disability and the reason(s) why the requested accommodation is needed. When more than one accommodation would benefit an employee, the Company reserves the right to choose the accommodation that is less costly or that is easier to provide.

**Complaint Procedure** - An employee who believes that the actions or words of an employee or non-employee have violated their rights related to EEO Discrimination should report the behavior to the Company immediately. Refer to *Policy 505 Complaint Procedure and Investigations* for information on filing a complaint and the Company's investigation procedures.

**Policy Violations** - Any employee who violates this policy will be subject to disciplinary action, up to and including termination. Any vendor, supplier, visitor, customer, or other non-employee who violates this policy will be subject to remedial action, as determined by management.

## **502 Sexual Harassment**

**Policy Statement** – United Auto Supply is committed to maintaining a professional work environment where employees and non-employees are free from any form of harassment, including sexual harassment. The Company takes all necessary measures to prevent sexual harassment in the workplace or, in the event it occurs, to stop the conduct immediately.

**Definition of Workplace** - For the purpose of this policy, the workplace includes the office, store, warehouse, work sites, customer locations, and social functions sponsored by United Auto Supply both on and off Company premises, business meetings, business-related travel, and/or any location while representing the Company.

**Sexual Harassment Definition** - The Equal Employment Opportunity Commission (EEOC) defines sexual harassment as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature to an individual of the same or opposite gender when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
- Submission to, or rejection of, such conduct by an individual is used as the basis for employment decisions (e.g., promotion, termination, pay increase) affecting that individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

**Prohibited Behavior** - Unprofessional, inappropriate, or offensive conduct committed by a supervisor, coworker, vendor, supplier, visitor, customer, or any other non-employee is prohibited, even if the conduct is welcome by the recipient(s). Prohibited conduct includes, but is not limited to:

- Insulting, lewd, or sexually oriented comments, jokes, slurs, innuendoes, or stories. This includes verbal harassment as well as written, recorded, and electronically transmitted material;
- Demeaning, insulting, or sexually suggestive comments used to describe an individual or the individual's appearance or body;

- Leering, ogling, obscene gestures or sounds, or whistling;
- Unwelcome sexual flirtations, advances, propositions, or demands for sexual favors;
- Unwelcome physical contact, including touching, groping, grabbing, hugging, massaging, fondling, petting, pinching, or intentionally rubbing up against a person's body;
- Viewing, displaying, storing, or transmitting sexually oriented or pornographic materials; and
- A supervisor threatening or implying that a subordinate's acceptance or refusal of the supervisor's sexual advances will affect the subordinate's terms or conditions of employment (e.g., promotion, demotion, pay increase, termination).

**Supervisory Responsibility** - A supervisor is responsible for providing a work environment that is free from unsolicited, unwelcome, and intimidating behavior, including behavior of a sexual nature. A supervisor must therefore take immediate and appropriate corrective action in the event the supervisor is a witness to, or becomes aware of, any violations of this policy. The supervisor is also responsible for immediately notifying the Human Resources Coordinator of any policy violations.

**Complaint Procedure** - An employee who believes that the actions or words of an employee or non-employee have violated the Company's sexual harassment policy should report this behavior to the Company immediately. Refer to *Policy 503 Complaint Procedure and Investigations* for information regarding how to file a complaint and the Company's investigation procedures.

**Policy Violations** - Any employee who violates this policy will be subject to disciplinary action, up to and including termination. Any vendor, supplier, visitor, customer, or other individual that an employee comes in contact with during the course of employment who violates this policy will be subject to remedial action, as determined by management.

### **503 *Complaint Procedure and Investigations***

**Policy Statement** – United Auto Supply takes all complaints of discrimination, harassment, sexual harassment, unfair treatment, and retaliation seriously. A comprehensive complaint procedure has been developed to address any concerns or complaints received from employees and non-employees.

**Reporting Policy Violations** - An employee who believes that the actions or words of a supervisor, coworker, vendor, supplier, visitor, customer, or any other non-employee has violated the Company's Equal Employment Opportunity and/or Sexual Harassment Policies should report the behavior to the Human Resources Coordinator or to a member of Management immediately. An employee who is assigned to work before or after normal business hours can file a complaint by email to the Human Resources Coordinator or calling and leaving a message at (315) 420-2663, ext. 418 if these individuals are not working during the employee's shift. The employee's supervisor should also be notified of the complaint.

**Investigation of Complaint** - All complaints received are investigated promptly, thoroughly, and in as impartial a manner as possible. An investigation generally involves talking with the parties involved as well as any witnesses. All employees are required to cooperate in an investigation.

**Confidentiality** - An employee's confidentiality will be protected to the greatest extent possible, consistent with conducting a full investigation. However, the Company cannot guarantee complete confidentiality.



**Retaliation by the Company** – United Auto Supply will not retaliate, intimidate, threaten, discriminate, or otherwise take any adverse employment action against an employee who files a complaint, testifies, or assists in any complaint made under this policy or with a court or government agency. In addition, the Company will not retaliate against an employee for opposing any practices that are prohibited under any federal or state employment regulation.

**Retaliation by Employees** - The Company prohibits an employee from intimidating, threatening, or retaliating against a coworker or non-employee for filing a complaint and/or participating in an investigation.

**Policy Violations** - Any employee who violates the Company's Equal Employment Opportunity or Sexual Harassment Policy or who retaliates against a coworker or non-employee will be subject to disciplinary action, up to and including termination.

**Remedial Action** - Any vendor, supplier, visitor, customer, or other non-employee who violates this policy will be subject to remedial action, as determined by management.

#### **504 Continuation of Insurance Benefits**

**Policy Statement** - The Consolidated Omnibus Budget Reconciliation Act, commonly referred to as COBRA, and New York State insurance regulation give employees and covered dependents the opportunity to continue their group health coverage at group rates after coverage would normally be lost due to any of the following qualifying events:

- Employee's separation from employment for reasons other than gross misconduct;
- Employee's reduction in work hours;
- Employee's military leave of absence;
- Employee's legal separation or divorce;
- Employee's entitlement to Medicare;
- A dependent's loss of dependent child status under the plan; or
- Death of the employee.

**Eligibility** - An individual who meets the definition of a "qualified beneficiary" is eligible for insurance continuation coverage. A "qualified beneficiary" is an individual who was covered under a group health plan on the day before a qualifying event as either a covered employee, the spouse of a covered employee, or a dependent child of a covered employee. A child who is born to, or placed for adoption with, the covered employee during a period of continuation coverage is also a qualified beneficiary.

**Cost** - A qualified beneficiary who elects continuation coverage is responsible for 100% of the cost of the insurance premiums. The Company may also charge a 2% administrative fee.

**Maximum Continuation Period** – Each qualified beneficiary has the option of electing insurance continuation coverage for a limited period of time based on the specific qualifying event and applicable federal or state regulation. The table below indicates the maximum insurance continuation period available based on each qualifying event.

**Maximum Continuation Period** – Each qualified beneficiary has the option of electing insurance continuation coverage for a limited period of time. In accordance with New York State insurance regulation, a qualified beneficiary who elects to continue his or her group health insurance coverage after experiencing a qualifying event may continue such coverage for up to 36 months, regardless of the qualifying event. The maximum continuation coverage period for dental insurance varies from 18 to 36 months, depending on the specific qualifying event. The table below indicates the maximum insurance continuation period available based on each qualifying event.

Qualifying Event	Qualified Beneficiaries	Maximum Insurance Continuation Period	
		Dental Insurance	Health Insurance
Separation from employment	Employee, spouse, and dependents	18 months	36 months
Reduction in employee's work hours	Employee, spouse, and dependents	18 months	36 months
Military leave of absence	Employee, spouse, and dependents	24 months	36 months
Qualifying disability	Employee, spouse, and dependents	29 months	36 months
Employee's death	Spouse and dependents	36 months	36 months
Divorce or legal separation of employee and spouse	Spouse and dependents	36 months	36 months
Employee entitled to Medicare	Spouse and dependents	36 months	36 months
Change in dependent status	Dependents	36 months	36 months

**Change in Status** - A covered employee or qualified beneficiary must submit a completed *Qualified Beneficiary Notice of Qualifying Event Form* to the Plan Administrator when there is a legal separation, divorce, the employee becomes covered by Medicare, or a child's loss of dependent status. The Plan Administrator must also be notified of a second qualifying event or a Social Security Disability determination which could extend the continuation coverage period. Notification must generally be provided to the Plan Administrator no later than 60 days from either the date of the qualifying event/disability determination or the date the qualified beneficiary would lose coverage due to such event.

The Company is not responsible for errors in coverage that result due to an employee's failure to provide timely notification to the Plan Administrator of such an event.

**Questions** - Full details regarding insurance continuation coverage is available in the plan's Summary Plan Description (SPD) or by contacting the Plan Administrator.

**505 Health Insurance Portability and Accountability Act (HIPAA)**

**Policy Statement** – United Auto Supply complies with all regulations pertaining to the Health Insurance Portability and Accountability Act (HIPAA), both in its role as an employer and as a plan sponsor. The Company provides benefits to eligible employees through a fully-insured medical insurance plan. The Company does not receive Protected Health Information (PHI) about participants in the plan.

**Plan Sponsor Responsibilities** - As a plan sponsor, the Company ensures that the insurance carriers and third party administrators it contracts with are in compliance with the HIPAA regulations.

**Medical Certificate** - A written certificate indicating prior medical insurance coverage is provided to a participant in the Company's medical insurance plan at the time medical coverage is lost, when a COBRA insurance continuation notice is sent, and at any time a request is received within 24 months of losing coverage.

**Retaliation** - The Company will not retaliate against any employee for exercising the employee's rights under the HIPAA regulations.

**Confidential Communications** - An employee may request that all medical-related communications with the Company be handled in a certain way or at a certain location by notifying the Human Resources Coordinator. All reasonable requests will be accommodated.

## 600 OPERATIONAL POLICIES

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### 601 *Hours of Operation*

**Business Hours** - Our normal hours of operation are 7:00am through 7:00pm, from Monday to Friday, with varying hours on the weekend. Employees will be instructed by individual store, as to what their hours of work are. You may also refer to our website for changes in individual store hours.

**Department Hours** - The regular workdays and hours of each department may vary from the Company's normal business hours, depending upon the particular needs and requirements of the department.

### 602 *Work Schedules*

**Normal Work Schedules** - An employee's work schedule is established by the employee's supervisor. An employee's work hours may differ from the normal hours of operation depending on the particular needs and requirements of the Company.

**Changes in Work Schedules** – United Auto Supply reserves the right to revise an employee's normal work schedule at any time. This includes the employee's starting and ending times, the total number of hours worked per day and/or per week, and the days worked. Employees are notified of any changes in work schedules at least 24 hours in advance of the change. To that end, overtime may be required for your position and you will be expected to work the hours if they are assigned to you. Failure to comply could result in disciplinary action up to and including termination.

### 603 *Meal and Break Periods*

**Meal Periods** - Full-time employees receive a 30 minute unpaid meal period between the hours of 11:00 a.m. and 2:00 p.m. Part-time and temporary employees who are scheduled to work more than six hours in a given day receive a 30 minute unpaid meal period between the hours of 11:00 a.m. and 2:00 p.m. Employees are not permitted to leave the premises during the workday except during their designated lunch time.

**Observance of Meal Periods** - In accordance with New York State regulations, an employee who works more than six hours in a given day is required to take the scheduled meal period. An employee is **not** allowed to work through the meal period to make up lost work time or to leave work early. In addition, the meal period may not be taken at the end of an employee's work day in order to leave work before the normal quitting time.

**Lactation Breaks** - A female employee will be granted time off to express milk during the workday for up to three years after the birth of a child. The Company will make a reasonable effort to provide the employee with a private room or other location in close proximity to the work area. An employee must use her authorized breaks and/or meal period to express milk, whenever possible. The Company will allow an employee to extend her authorized breaks or meal period or will grant an additional break period, if needed, to express milk. Any break period of less than 30 minutes will be paid. An employee who chooses to express breast milk in the workplace will not be discriminated against in any way.

**Scheduling of Meal Periods** – Meals are staggered and are scheduled by the employee's supervisor in accordance with operational needs. Meal periods are generally taken at the same time each workday. Exempt and non-exempt office employees are generally allowed to determine the time of their meal periods, taking workload and customer service requirements into account.

**Extension of Meal Periods** - Employees should be punctual in starting and ending all meal periods. An employee may not extend a meal period beyond the time allowed unless prior approval is obtained from the employee's supervisor.

**Location of Meal Periods** – Unless otherwise specified by departmental rules, an employee may leave the premises for meal periods but must remain on-site during the rest of their workday.

#### **604 Inclement Weather/Emergency Closings**

**Policy Statement** – United Auto Supply's goal is to serve customers by remaining open during all normally scheduled work hours. However, there may be times when inclement weather, power failure, or other similar emergency requires the Company to close.

**Notification** - In the event the Company opens late or remains closed for the day, the Company will attempt to notify employees via telephone (recorded message on the Company's answering machine), radio, and television.

**Inclement Weather** - Employees are expected to report to work and remain at work during inclement weather conditions unless otherwise notified by the Company. When United Auto Supply has not officially closed, an employee who does not report to work or requests to arrive at work late or leave work early must obtain prior authorization from the employee's supervisor in accordance with the Company's notification policy (See *Policy 701 Attendance*). Credited, unused vacation time must be taken, if available. Otherwise, the time off is without pay for non-exempt employees. If an exempt employee has no paid leave benefits available, the employee will only be docked if a full workday is taken.

**Compensation for Exempt Employees** - Exempt employees receive their regular salaries when the Company officially opens late, shuts down early, or closes for any partial workweeks due to emergency operating conditions. Exempt employees are not paid if the Company is closed for an entire workweek or longer.

**Compensation for Non-Exempt Employees** - When the Company officially opens late, closes early, or remains closed for an entire workday due to an emergency closing, non-exempt employees are paid only for the number of hours actually worked.

A full-time, non-exempt employee may elect to use any credited, unused vacation or personal leave for any scheduled hours not worked and for which the employee is not paid by the Company. An employee may be allowed to make up the lost work time during the current workweek, with prior supervisory approval if hours of operation allow it.

**Call-In Pay** - If an employee who is paid at the New York State minimum wage rate is required or permitted to report to work and is then sent home early, the employee will be paid for four hours or the number of hours in the employee's scheduled work shift, whichever is less. In some cases, an employee who is paid slightly above the minimum wage rate may also be eligible for call-in pay.

**Compensation for Employees On Scheduled Leave** - An employee who is out of work on vacation, or personal leave during an emergency closing will be charged such leave as scheduled.

## 605 *Time Records*

**Policy Statement** - Federal and state employment regulations require United Auto Supply to maintain accurate records of employee work hours. Accurate time records allow the Company to calculate each employee's compensation for time worked and authorized paid leave taken in a given workweek.

**Working Time** - Generally, time worked is considered all time an employee is on duty performing assigned tasks and all time an employee is required to be on the Company's premises or at a designated work site.

**Procedures for Non-Exempt Employees** - A computerized time clock is used to track the work hours of non-exempt employees. A non-exempt employee must enter the employee's own hours at the beginning and end of each work shift and for all unpaid meal periods. During regular work hours, an employee must punch out when leaving Company premises for non-work related reasons.

Employees should be ready to begin work at the time they clock in.

A non-exempt employee is not permitted to perform any unauthorized work before or after the employee's scheduled work shift. Accordingly, an employee should not punch in more than five minutes prior to the start of the employee's work shift or punch out more than five minutes after the end of the work shift, unless approved by the employee's supervisor.

**Procedures for Exempt Employees** - Exempt employees are required to record their presence via ADP profile and must account for authorized paid leave taken by completing a *Time Off Request Form*.

**Arriving at Work Before/After Scheduled Work Hours** - Arriving at work before the scheduled starting time or leaving work after the scheduled ending time for an employee's own convenience when no work is performed for the Company is not to be included in working time.

**Correction of Errors** - Any errors on time sheets and/or failure to record start or stop times should be brought to the attention of the employee's supervisor immediately. The supervisor shall investigate the matter and make and initial the correction in the system once the error is verified.

**Falsification of Time Worked** - Altering, falsifying, or tampering with an employee's own time record or a coworker's time record is prohibited and may result in disciplinary action, up to and including termination of employment for both employees.

## 606 *Business Expenses*

**Policy Statement** – United Auto Supply reimburses employees for pre-authorized business expenses that are incurred in the performance of their jobs. These expenses include, but are not limited to, mileage, parking fees, air fare, meals, lodging, and training and membership fees. All business expenses should be limited to reasonable amounts. A copy of the Company's business expense policy and procedures is distributed to employees who incur business expenses.

**Authorization** - An employee must receive prior approval from their supervisor and/or a member of Management before incurring any business expense. The Company reserves the right to deny reimbursement for any business-related expense that was not pre-authorized or submitted by the deadline date or that is considered unreasonable. All business expense requests must be submitted in writing to the employee's supervisor at least five (5) workdays in advance. The

Company reserves the right to deny reimbursement for any business-related expense that was not pre-authorized or submitted by the deadline date or that is considered unreasonable under the circumstances.

## 700 ABSENCE FROM WORK POLICIES

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### 701 Attendance

**Policy Statement** - In order to maintain a productive work environment, employees are expected to work all scheduled work hours and to keep unscheduled absences and tardiness to a minimum. Poor attendance, tardiness, and early departures place a burden on the Company, other employees, and customers.

**Notification of Tardiness and Unscheduled Absences** - An employee is expected to be on time and ready to begin work at the start of the employee's scheduled work day. An employee who is going to be tardy or who is unable to report to work must personally notify the employee's supervisor at least (two) 2 hours before the employee's scheduled starting time. The reason for the tardiness or absence and when the employee expects to report to work must be indicated.

Asking a relative, friend, or another person to call in on the employee's behalf is not permitted nor is leaving a message on the answering machine/supervisor's voice mail or with a coworker, texting, or emailing. Every effort should be made by the employee to **speak** with a person in charge. If the supervisor cannot be reached by telephone, a message may be left on the supervisor's voice mail. Notification requirements may be waived, at the Company's discretion, in cases of emergency.

**Scheduled Absences** - Requests for scheduled time off must be submitted in writing to the employee's supervisor as far in advance as possible, but no less than ten (10) workdays in advance and must also enter the request into the ADP system. The Company reserves the right to request the reason for the absence. Vacation requests must be submitted in accordance with the vacation leave policy (See *Policy 907 Vacation Leave*). All time off requests are subject to supervisory approval on a case-by-case basis.

**Unexcused Absences and Unexcused Tardiness** - Notification of an absence or tardiness to an employee's supervisor does not automatically mean the absence or tardiness is authorized. Any time off from work that is without supervisory approval is considered unexcused. An unexcused absence or tardiness is without pay for non-exempt employees. Unexcused absences of more than an hour will require the use of any available accrued time. When no accrued (vacation) time is available, the employee will be subject to the disciplinary procedure up to and including termination. Use of vacation time to account for an unexcused absence does not mean that the disciplinary process will not be employed.

**Daily Notification** - If an employee is unable to report to work for more than one workday, the employee must personally notify the supervisor each day of the absence, unless the absence was pre-authorized or the employee is on an approved leave of absence (e.g., FMLA, jury duty, military leave).

**Failure to Call in or Report to Work** - An employee who does not report for work or notify the supervisor of the employee's absence for two consecutive workdays may be subject to termination for misconduct.

**Documentation of Absences** - An employee who demonstrates a pattern of frequent absences may be required to provide documentation of the reason for any future absences.

**Medical Verification** - An employee who is absent from work for more than three consecutive workdays due to personal illness or injury may be required to provide medical verification of the employee's absence. Medical verification may also be required for certain shorter absences. If



an employee is on an authorized leave of absence, the provisions of the *Family and Medical Leave Act Policy* or the *Leave of Absence Policy (Policy 707)* shall apply. Failure to produce the medical verification may result in an employee receiving the time off without pay and/or jeopardize continued employment with the Company.

Upon return to work, the employee may also be required to provide a medical statement from the employee's health care provider indicating that the employee is able to return-to-work and listing any work restrictions. In the event the medical statement indicates there are work restrictions, the Company reserves the right to evaluate if the restrictions can be reasonably accommodated (See *Policy 501 Equal Employment Opportunity*). An employee is not allowed to return to work until an adequate medical statement is provided to the employee's supervisor.

**Leaving the Premises** - An employee must notify and obtain approval from the employee's supervisor before leaving Company premises during working hours for personal reasons. An employee who leaves Company premises during the workday due to business reasons must notify the employee's supervisor in accordance with department policy. Non-exempt employees leaving the premises for personal reasons must record the time in their time record.

**Time Off Without Pay** - An employee must use all credited, unused vacation leave before requesting time off without pay. Supervisors, at their discretion, may deny requests for unpaid time off except for time taken off under the Family and Medical Leave Act.

In accordance with the Fair Labor Standards Act (FLSA), if an exempt employee has no paid leave benefits available, the employee's pay is docked only if a full workday off is taken due to sickness or personal reasons. Exempt employees are generally not docked for partial day absences, except for leave taken under the FMLA.

**Making up Lost Time** - A non-exempt employee may be allowed to make up lost work time during the current workweek with prior supervisory approval. Authorization is granted only if work is available and only at a time that is mutually convenient for the employee and the employee's supervisor. A non-exempt employee is generally not allowed to make up lost work time that is due to tardiness, unauthorized absence, or early departure.

**Policy Violations** - Violations of this policy may result in disciplinary action, up to and including termination. This includes falsification of the reason for absence, unexcused absence(s), a record of excessive absences or early departures, or a pattern of absenteeism, even if excused.

## **702 Jury and Witness Duty**

**Policy Statement** - Employees are encouraged to fulfill their civic responsibilities and are granted time off to serve on jury duty or to appear as a witness in a criminal proceeding in accordance with federal and state regulations. New York penal regulation prohibits the Company from taking any adverse action against an employee who is a victim of a crime for taking time off to appear in court as a witness, to consult with a district attorney, or to obtain an order of protection.

**Notification Requirements** - When an employee receives notice to report for jury duty or a subpoena to testify as a witness, a copy of the notice/subpoena should immediately be submitted to their supervisor.

**Compensation for Exempt Employees** - In accordance with federal regulations, an exempt employee who serves as a juror or witness is paid the employee's regular salary for working any partial workweeks but is not paid for any workweeks in which no work is performed for the Company. If an exempt employee does not perform any work for the Company during the first

workweek because of jury duty service, the employee will receive \$40 per day for the first three days of service.

**Compensation for Non-Exempt Employees** - A non-exempt employee who is required to report for jury duty on a regularly scheduled workday is paid \$40 per day for the employee's normally scheduled work hours at the employee's base rate of pay, up to a maximum of the first three days. Thereafter, a non-exempt employee is no longer paid by the Company but is entitled to any stipend paid by the court. Time off for witness duty is without pay.

**Verification of Service** - An employee must provide written verification from the court noting the date(s) and time(s) served as a juror or witness in order to receive payment from the Company.

**Return to Work** - An employee who is excused from court for the entire day must report to work for the employee's scheduled work hours. If an employee is released early from jury or witness duty on a given day, the employee must report to work.

**Accrual of Benefits** – United Auto Supply will continue to provide medical, dental, and life insurance benefits for an eligible employee during the time spent as a juror or witness. All employee contributions, if any, must be paid on a timely basis in order to maintain the continuous coverage of benefits. Vacation leave and holiday benefits also continue to accrue.

**Rescheduling of Jury Duty** – United Auto Supply may request that an employee seek to have the jury duty rescheduled.

### **703 Military and Reserve Leaves**

**Policy Statement** – United Auto Supply recognizes the importance of military service and complies with all federal and state regulations relating to military leaves of absence, encampment, and temporary military duty. The Company shall grant an employee time off to serve in the Army, Navy, Marine Corps, Air Force, Coast Guard, Public Health Service commissioned corps, the military reserves, Army National Guard, and Air National Guard.

**Notification** - An employee is required to give advance notice to the employee's supervisor of the dates of military service unless unable to do so because of military necessity or if it is otherwise impossible or unreasonable to do so. An employee is asked to give as much notice as possible.

**Benefits during Leave** - An employee retains and accrues any Company-sponsored benefits that are tied to seniority during a military leave. The employee is also allowed to participate in the medical insurance plan and other Company-sponsored benefits that are not determined by seniority to the same extent as an employee who is granted a leave of absence, so long as the employee meets the eligibility requirements of each benefit plan. During a military leave of 30 days or less, the Company will make its normal contribution towards an employee's insurance benefits.

**Return from Leave** - An employee retains certain rights relating to reinstatement, seniority, status, length of service promotions, and compensation upon return from military duty, as long as the employee is not separated with a dishonorable or bad conduct discharge and the employee's cumulative military leave with the Company does not exceed five years. Certain types of uniformed service do not count against an employee's five-year maximum, including service during war or call-ups during national emergencies, reserve drills, and annually scheduled active duty for training.

If an employee terminated coverage in United Auto Supply's health insurance plan or elected COBRA or New York State health insurance continuation while on a military leave of absence, the employee will be reinstated in the plan upon return to work without a waiting period or any pre-existing exclusions.

**Temporary Military Duty** - The Company will attempt to rearrange an employee's work schedule, if possible, when the employee needs to attend a weekend drill or encampment.

**Compensation for Exempt Employees** - In accordance with federal regulations, an exempt employee who is on military leave or reserve leave for any partial workweeks is paid the employee's regular salary for those workweeks. Any military pay received is deducted from the employee's salary. An exempt employee is not paid for any workweeks in which no work is performed for the Company. An employee may request to use credited, unused vacation leave during the leave.

**Compensation for Non-Exempt Employees** - Military leave and reserve leave is without pay for a non-exempt employee. An employee may request to use credited, unused vacation leave during the leave.

**Family and Medical Leave** - An employee may be eligible for time off in accordance with the Family and Medical Leave Act (FMLA) due to a covered family member's active or impending military duty or if a covered family member suffers a serious injury or illness while on active duty (See *Policy 706 Family and Medical Leave* for additional information).

#### **704 Military Spousal Leave**

**Policy Statement** - In accordance with New York State regulation, United Auto Supply will grant an unpaid leave of absence of up to ten days to an employee whose spouse is on leave from the military under specified circumstances as described below.

**Basic Leave Entitlements** - An eligible employee may take an unpaid military spouse leave if the following conditions are met:

- The employee's spouse is a member of the U.S. Armed Forces, National Guard, or reserves;
- The spouse has been deployed during a period of military conflict to a combat theater or combat zone of operations; *and*
- The spouse is on a leave from the military.

**Eligibility** - To be eligible for leave, an employee must work an average of 20 hours or more per week. There is no minimum length of service requirement.

**Notification Requirements** – If possible, at least 30-calendar days notice must be given to the employee's supervisor prior to the requested start date of the leave. When a leave is unforeseen, an employee must give notice as soon as the need for a leave is known. A *Leave of Absence Request Form* must also be jointly completed by the Company and the employee. Permission or denial of the leave is normally communicated to the employee in writing within one week after receiving the request.

**Benefits during Leave** - For the purpose of this policy, the following applies:

- **Use of Paid Leave** - Credited, unused vacation leave may be used at the start of the leave. The use of paid leave benefits does not extend the leave of absence.
- **Insurance Benefits** – An employee's insurance benefits will continue at the same level during the leave of absence. The employee is responsible for his or her normal contributions toward insurance benefits.

## **705 Bereavement Leave**

**Eligibility** - In the event of a death of a full-time employee's immediate family member, the employee is eligible for paid bereavement leave. Part-time employees receive prorated bereavement leave based on the number of hours the employee is normally scheduled to work on the day bereavement leave is taken. Full-time employees become eligible for paid bereavement leave upon completion of 6 months of service. Temporary employees are not eligible for paid bereavement leave but may be granted time off without pay.

**Allowance** - Full-time employees are eligible for up to 3 consecutive workdays off with pay from the employee's regularly scheduled work week for the death of an immediate family member.

**Verification of Need for Leave** - The Company reserves the right to request verification of the need for bereavement leave.

**Immediate Family Member** - For the purpose of this policy, an immediate family member is defined as an employee's spouse, domestic partner, child, stepchild, parent, stepparent, grandparent, grandchild, sibling, step sibling, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law, or son-in-law. These relationships also apply to committed, same-sex partners who are financially and emotionally interdependent in a manner commonly presumed of spouses, per NYS law. (Note: must be current in-laws.)

**Leave for Extended Family** - An employee will be granted unpaid bereavement leave for one workday to attend the funeral of an extended family member. Each request is reviewed by the Company on a case-by-case basis. For the purpose of this policy, an extended family member is defined as an employee's aunt, uncle, cousin, niece, nephew or other member of the employee's household. For the purpose of this policy, an extended family member is a relative of the employee that is not included in the definition of immediate family above.

**Extension of Bereavement Leave** - An employee may request to use credited, unused vacation, leave to extend bereavement leave or to attend the funeral of an extended family member. If an employee has no paid leave available, unpaid leave may be granted.

## **706 Family and Medical Leave Act (FMLA)**

**Policy Statement** – In compliance with the federal Family and Medical Leave Act (FMLA), United Auto Supply will grant an eligible employee unpaid, job-protected leave for specified family, medical, and military reasons as described in this policy. In most cases, a maximum of 12 workweeks of FMLA leave in any 12-month period may be taken. However, for certain military caregiver leaves, up to 26 workweeks of leave is available.

**Eligibility** - To be eligible for leave under the FMLA, an employee must meet the following requirements:

- Completion of at least 12 months of service with c/n before the leave begins (the 12 months need not be consecutive);
- Worked at least 1,250 hours during the previous 12 months prior to the date the leave begins; and
- Work at, or report to, a work site where at least 50 employees are employed within 75 miles.

**Basic FMLA Entitlements** - An eligible employee shall be granted FMLA leave under any of the following circumstances:

- Incapacity due to pregnancy, prenatal medical care, or child birth (includes fathers who take leave for their spouses' prenatal care and appointments);
- To provide care for the employee's child after birth;
- Placement of a child with the employee for adoption or foster care;
- To provide care for the employee's spouse, child, or parent who has a serious health condition; or
- A serious health condition that makes the employee unable to perform the employee's job.

**Military FMLA Entitlement** – An eligible employee may take military FMLA leave for the following reasons:

- Up to 12 weeks of leave to address a qualifying exigency arising out of the employee's spouse, child, or parent's deployment to a foreign country. The employee's family member must either be in the regular Armed Forces *or* be called to active duty in the National Guard or Military Reserves; or
- Up to 26 weeks of leave to provide care for the employee's spouse, child, parent, or next of kin who suffered a serious injury or illness while in the line of active military duty (including the National Guard or Military Reserves) *or* suffered from a pre-existing serious injury or illness that was aggravated by active military duty. An eligible employee may take military caregiver leave for up to five years after the veteran's separation from military service.

**Twelve-Month Period** - The 12-month period is a rolling period measured backward from the date the employee uses any FMLA leave. Each time FMLA leave is taken, the Company will compute the amount of FMLA leave that has been used in the last 12 months and subtract it from the 12 (or 26) weeks of available leave. The balance remaining is the maximum amount of FMLA leave still available.

**Serious Health Condition** – The FMLA defines a serious health condition as an illness, injury, impairment, or physical or mental condition that involves inpatient care in a medical care facility or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the job or prevents the family member from participating in school or other daily activities.

Continuing treatment by a health care provider includes:

- A period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider;
- One visit to a health care provider and a regimen of continuing treatment;
- Incapacity due to pregnancy or prenatal care; or
- Incapacity due to a chronic health condition.

Other conditions may also meet the definition of continuing treatment.

**Qualifying Exigencies** – Qualifying exigencies are non-medical, non-routine activities. Examples of qualifying exigencies may include attending certain military events, arranging for alternative childcare, handling school arrangements, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings. c/n and the employee can agree to consider any other event that may arise out of active duty or a call to active duty status as a qualified exigency;

**Notification Requirements** - When the need for FMLA leave is foreseeable, an employee must submit a completed *FMLA Request Form* to their supervisor at least 30-calendar days prior to the requested start date of the leave. Failure to give the required notice with no reasonable excuse may result in the FMLA leave being delayed until 30 days from the date of notice.

If the employee is unable to provide 30 days notice, notice must be provided as soon as practicable in accordance with the Company's call-in procedures (See *Policy 701 Attendance*). The employee must indicate the anticipated length of the leave and provide sufficient information about the reason for absence to allow the Company to determine if the leave may qualify for FMLA. If the employee has previously qualified for FMLA leave, including intermittent leave, he or she must specifically indicate the qualifying reason or the need for FMLA leave.

The Company will notify the employee within five business days as to whether the request for FMLA leave is approved or denied. If approved, the employee will be notified of the amount of leave that will be counted against the employee's FMLA leave entitlement.

**Certification** – Proper documentation from the appropriate agency or health care provider must be provided to support a leave request.

When leave is requested due to an employee's own or an immediate family member's serious health condition, medical certification issued by a health care provider that supports the need for leave is required. The certification must be provided before the leave begins, or if the leave was unforeseeable, 15-calendar days from the date the Company requests the certification. Failure to submit medical certification may delay the start of the leave until the certification is submitted.

**Use of Leave** - FMLA leave may be taken in a single, continuous period of time or block. An employee may also take leave on an intermittent or reduced schedule basis when medically necessary or when necessary because of a qualifying exigency.

**Status Reports** – If the medical certification indicates a minimum duration for the period of incapacity, the Company will generally not request recertification until such period has expired. If the medical certification indicates the condition is expected to last for an extended period, medical recertification must be provided to the Human Resources Coordinator every six months. The Company reserves the right to request medical recertification more frequently if an employee requests a leave extension, circumstances have changed significantly, or the Company receives information that casts doubt on the reason for the absence.

**Workers' Compensation and Disability** - Leaves taken under workers' compensation or disability may run concurrently with FMLA if an employee meets the FMLA eligibility criteria outlined above and the Company appropriately designates the leave as FMLA. If the Company and employee mutually agree, the employee may supplement his or her workers' compensation or disability benefits with credited, unused paid leave benefits, if available, in order to receive his or her normal wages.

**Benefits during Leave** – An employee will not lose any employment benefit that accrued prior to the start of the FMLA leave. For the purpose of this policy, the following applies to employee benefits during a FMLA leave:

- **Use of Paid Leave** - Credited, unused vacation leave must be used at the beginning of the leave if an employee meets the terms and conditions set forth in the applicable time off policy. The use of paid leave benefits does not extend the 12 or 26-week period. Once the employee no longer has any time off benefits remaining, the remainder of the leave will be unpaid unless the employee is receiving workers' compensation or disability benefits.
- **Accrual of Paid Leave Benefits** - An employee continues to accrue vacation leave and receive holiday pay during any portion of a FMLA leave that is paid. For the purpose of this policy, paid leave is defined as leave during which the employee is using credited, unused vacation leave. After all such paid leave benefits are exhausted, the remaining portion of the FMLA leave is unpaid. An employee does not accrue vacation or receive holiday pay during any portion of a FMLA leave that is unpaid.
- **Insurance Benefits** – An employee's group medical and dental insurance will continue at the same level, terms, and conditions as if the employee was working, as long as the employee maintains the payment of their portion of the premium(s).

**Employment Restrictions during Leave of Absence** - While on FMLA leave, an employee may not work for another employer during the same work hours that he or she is normally scheduled to work for United Auto Supply.

**Early Return or Extension of Leave** – If an employee intends to return to work earlier than anticipated or extend the leave beyond the time originally requested, the Human Resources Coordinator must be notified at least two business days from the date the employee became aware of the need to shorten/extend the leave.

**Return-to-Work** - At the conclusion of a FMLA leave, the following conditions apply:

- **Return Date** - If the employee's leave request indicated a specific return-to-work date, he or she should contact the Human Resources Coordinator at least two weeks prior to this date. If the return-to-work date was not known at the time leave was granted, the Human Resources Coordinator must be notified as soon as a return-to-work date has been established. Failure to return to work when scheduled may result in disciplinary action, up to and including termination due to misconduct;
- **Fitness-for-Duty Certification** - If the FMLA leave was due to the employee's own serious health condition, a fitness-for-duty certification from the employee's health care provider is required prior to returning to work. The certification must address the employee's ability to perform the essential functions of the job, indicate any work restrictions, and release the employee to return to work. In the event work restrictions are indicated, the Company reserves the right to evaluate if the restrictions can be reasonably accommodated (See *Policy 501 Equal Employment Opportunity*); and

- **Job Restoration** – An employee shall be restored to the position held when the leave began or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment, provided he or she returns to work within the time period allowed under the FMLA regulations.

## 706 **Family and Medical Leave Act (FMLA)**

**Policy Statement** – In compliance with the federal Family and Medical Leave Act (FMLA), United Auto Supply will grant an eligible employee unpaid, job-protected leave for specified family, medical, and military reasons as described in this policy. In most cases, a maximum of 12 workweeks of FMLA leave in any 12-month period may be taken. However, for certain military caregiver leaves, up to 26 workweeks of leave is available.

**Eligibility** - To be eligible for leave under the FMLA, an employee must meet the following requirements:

- Completion of at least 12 months of service with United Auto Supply before the leave begins (the 12 months need not be consecutive);
- Worked at least 1,250 hours during the previous 12 months prior to the date the leave begins; and
- Work at, or report to, a work site where at least 50 employees are employed within 75 miles.

**Basic FMLA Entitlements** - An eligible employee shall be granted FMLA leave under any of the following circumstances:

- Incapacity due to pregnancy, prenatal medical care, or child birth (includes fathers who take leave for their spouses' prenatal care and appointments);
- To provide care for the employee's child after birth;
- Placement of a child with the employee for adoption or foster care;
- To provide care for the employee's spouse, child, or parent who has a serious health condition; or
- A serious health condition that makes the employee unable to perform the employee's job.

**Military FMLA Entitlement** – An eligible employee may take military FMLA leave for the following reasons:

- Up to 12 weeks of leave to address a qualifying exigency arising out of the employee's spouse, child, or parent's deployment to a foreign country. The employee's family member must either be in the regular Armed Forces *or* be called to active duty in the National Guard or Military Reserves; *or*
- Up to 26 weeks of leave to provide care for the employee's spouse, child, parent, or next of kin who suffered a serious injury or illness while in the line of active military duty (including the National Guard or Military Reserves) *or* suffered from a pre-existing serious injury or illness that was aggravated by active military duty. An eligible employee may take military caregiver leave for up to five years after the veteran's separation from military service.

**Twelve-Month Period** - The 12-month period is a rolling period measured backward from the date the employee uses any FMLA leave. Each time FMLA leave is taken, the Company will compute the amount of FMLA leave that has been used in the last 12 months and subtract it from the 12 (or 26) weeks of available leave. The balance remaining is the maximum amount of FMLA leave still available.



**Serious Health Condition** – The FMLA defines a serious health condition as an illness, injury, impairment, or physical or mental condition that involves inpatient care in a medical care facility or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the job or prevents the family member from participating in school or other daily activities.

Continuing treatment by a health care provider includes:

- A period of incapacity of more than three consecutive calendar days combined with at least two visits to a health care provider;
- One visit to a health care provider and a regimen of continuing treatment;
- Incapacity due to pregnancy or prenatal care; or
- Incapacity due to a chronic health condition.

Other conditions may also meet the definition of continuing treatment.

**Qualifying Exigencies** – Qualifying exigencies are non-medical, non-routine activities. Examples of qualifying exigencies may include attending certain military events, arranging for alternative childcare, handling school arrangements, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings. United Auto Supply and the employee can agree to consider any other event that may arise out of active duty or a call to active duty status as a qualified exigency;

**Notification Requirements** - When the need for FMLA leave is foreseeable, an employee must submit a completed *FMLA Request Form* to the Office Manager at least 30-calendar days prior to the requested start date of the leave. Failure to give the required notice with no reasonable excuse may result in the FMLA leave being delayed until 30 days from the date of notice.

If the employee is unable to provide 30 days notice, notice must be provided as soon as practicable in accordance with the Company's call-in procedures (See *Policy 701 Attendance*). The employee must indicate the anticipated length of the leave and provide sufficient information about the reason for absence to allow the Company to determine if the leave may qualify for FMLA. If the employee has previously qualified for FMLA leave, including intermittent leave, he or she must specifically indicate the qualifying reason or the need for FMLA leave.

The Company will notify the employee within five business days as to whether the request for FMLA leave is approved or denied. If approved, the employee will be notified of the amount of leave that will be counted against the employee's FMLA leave entitlement.

**Certification** – Proper documentation from the appropriate agency or health care provider must be provided to support a leave request.

When leave is requested due to an employee's own or an immediate family member's serious health condition, medical certification issued by a health care provider that supports the need for leave is required. The certification must be provided before the leave begins, or if the leave was unforeseeable, 15-calendar days from the date the Company requests the certification. Failure to submit medical certification may delay the start of the leave until the certification is submitted.

**Use of Leave** - FMLA leave may be taken in a single, continuous period of time or block. An employee may also take leave on an intermittent or reduced schedule basis when medically necessary or when necessary because of a qualifying exigency.

**Status Reports** – If the medical certification indicates a minimum duration for the period of incapacity, the Company will generally not request recertification until such period has expired. If the medical certification indicates the condition is expected to last for an extended period, medical recertification must be provided to the Office Manager every six months. The Company reserves the right to request medical recertification more frequently if an employee requests a leave extension, circumstances have changed significantly, or the Company receives information that casts doubt on the reason for the absence.

**Workers' Compensation and Disability** - Leaves taken under workers' compensation or disability may run concurrently with FMLA if an employee meets the FMLA eligibility criteria outlined above and the Company appropriately designates the leave as FMLA. If the Company and employee mutually agree, the employee may supplement his or her workers' compensation or disability benefits with credited, unused paid leave benefits, if available, in order to receive his or her normal wages.

**Benefits during Leave** – An employee will not lose any employment benefit that accrued prior to the start of the FMLA leave. For the purpose of this policy, the following applies to employee benefits during a FMLA leave:

- **Use of Paid Leave** - Credited, unused vacation, sick, and/or personal leave must be used at the beginning of the leave if an employee meets the terms and conditions set forth in the applicable time off policy. The use of paid leave benefits does not extend the 12 or 26-week period. Once the employee no longer has any time off benefits remaining, the remainder of the leave will be unpaid unless the employee is receiving workers' compensation or disability benefits.
- **Accrual of Paid Leave Benefits** - An employee continues to accrue vacation, personal, and sick leave and receive holiday pay during any portion of a FMLA leave that is paid. For the purpose of this policy, paid leave is defined as leave during which the employee is using credited, unused vacation, personal, and/or sick leave. After all such paid leave benefits are exhausted, the remaining portion of the FMLA leave is unpaid. An employee does not accrue vacation, personal, or sick or receive holiday pay during any portion of a FMLA leave that is unpaid.

**Employment Restrictions during Leave of Absence** - While on FMLA leave, an employee may not work for another employer during the same work hours that he or she is normally scheduled to work for United Auto Supply.

**Early Return or Extension of Leave** – If an employee intends to return to work earlier than anticipated or extend the leave beyond the time originally requested, the Office Manager must be notified at least two business days from the date the employee became aware of the need to shorten/extend the leave.

**Return-to-Work** - At the conclusion of a FMLA leave, the following conditions apply:

- **Return Date** - If the employee's leave request indicated a specific return-to-work date, he or she should contact the Office Manager at least two weeks prior to this date. If the return-to-work date was not known at the time leave was granted, the Office Manager must be notified as soon as a return-to-work date has been established. Failure to return to work when scheduled may result in disciplinary action, up to and including termination due to misconduct;
- **Fitness-for-Duty Certification** - If the FMLA leave was due to the employee's own serious health condition, a fitness-for-duty certification from the employee's health care provider is required prior to returning to work. The certification must address the employee's ability to

perform the essential functions of the job, indicate any work restrictions, and release the employee to return to work. In the event work restrictions are indicated, the Company reserves the right to evaluate if the restrictions can be reasonably accommodated (See *Policy 501 Equal Employment Opportunity*); and

- **Job Restoration** – An employee shall be restored to the position held when the leave began or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment, provided he or she returns to work within the time period allowed under the FMLA regulations.

## **707 Leaves of Absence**

**Policy Statement** - An employee who does not meet the FMLA eligibility requirements (See *Policy 706 Family and Medical Leave Act*) or who has exhausted the employee's benefits under the FMLA may request a non-FMLA leave of absence due to medical, family, or personal reasons. The granting and duration of each leave of absence is determined by the Company, and is not guaranteed.

**Eligibility** - To be eligible for a leave of absence, an employee must have completed at least one year of continuous service and must be classified as a full-time employee.

**Workers' Compensation and Disability** - An employee who is eligible for - or receiving -workers' compensation or disability benefits will be placed on workers' compensation/disability and a medical leave of absence concurrently. The employee is therefore responsible for complying with both the requirements of the workers' compensation/disability insurance policy and this leave of absence policy.

**Notification Requirements** – At least 30-calendar days notice must be given to the Human Resources Coordinator prior to the requested start date of the leave. When a leave is unforeseen, an employee must give notice as soon as the need for a leave is known. A *Leave of Absence Request Form* must also be jointly completed by the Company and the employee. Permission or denial of the leave is normally communicated to the employee in writing within one week after receiving the request. Failure to give 30-days notice with no reasonable excuse may result in the leave being delayed until 30 days from the date of notice.

**Medical Certification** - A medical certification issued by a health care provider is required to support an employee's request for a medical leave of absence due to the employee's own serious health condition. When required, the employee must provide the certification before the leave begins, or if the leave was unforeseeable, 15-calendar days from the date the certification was requested. Failure to submit the medical certification could jeopardize the employee's eligibility for a medical leave of absence and/or continued employment.

The medical certification must include:

- The date the condition began;
- The probable duration of the medical condition;
- Pertinent medical facts; and
- An assertion that the employee is unable to perform the employee's job function.

United Auto Supply reserves the right to request a second opinion by another health care provider at the Company's expense. In the event of a conflict between the first and second opinion, c/n may, again at its own expense, obtain a third opinion from a health care provider approved jointly by the Company and the employee. This third opinion is final and binding.

**Benefits during Leave** - For the purpose of this policy, the following applies:

- **Use of Paid Leave** - Credited, unused vacation leave must be used at the beginning of the leave if an employee meets the terms and conditions set forth in the applicable time off policy. The use of paid leave benefits does not extend the leave of absence. Once the employee no longer has any time off benefits remaining, the remainder of the leave will be unpaid unless the employee is receiving workers' compensation or disability benefits.

The use of paid leave benefits does not apply to employees who are receiving workers' compensation or disability benefits.

When credited, unused sick leave is used to supplement the employee's wages during any portion of the leave, the insurance carrier will send the benefit payments directly to the Company. The Company will pay the employee the employee's normal wages, and will make a pro rata restoration to the employee's sick leave account after it receives payment from the insurance carrier.

- **Accrual of Paid Leave Benefits** - An employee continues to accrue vacation leave and receive holiday pay during any portion of a leave that is paid. For the purpose of this policy, paid leave is defined as leave during which the employee is using credited, unused vacation leave. After all such paid leave is used, the remaining portion of the leave is unpaid. An employee does not accrue vacation leave or receive holiday pay during any portion of a leave that is unpaid.
- **Insurance Benefits** - The Company continues its contribution towards an employee's medical, dental, and life insurance premiums for the first twelve (12) weeks of a medical or personal leave of absence. Contributions are at the same level as if the employee was working, provided the employee continues to contribute their portion of the premium on a timely basis. After twelve (12) weeks, the employee is responsible for 100% of the insurance premiums.

All employee contributions, if any, must be paid on a timely basis in order to maintain the continuous coverage of benefits. Coverage will be cancelled if the employee's premium payments are not made within a 30-calendar day grace period of the due date. Premium payments and policy coverage are subject to change.

- **Insurance Continuation Coverage** - After four (4) weeks of a medical leave of absence, an employee is given the opportunity to elect insurance continuation coverage for the medical and dental insurance. If continuation coverage is elected, the employee is responsible for up to 102% of the insurance premiums.
- **Flexible Spending Accounts** - Employee contributions towards a medical and/or dependent care flexible spending account (FSA) continue to be deducted from an employee's paycheck on a pre-tax basis during any portion of a leave that is paid. Employee contributions towards a dependent care FSA do not continue during any portion of a leave that is unpaid. For an unpaid leave or at the time a paid leave becomes unpaid, an employee will be given the opportunity to elect continuation coverage for the medical FSA, if applicable. If elected, contributions are on an after-tax basis.

**Status Reports** - If an employee's request for a leave of absence does not indicate a specific return to work date or if an employee requests a leave extension, the employee must update the Human Resources Coordinator as to the employee's status and intent to return to work every two weeks.

**Extension of Leave** - An employee may request an extension of a leave of absence by submitting a written request to the Human Resources Coordinator at least two weeks prior to the end of the scheduled return-to-work date. In compliance with the Americans with Disabilities Act, United Auto Supply may grant a leave extension if it does not impose an undue hardship on the Company. The Company reserves the right to deny any leave extension request.

**Employment Restrictions** - While on an approved leave of absence, an employee may not work for another employer during the same work hours that the employee is normally scheduled to work for United Auto Supply.

**Return-to-Work** - At the conclusion of the leave, the following conditions apply:

- **Return Date** - If the employee's leave request indicates a specific return-to-work date, the employee should contact the employee's supervisor at least ten days prior to this date. If the ending date of the leave was not known at the time leave was granted, the employee must immediately notify the supervisor when a return-to-work date is established. If the Company determines that a position is available, the employee must report to work when scheduled;
- **Medical Statement** - For a medical leave of absence, a health care provider's statement releasing the employee to return-to-work with or without work restrictions is required. An employee will not be allowed to work until such medical documentation is provided. In the event that work restrictions are indicated, the Company reserves the right to evaluate if the restrictions can be reasonably accommodated (See *Policy 501 Equal Employment Opportunity*); and
- **Job Restoration** – United Auto Supply cannot guarantee jobs for employees who are on a leave of absence. If an employee is able to return to work within twelve (12) weeks, the Company shall attempt to return the employee to a position based on business needs and the availability of a position for which the employee is qualified.

#### **708 Time Off to Vote**

**Policy Statement** - In accordance with New York State regulation, an employee who is a registered voter and who does not have four consecutive nonworking hours to vote when the polls are open will be given up to two hours off with pay during the workday to vote. Any additional time off needed to vote is without pay. Generally, the time off will be granted either at the start or the end of the employee's work shift.

**Time Off Requests** - An employee who needs time off from work to vote must submit a time off request to the employee's supervisor no more than 10 nor less than two workdays in advance.

#### **709 Time Off to Donate Blood or Bone Marrow**

**Policy Statement** - In accordance with New York State regulation, eligible employees are granted time off during regular work hours to donate blood and/or to undergo a medical procedure to donate bone marrow.

**Eligibility** – An employee who works an average of 20 or more hours per week will be granted at least one leave of absence of up to three hours per calendar year during the employee's regular work hours to donate blood at an off-site location.

**Time Off Requests** - An employee must request time off at least three working days in advance. If the employee is donating blood for his or her own surgery or surgery of a family member, a shorter notice period will be accepted.

**Verification of Absence** – An employee is responsible for providing verification from a blood bank or similar organization showing that the leave of absence was to donate blood.

**Donating Bone Marrow** - The combined length of the absence shall be determined by the employee's health care provider, but may not exceed 24 work hours unless otherwise authorized by the employee's supervisor. United Auto Supply may require verification by a physician for the purpose and length of each absence requested by an employee to donate bone marrow.

**Use of Paid Leave Benefits** – An employee may elect to use credited, unused vacation leave; otherwise the time off is without pay. Exempt employees who have no accrued paid time available will not be docked for any partial-day absences.

## 800 COMPENSATION

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### 801 *Pay Rates and Pay Increases*

**Pay Rates** – United Auto Supply's goal is to compensate each employee based on merit, consistent with their job duties and responsibilities, and competitive with wages being paid for similar work in the community and industry. In addition, all compensation policy decisions take into consideration the Company's overall financial condition.

**Call-In Pay** - If an employee who is paid at the New York State minimum wage rate is required or permitted to report to work and is sent home early, the employee will be paid for four hours or the number of hours in the employee's scheduled shift, whichever is less. In some cases, an employee who is paid slightly above the minimum wage rate may also be eligible for call-in pay.

### 802 *Overtime*

**Policy Statement** - To meet operational requirements, an employee may be required to work beyond the employee's normally scheduled work hours and/or work on a normally scheduled day off.

**Authorization** - A non-exempt employee must receive authorization from the employee's supervisor before working beyond the employee's scheduled work hours. It is expected that an exempt employee may need to work beyond the employee's scheduled work hours on an as needed basis. An exempt employee does not need prior supervisory approval to work overtime hours.

**Compensation for Non-Exempt Employees** – A non-exempt employee who works beyond the employee's normally scheduled work hours receives the employee's base rate of pay for each additional hour worked, up to 40 hours during the workweek. Overtime compensation is provided for all hours worked in excess of 40 during a workweek at 1½ times the employee's regular rate of pay.

**Credit for Paid Leave** - Only actual hours physically worked are used to compute an employee's overtime hours. Paid holidays and vacation, PTO, sick, personal, bereavement, and jury duty leave are not considered time worked for the purpose of determining overtime hours.

**Compensation for Exempt Employees** - In accordance with federal and state regulations, an exempt employee is not eligible to receive additional or overtime compensation for any hours worked in excess of the employee's normal workday or workweek, including any hours worked over 40 during the workweek.

**Mandatory Overtime** - Employees are expected to work additional hours as needed to maintain optimal business operations. An employee's failure to work overtime hours that have been requested by the employee's supervisor may result in disciplinary action.

### 803 **Payroll Period and Payday**

**Payroll Period** - The payroll period begins Monday and ends 7 calendar days later on Sunday.

**Payday** - Employees are paid weekly on Thursdays for the hours worked during the previous pay period. If a payday falls on a designated holiday, paychecks are normally distributed on the preceding workday. The Company will notify employees in advance of any changes in pay days.

**Commissions** – Employees who are paid on a commission basis are paid their earned commission according to the Company's written commission plan. Refer to Separation from Employment (Policy 306) for information regarding the payment of commissions at the time employment ends.

**Distribution** - Paychecks are mailed to an employee's home address.

**Direct Deposit** - An employee may elect to have all or part of the employee's paycheck deposited directly into a checking and/or savings account at the employee's designated financial institution each payday. An employee must submit a signed, written authorization to the Company to initiate or change direct deposit.

**Authorized Check Release** - An employee's supervisor shall not release a paycheck to anyone other than the employee unless the employee has provided a signed, written authorization to the Company.

### 804 **Payroll Deductions**

**Statutory and Voluntary Deductions** - In compliance with government regulations, United Auto Supply deducts the required portion of an employee's wages for federal, state, and social security taxes. An employee may voluntarily authorize payroll deductions for items that are for the benefit of the employee, such as insurance benefits, 401(k) plan, etc., by submitting a written authorization to the Company. All statutory and voluntary payroll deductions are indicated on an employee's pay stub.

**Deductions from Exempt Employees' Pay** - In accordance with the Fair Labor Standards Act, exempt employees are generally paid on a salary or fee basis. Exempt employees generally receive a predetermined amount each pay period that is not reduced because of variations in the quality or quantity of their work. The Company may make deductions from an exempt employee's pay under the following, limited circumstances:

- Absences from work for one or more full days for personal reasons other than sickness or disability;
- Absences of one or more full days due to sickness or disability if the deduction is made in accordance with the Company's plan, policy, or practice of providing compensation for salary lost due to illness;
- To offset jury and witness fees or military pay;
- Unpaid suspensions of one or more full days for violations of workplace conduct rules;
- Penalties for infractions of safety rules of major significance;
- Weeks in which unpaid FMLA leave is taken; or
- During the initial or last week of employment if the employee does not work the entire workweek.



**Improper Payroll Deductions** - The Company prohibits any deductions from an employee's paycheck that are in violation of federal or state regulations. An employee who believes that an improper paycheck deduction has been made should contact the Human Resources Department immediately. If it is determined that an improper deduction was made, the employee will be promptly reimbursed.

**Garnishments** – An employee is notified as soon as possible if the Company is required to deduct any garnishments from the employee's wages.

**Questions** - Questions concerning paycheck deductions or how they were calculated should be directed to the Human Resources.

#### **805 *Pay Advances and Employee Loans***

**Policy Statement** – United Auto Supply does not give pay advances or employee loans nor does it distribute paychecks earlier than the scheduled payday.

#### **806 *Commission Plan***

**Policy Statement** - A commission plan has been implemented for sales staff as a part of, or in addition to, their wages. The commission plan is in writing and is distributed to all covered employees.

**Plan Modifications** - The commission plan may be modified or terminated at the Company's discretion. Covered employees will receive a copy of any revisions to the plan.

#### **807 *Bonus Plan***

**Policy Statement** – Solely at the Company's discretion, a bonus plan has been implemented for employees in select positions. Covered employees are made aware of the potential to earn a bonus when and if one is offered.

**Plan Modifications** - The bonus plan may be modified or terminated at the Company's discretion. Covered employees will receive a copy of any revisions to the plan.

## 900 EMPLOYEE BENEFITS

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### 901 *Employee Benefits Administration*

**Policy Statement** – United Auto Supply offers employees a comprehensive benefits package. Eligibility for benefits is dependent upon several factors, including employment classification and length of service.

**Plan Documents** – Detailed information about insurance benefits is covered in greater detail in the applicable benefit plan documents. Employee benefits are administered according to applicable government regulation, insurance contract, certificate of coverage, plan document, and/or Company policy. The Company has discretionary authority to determine eligibility for benefits and to interpret the terms of each benefit plan. In the event of a discrepancy between the information presented in this employee handbook and the applicable government regulation or insurance document, the government regulation or insurance document takes precedent.

**Changes in Benefits** - The Company reserves the right to add, modify, or terminate benefits for all current, former, and retired employees, to change carriers, and/or offer alternative insurance plans at any time. Further, all Company contributions are subject to change.

**Plan Administrator** - The CFO is the Plan Administrator of the Company's benefit plans. The Plan Administrator is responsible for all employee communications and disclosures concerning Company benefits and is available to answer any questions. Any questions related to the Company's benefits plans should first be directed to Human Resources.

**Enrollment Information** - An employee must complete the applicable insurance enrollment forms and payroll deduction authorization forms in order to receive insurance benefits.

**Waiver of Benefits** - An employee who is eligible to participate in an insurance plan but who declines coverage must sign a waiver declining such coverage.

**Change in Employment Classification** - If an employee's employment classification changes from part-time to full-time, the employee becomes eligible for full-time employee benefits on the first day of the month following the date the change becomes effective, provided other eligibility requirements are met. If an employee's employment classification changes or the number of hours normally worked per week falls below eligibility requirements for a particular benefit, the employee is notified of any changes in Company benefits. This notification includes information regarding insurance coverage continuation, if applicable. The employee will retain any credited, unused vacation leave credited as a full-time employee for the remainder of the current benefit year, in accordance with the applicable policy.

*The following is a brief overview of the benefits available to eligible employees. It is intended as a source of general information only. More detailed information on insurance benefits is available in the applicable plan document or government regulation.*

### 902 *Medical Insurance*

**Policy Statement** - The Company offers eligible employees comprehensive group medical insurance coverage.

**Eligibility** - Full-time employees are eligible to participate in the medical insurance plan on the first day of the month following one full month of employment, provided all eligibility requirements

of the plan are met. Eligible employees may also enroll in the medical insurance plan during the annual open enrollment period or at the time of a qualified change in employment or family status, as defined by the Internal Revenue Service (IRS) and the insurance carrier. Part-time and temporary employees are not eligible for medical insurance coverage.

**Coverage** - Eligible employees have the option of choosing between two (2) medical insurance plans. Individual and family coverage are available.

**Premium Payment** – United Auto Supply contributes a specified dollar amount per month towards the premium for individual or family medical insurance coverage for each eligible employee. Employees are responsible for the remaining portion of the insurance premium for the plan selected.

**Cancellation of Coverage** - An employee who is not participating in the Section 125 pre-tax premium plan may elect to cancel the medical insurance coverage at any time. The appropriate insurance cancellation form may be obtained from Human Resources. Cancellation becomes effective on the first of the month following the date the completed cancellation form is submitted to Human Resources.

**Continuation of Coverage** - In the event a covered employee, spouse, and/or dependents lose their medical insurance coverage, they may be eligible to continue such coverage at their own expense under certain qualifying conditions (See *Policy 504 Continuation of Benefits*).

### **903 Dental Insurance**

**Policy Statement** - The Company offers eligible employees comprehensive group dental insurance coverage.

**Eligibility** - Full-time employees are eligible to participate in the dental insurance plan on the first day of the month following one full month of employment, provided all eligibility requirements of the plan are met. Eligible employees may also enroll in the dental insurance plan during the annual open enrollment period or at the time of a qualified change in employment or family status, as defined by the Internal Revenue Service (IRS) and the insurance carrier. Part-time and temporary employees are not eligible for dental insurance coverage.

**Coverage** - Eligible employees may participate in the dental insurance plans. Individual and family coverage are available.

**Premium Payment** – United Auto Supply contributes a percentage of the premium for individual or family dental insurance coverage for each eligible employee. Employees are responsible for the remaining portion of the insurance premium for the plan selected.

**Cancellation of Coverage** - An employee who is not participating in the Section 125 pre-tax premium plan may elect to cancel the dental insurance coverage at any time. The appropriate insurance cancellation form may be obtained from the Plan Administrator. Cancellation becomes effective on the first of the month following the date the completed cancellation form is submitted to the Plan Administrator.

**Continuation of Coverage** - In the event a covered employee, spouse, and/or dependents lose their dental insurance coverage, they may be eligible to continue such coverage at their own expense under certain qualifying conditions (See *Policy 504 Continuation of Benefits*).

## 904 Section 125 Plan

**Eligibility** - Full-time employees may enroll in a Section 125 plan on the first day of the month following the employee's hire date, provided all eligibility requirements of the plan are met. Part-time and temporary employees are not eligible for this benefit. The options offered under the Section 125 plan are summarized below.

**Pre-Tax Insurance Premiums** - An employee may elect to pay the employee's contribution towards the medical and dental insurance premiums with pre-tax dollars, which means deductions are taken from the employee's paycheck before federal, state, and social security taxes are calculated. This reduces the employee's taxable income and increases net wages.

**Flexible Spending Accounts** - An employee may elect to have a pre-determined amount deducted on a pre-tax basis from the employee's paycheck each pay period to be placed in a medical flexible spending account (FSA), dependent care FSA, or both. Money an employee sets aside in a medical FSA may be used to cover certain medical, dental, and vision care expenses that are not reimbursable through the employee's insurance plan(s). Money set aside in a dependent care FSA may be used to cover eligible day care and nursery school expenses for covered dependents.

To receive reimbursement from an employee's FSA account, a claim for reimbursement and proof that the expense was incurred during the current plan year must be submitted to the Carrier via the address listed on the claim form.

The plan year is the calendar year and extends from January 1 through December 31. The Company has established a grace period during which an employee can incur reimbursable expenses. The grace period extends two and one-half months after the end of the plan year (March 15). Eligible expenses will be reimbursed during the grace period only if there are unused contributions in the employee's FSA account. Unused contributions remaining in an employee's FSA at the end of the grace period are forfeited.

An employee may submit claims for eligible expenses that were incurred during the current plan year up to 90 days after the plan year ends. Any funds remaining in an employee's account at the end of the plan year are forfeited.

**Election Changes** - Eligible employees may enroll in or decline coverage in the Section 125 Plan during the annual open enrollment period. Once a pre-tax election is made, it must remain in effect for the entire plan year unless a qualifying change in employment or family status, as defined by the IRS and the insurance carrier.

## 905 Life Insurance

**Eligibility** – United Auto Supply offers group term life insurance coverage to full-time employees on the first day of the month following employment, provided all eligibility requirements of the insurance plan are met. Part-time and temporary employees are not eligible to participate in the life insurance plan.

**Coverage** - The amount of the life insurance coverage is equal to the employee's annual gross earnings.

**Premium Payment** –The employee is responsible for 100% of the premium for self, spouse and/or dependent coverage.

**906 Retirement Plan**

**Policy Statement** – United Auto Supply administers a 401(k) plan that allows eligible employees to save towards their retirement.

**Eligibility** - Full-time employees who are at least 18 years of age or older and who work at least 1,000 hours per year are eligible to participate in the plan upon completion of one year of service on January 1<sup>st</sup> or July 1<sup>st</sup> following completion of one year of service. Part –time and Temporary employees are not eligible to participate in the plan.

**Contributions** - An employee may contribute a percentage or specified dollar amount of the employee’s eligible compensation to the plan, subject to limitations set by the IRS. All contributions are made by the Company. An employee’s contributions are made on a pre-tax basis.

The Company currently matches a maximum of 100% of the first 3% of the employee’s annual salary, based on the employee’s same contribution, and 50% of the employee’s contribution on the next 2% of annual salary the employee contributes to the plan. The Company’s contribution is subject to change. The Company’s contribution is determined annually. Any change in contribution level is generally announced in advance.

**907 Vacation Leave**

**Eligibility** - Full-time employees are eligible for paid vacation leave for a period of rest and relaxation in recognition for services performed throughout the year. Part-time and temporary employees are not eligible for paid vacation leave but are allowed unpaid time off with prior supervisory approval.

**Allowance** – While non-exempt employees do not earn vacation that can be used during their first partial year of employment, eligible employees are *credited* with paid vacation leave during the partial year in accordance with the following schedule:

<b>PARTIAL 1<sup>st</sup> YEAR PRORATED VACATION</b>	<b>VACATION LEAVE CREDITED</b>
Hired During 1 <sup>st</sup> Quarter	5 Days (40 Hours)
Hired During 2 <sup>nd</sup> Quarter	3.5 Days (28 Hours)
Hired During 3 <sup>rd</sup> Quarter	2.5 Days (20 Hours)
Hired During 4 <sup>th</sup> Quarter	1.5 Days (12 Hours)

<b>AFTER COMPLETE FULL YEAR OF SERVICE ON JANUARY 1</b>	<b>VACATION LEAVE CREDITED</b>
AFTER ONE FULL YEAR	5 Days (40 Hours)
AFTER THREE FULL YEARS	10 Days (80 Hours)
AFTER FIVE FULL YEARS	15 Days (120 Hours)

Vacation leave is credited based on the number of hours an employee is normally scheduled to work, up to a maximum of eight hours per day and 40 hours per workweek for a full-time employee.

Vacation leave is credited on January 1<sup>st</sup> for service completed as of an employee's preceding calendar year of service as indicated above.

Vacation leave is not credited before January 1<sup>st</sup> and may be taken only after it is credited.

**New Employees** – A newly hired employee is credited with vacation leave on the employee's one-year anniversary date. Upon completing the one year of employment, newly hired employees are credited with prorated vacation leave based on the amount of service completed between the employee's first day of employment and December 31<sup>st</sup>.

**Benefit Year** - The benefit year is the period commencing on January 1<sup>st</sup> and ending on December 31<sup>st</sup>.

**Vacation Leave Pay** - A non-exempt employee is compensated at the employee's current base rate of pay for each day of vacation leave taken, which may be used in half day increments. An exempt employee receives the employee's regular salary for the vacation period.

**Scheduling** - Vacation requests must be submitted in writing to an employee's supervisor at least 2 weeks in advance. Every effort is made to authorize vacations in accordance with employee requests, taking the date the request is received, operating requirements, and length of employment into account. Due to business needs, the Company may limit the number of employees who take vacation leave at any given time. In addition, the Company reserves the right to designate when some or all of an employee's vacation leave is taken. The same procedure is followed for time off requests immediately preceding or following a Company-observed holiday. However, in the event vacation leave must be denied to one or more employees due to multiple requests, consideration is given to the frequency with which an employee has requested and received time off around designated holidays in the past.

**Use of Vacation Leave** - Vacation leave may be used in increments of a half day. An employee who is on a FMLA leave may use credited, unused vacation leave in increments of 60 minutes. An employee may take a maximum of two (2) weeks of vacation leave consecutively.

**Accumulation** - Vacation leave is not cumulative and cannot be carried over into the next benefit year. Any credited, unused vacation leave remaining is forfeited on the last day of the benefit year. An employee is not eligible to receive payment in lieu of taking credited, unused vacation leave.

**Holiday During Scheduled Vacation** - If a Company-observed holiday falls on an employee's normally scheduled workday and the employee is on paid vacation, the day is counted as a paid holiday and not a vacation day. No allowance is made for sickness or other paid absence occurring during a scheduled vacation.

**Leave of Absence** - Vacation leave accrues while an employee is on a paid leave of absence (including paid FMLA leave) but does not accrue while an employee is on an unpaid leave of absence. For the purpose of this policy, paid leave is defined as leave during which an employee is using credited, unused vacation leave. An employee who has taken an unpaid leave of absence during the preceding benefit year is credited with prorated vacation leave on January 1<sup>st</sup> based on the time worked during the preceding year.

**Separation from Employment** - An employee who resigns, retires, or is laid off is not eligible to receive compensation for credited, unused vacation leave at the time of separation from the Company.

## 910 **Holidays**

**Observed Holidays** - The Company is closed for business to observe the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

**Eligibility** - Full-time employees are eligible for paid holidays upon hire. Part-time employees who work an average of 24 or more hours per week are eligible to receive four (4) hours of holiday pay if the day the Company observes the holiday is a normally scheduled workday. Part-time employees who work less than 24 hours a week are not eligible for holiday pay.

**Holiday Pay Requirements** - An employee must work the entire scheduled workday before and after the holiday unless time off has been authorized in advance or verification of the employee's illness is provided from the employee's health care provider. If a non-exempt employee fails to follow this procedure, the employee is not eligible for holiday pay. An exempt employee's pay will not be docked for failure to follow the required procedure but the employee may be subject to disciplinary action.

**Holiday Pay** - A non-exempt employee is eligible for holiday pay at the employee's current base rate of pay. An exempt employee receives the employee's regular salary for each Company-observed holiday. A holiday is not counted as time worked toward the calculation of overtime.

**Leave of Absence** - An employee who is on a paid leave of absence (including paid FMLA leave) is eligible to receive compensation for any Company-observed holidays that occur during the leave. For the purpose of this policy, paid leave is defined as leave during which the employee is using credited, unused vacation leave. An employee who is on an unpaid leave of absence is not eligible for any paid holidays that occur during the leave.

**Holiday Occurs during Vacation** - If a Company-observed holiday falls on an employee's normal workday and the employee is on paid vacation, the day is counted as a paid holiday and not a vacation day.

**Holiday Observance** - If a scheduled holiday falls on a weekend day, the Company will make an official announcement as to the date the holiday will be observed.

**Assigned to Work on a Holiday** - A full-time, non-exempt employee who is required to work on a designated Company holiday is eligible to receive holiday pay plus wages, for all time worked. Part-time and temporary employees who work on a designated holiday are paid at the employee's base rate of pay for all time worked. An exempt employee who is required to work on a designated Company holiday is eligible to take the corresponding time off during the current workweek.

**Holidays Not Designated by the Company** - An employee may request time off for Sabbath observance, to participate in a religious practice, or for a religious holiday that is not included in the above list of Company-observed holidays. Requests should be submitted in accordance with the Company's attendance policy (See *Policy 701 Attendance*). An employee will not be denied time off solely because it has been requested for religious reasons. Time off is generally granted so long as it does not create an undue hardship on the Company. A non-exempt employee may be allowed to make up the lost work time during the current workweek with prior supervisory approval, if work is available and if a mutually convenient time can be agreed to by the employee and the supervisor. An employee also has the option of using credited, unused vacation leave or taking the time off without pay (exempt employees are only docked for full day absences).

## 911 **Disability Coverage**

### **New York State Disability**

**Policy Statement** - New York State Disability benefits are available as a temporary benefit to eligible employees who are unable to work for a period of more than seven days due to a non-work related injury or illness.

**Eligibility** - An employee who has worked for the Company for at least four consecutive weeks or has recently worked for a "covered" employer is generally covered by c/n's disability plan. Minors who are currently attending elementary or high school are normally not covered.

An employee who is on an unpaid leave of absence for any reason other than the employee's own disability will remain eligible for New York State Disability insurance benefits for up to four weeks after the unpaid leave commences, should a qualifying injury or illness occur. After four weeks, an employee will no longer be eligible for New York State Disability benefits.

**Coverage** - Eligibility for benefits is determined by the Company's disability insurance carrier. An eligible employee is covered for the period of disability specified by the employee's health care provider and approved by the insurance carrier, starting with the eighth day of the disability and continuing up to a maximum of 26 weeks. An employee generally receives 50% of the employee's average weekly wages based on the previous eight weeks of employment, up to a specified maximum per week. There is no coverage for medical care related to the disability.

**Premium Payment** - Employees contribute a small amount towards New York State Disability insurance. The Company pays the remaining portion.

### **Short-Term Disability (Aflac)**

**Eligibility** - Full-time employees are eligible to participate in a group-sponsored short-term disability plan that provides income at the time of a qualifying injury or illness. Part-time and temporary employees are not eligible for this benefit.

**Coverage** - Eligibility for short-term disability benefits is determined by the insurance carrier. An eligible employee generally receive a portion of the employee's average weekly wages, up to a pre-determined amount based on your wage. Employees are eligible beginning on the first day of the month following one month of employment. There is limited cash reimbursement for medical care.

**Premium Payment** - Employees are responsible for 100% of the insurance premium.

## 912 **Workers' Compensation**

**Policy Statement** - Workers' compensation benefits consisting of cash benefits and medical care are provided to eligible employees who suffer a job-related injury or illness.

**Eligibility** - Employees are covered by United Auto Supply's workers' compensation plan upon hire.



**Coverage** - The Workers' Compensation Board determines an employee's eligibility for benefits. If deemed eligible, an employee is covered for the period of disability specified by the employee's health care provider and the Workers' Compensation Board.

**Benefits** - Coverage is provided for all necessary medical care received that is directly related to the original injury or illness and the recovery from such disability. An employee who is totally or partially disabled and unable to work for more than seven days is eligible for cash benefits starting with the eighth day of disability. If the disability extends beyond 14 days, cash benefits are paid retroactively for the first seven days of the disability. Cash benefits are normally calculated based on two-thirds of an employee's average weekly wages during the previous year multiplied by the percentage of disability, up to a specified maximum.

**Voluntary, Off-Duty Conduct** - Neither c/n or its insurance carrier is liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the Company.

**Leave of Absence** - The Family and Medical Leave Act Policy (*Policy 706*) or the Company's Leave of Absence policy (*Policy 707*) generally applies to an employee who is receiving workers' compensation benefits. Please refer to these policies for information regarding leave requests, benefit continuation, job restoration, etc.

**Premium Payment** - The cost of workers' compensation insurance is paid entirely by the Company.

### **913 Unemployment Insurance**

**Policy Statement** - Unemployment insurance benefits provide short-term financial assistance to individuals who have lost their jobs due to no fault of their own and are ready, willing, and able to work.

**Eligibility** - Eligibility for unemployment insurance is determined by the appropriate State Department of Labor.

**Cost** - The cost of unemployment insurance coverage is paid entirely by the Company.

### **914 Social Security and Medicare**

**Policy Statement** - Social Security and Medicare benefits are available for retirement, survivor's benefits, and medical costs under qualifying conditions as determined by the Federal Social Security Administration Office.

**Cost** - The Company matches employee contributions to social security (FICA) and Medicare.

### **916 Employee Discounts**

**Eligibility** - Full-time, part-time, and temporary employees are eligible to purchase merchandise at a reduced cost. Any purchases made in this Discount Program must be for personal use on your personal vehicle only and not for resale, or result in any personal profit. The employee's cost is the jobber price, less 24%.

**Sales Transactions** - Employee sales transactions must be handled by a member of management. Payment for invoices must be paid in full at the time of purchase.

**Restrictions** - An employee may only purchase items at a discount for the personal use of the employee or a current member of the employee's household. Employee purchases may not be made for relatives not living in the employee's household, for friends of the employee, or for commercial use or resale.

## 1000 PERSONAL CONDUCT

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### 1001 *Personal Appearance*

**Policy Statement** – United Auto Supply has developed dress and appearance standards for employees to promote a professional image to customers and the public. Each employee is expected to dress appropriately according to the work situation and to practice good grooming and hygiene.

**Dress Standards for Office Employees** - Employees who work in the office or have regular contact with the public and customers are required to wear appropriate attire. Business casual attire is permitted. However, when an employee is representing United Auto Supply to customers, prospective customers, or vendors, the employee may be expected to wear appropriate business attire.

**Inappropriate Attire** - Office employees are prohibited from wearing any type of clothing that does not properly represent United Auto Supply.

**Dress Standards for Warehouse Employees** - While there is no specific dress code for employees who work in the warehouse, employees are not allowed to wear suggestive, form fitting, or low-cut clothing, strapless or halter tops, shirts with inappropriate wording or pictures, or beachwear. Jewelry of any kind is not permitted.

**Grooming Standards** - An employee's hair, sideburns, mustache, and/or beard should be clean, combed, and well-groomed. Employees who have regular contact with customers and/or the public are not allowed to have visible tattoos and/or body piercings (other than earlobes). At the discretion of management, an employee may be required to fully cover a large tattoo.

Radical departures from conventional dress (e.g., excessive body piercings or tattoos) or grooming and hygiene standards (e.g., excessive perfume or cologne, body odor) are not permitted. United Auto Supply reserves the right to require employees to conform to its standards of personal presentation and appearance.

**American Flag** – In accordance with New York State labor regulation, the Company will allow an employee to display an American flag on the employee's person as long as it does not substantially or materially interfere with the employee's job duties.

**Reasonable Accommodation** - The Company will generally make an exception to its clothing, hairstyle, and/or grooming standards in order to reasonably accommodate an employee's disability or sincerely-held religious practice, unless it creates a safety concern or imposes an undue hardship on the Company. An employee should contact the Human Resources Coordinator to request an accommodation.

**Policy Violations** - An employee who reports to work inappropriately dressed or groomed may be sent home to change. A non-exempt employee is not compensated for any time lost from work to comply with this policy.

### 1002 *Misrepresentation*

**Policy Statement** - An employee is prohibited from intentionally misrepresenting him/herself or United Auto Supply to customers, vendors, government agencies, or anyone else the employee comes in contact with as a part of the employee's job. Examples of prohibited conduct include,

but are not limited to, falsifying or intentionally omitting information on the Company's *Application for Employment Form* or any report, invoice, or work-related document or record; falsifying the reason for absence from work, job-related injury, or claim for Company benefits; intentionally giving false information to a customer or potential customer concerning United Auto Supply's products and/or services; over or under charging a customer; and unauthorized or personal use of Company letterhead or business forms.

#### **1004 Outside Employment**

**Policy Statement** - It is the policy of United Auto Supply that an employee may engage in outside work as long as such outside work does not interfere with the employee's performance, pose an actual or potential conflict of interest, or compromise the interests of the Company. Outside employment that does or may constitute a conflict of interest is prohibited.

**Performance and Work Schedule Requirements** - An employee is judged by the same performance standards, regardless of any existing outside work requirements. An employee must meet all scheduling requirements of the Company, including business travel and overtime hours, and shall not receive authorization to report to work late or to leave work early in order to accommodate a second job.

**Use of Paid Leave Benefits** - An employee is not allowed to use paid leave or to take time off without pay to work at another employer.

**Restrictions** - An employee may not work for another employer or be self-employed if such work is in direct competition with United Auto Supply. An employee is not permitted to perform any work for the Company's customers during nonworking hours if these services are normally available from and/or performed by United Auto Supply. Further, an employee is prohibited from soliciting or performing any work for another employer, for the employee's own personal business, or for any other personal gain during working hours. No Company-owned equipment, supplies, or confidential trade information or techniques may be used for furtherance of an employee's personal business or for another employer.

**Notification of Outside Employment** - An employee who is interested in obtaining outside employment must discuss the matter with the employee's supervisor prior to accepting the job to ensure that the above guidelines are maintained. Newly hired employees who are employed by another employer, own their own business, or partake in other work activities must disclose this information on their *Application for Employment Form*.

## Vehicle Use & Safety Program

The personal safety of each employee of United Auto Supply is and always will be of primary importance to our Company. Safety is an overriding responsibility that demands attention from every person in our Company, from Corporate Headquarters to the outlying service centers. Safety is every employee's job.

Our longstanding objective is the creation and adherence to a safety program that reduces the number of accidents, with or without injuries, to a minimum, not merely in keeping with other operations similar to our own, but surpassing them in all aspects. This is based on the premise that on-the-job accidents and injuries don't just happen – they are caused. And those causes can be identified and controlled.

The efficiency of any operation can be measured directly by its ability to control loss. Accidents resulting in personal injury, damage to property and equipment, represent needless suffering and waste. The safety of our employees and the public will be the first consideration in the operation of our business.

It is the responsibility of all of us to create a safe working environment and ensure safe performance in that environment. The Company will provide all the mechanical and physical required for personal safety in keeping with the highest standards – but providing a safe environment is only the first step. To be successful, such a program must embody the proper attitudes toward accidents and injury prevention on the part of the managers, supervisors, and all employees. It also requires cooperation in all safety matters, not only between management and employees, but also between each employee and his/her co-workers. Only through such a cooperative effort can a safety program, in the best interest of all, be established and preserved.

All management personnel can expect to become involved in and lead safety meetings, self inspections, accident investigation and related activities. All employees can expect increased emphasis on safe work practices, use of personal protective equipment, and some will be asked to serve on safety committees. Everyone will be held accountable for working safely.

### **1005 *Driving on Company Business***

**Policy Statement** - Employees in certain positions may be required to drive Company, leased, rental, or personal vehicles to conduct business on behalf of United Auto Supply. Employees who drive on Company business must operate vehicles in a safe and responsible manner, and in compliance with all applicable motor vehicle and traffic regulations. Discourteous driving and accidents create a negative impression on the Company, and your attitude and driving habits must reflect the best Company image.

**Driver's License** - An employee who drives on Company business must possess a valid driver's license free from major infractions at the time of hire and throughout employment. An employee who operates a vehicle that requires a commercial driver's license (CDL) must possess and maintain this license throughout employment.

The driving records of final applicants and employees who apply for positions that involve driving as a part of job duties are checked following a conditional offer of employment. Thereafter, the Company conducts motor vehicle record checks on a regular basis in accordance with the requirements of the Fair Credit Reporting Act (FCRA).

**Driving While Impaired** - An employee is prohibited from driving on Company business if the employee's ability to drive safely has been impaired by illness, fatigue, injury, prescription medication, illegal drugs, or alcohol. An employee who is involved in a driving accident, who tests positive for these substances during a post accident drug screening will be summarily discharged.

**Change in Status or Loss of Driver's License** - An employee who drives on Company business must immediately notify the employee's supervisor if a ticket is received while driving a Company vehicle or if a conviction is received for any traffic violation (except parking) during working or nonworking hours. The employee's supervisor must also be notified immediately if the employee's driver's license is suspended, revoked, or cancelled, or if the employee becomes disqualified from operating or loses the right to operate a motor vehicle, including a commercial motor vehicle, for any period. An employee is not allowed to drive on Company business with a suspended or revoked license.

An employee's Company driving privileges may be suspended for receiving an excessive number of traffic citations, regardless of whether the citations were received while driving on Company business. If an employee's Company driving privileges are suspended and the employee's position requires regular use of a vehicle, the employee may be reassigned to another position, if available, or terminated for inability to perform the duties of the job.

**Traffic Violation** - The employee is responsible for paying the cost of any traffic or parking tickets, moving violations, or fines that result from driving on Company business.

**Use of Personal Vehicle for Company Business** - An employee who drives a personal vehicle to conduct Company business must have auto liability insurance (for both bodily injury and property damage) and proof of a minimum policy for liability coverage of \$100,000 per person/\$300,000 per accident. Proof of such insurance is required upon hire and on an annual basis thereafter. If an employee's liability insurance lapses, the employee's supervisor must be notified immediately.

**Company Liability** - The Company is not responsible for any damage to an employee's personal vehicle or loss or damage to personal property contained within the vehicle while parked on Company property.

**Cell Phones** – Due to the paramount importance to proactively prevent driving accidents, personal cell phones are not permitted in Company vehicles. Employees may use personal cell phones while on lunch or breaks, but only at their Store locations.

**Accident** - An employee must notify their supervisor immediately in the event of an accident, theft, or damage involving a vehicle being used for Company business, regardless of the extent of the damage or lack of injuries. A law enforcement officer should be summoned to the scene of any accident involving an employee or vehicle being used for Company business and an ambulance should be summoned if anyone appears injured. A copy of the Accident Report should be obtained from the police for submittal to the designated Purchasing Agent or the Human Resources Coordinator. **If involved in a driving accident with a UAS vehicle, you will be required to pay \$100.00 of each preventable accident.**

**Use of Company Vehicles** - Company-provided vehicles may be assigned to employees for the purpose of conducting Company business. Only authorized employees are allowed to drive Company vehicles. Company vehicles should only be used for authorized Company business and may not be used for the personal use or private gain of an employee or to transport unauthorized individuals or materials. Employees are prohibited from smoking in Company vehicles at all times.

In certain situations, the Company may provide a vehicle to an employee for business and personal use. In those situations, the employee is expected to report the personal use for W2 tax reporting purposes.

**Sunoco Credit Card** – Each vehicle is assigned a Sunoco Credit Card. (Fuelman Credit Cards where Sunoco is not available). The purpose of the card is for purchasing regular grade gas for the United Auto Supply vehicle you will be driving ONLY. Employees will be given a personal pin number to be used with the Sunoco Card and a record of your fuel purchases will be logged and monitored. Purchase receipts must be turned in on the same day as the transaction takes place.

**Company Vehicle Maintenance & Inspection** - Employees are responsible for maintaining Company vehicles in a neat and clean condition at all times. Papers and garbage are to be removed from the vehicle at the end of each trip. Vehicles should be maintained in a safe and secure condition when not in use. It is the employee's responsibility to notify the Store Manager when a Company vehicle is in need of maintenance or repair work.

Vehicles must be inspected daily with necessary maintenance reported. All diesel trucks must be plugged in at night when the temperature is expected to be less than 40 degrees. Employees must remember to unplug the vehicle before use the following morning. If a vehicle breaks down on the highway, dispatch must be immediately notified.

**Driver Training** - All Drivers must participate in Driver Safety Training n within one month of hire. Driver Safety Training is conducted by the Store Manager and must be successfully completed. [In addition, all Drivers will be expected to successfully complete a Driver Certification Program conducted by a qualified professional within one month of hire.](#) Should an employee be involved in an accident, it would be expected that the employee will retraining and/or some other approved form of training. Such –re-training may be required before the employee is permitted behind the wheel after an accident.

## **1006 Substance Free Workplace**

**Substance Free Workplace** - It is United Auto Supply's goal to provide a drug- and alcohol-free, healthy, and safe workplace. Employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

**Prohibited Behavior** - An employee is prohibited from possessing, using, selling, purchasing, storing, distributing, or manufacturing alcoholic beverages, illegal drugs, controlled substances, or narcotics on Company premises, at work sites, or at any location while representing the Company. An employee is also prohibited from having alcoholic beverages, illegal drugs, controlled substances, or narcotics present in the employee's system when reporting to work, during working hours, or at any time while conducting business-related activities. Drug paraphernalia, such as pipes and needles, is prohibited on Company premises, at work sites, and in vehicles being used for Company business.

The Company prohibits the off-premises abuse of alcohol and controlled substances, as well as the possession, use, or sale of illegal drugs, when these activities adversely affect job performance, job safety, and/or the Company's reputation in the community.

**Use of Prescription and Over-the-Counter Drugs** - Prescription drugs must be in the possession of the individual to whom the prescription was written, taken in the dosage prescribed, and maintained in their original containers. An employee is not allowed to use prescription drugs that have not been legally obtained or in a manner or for a purpose other than as prescribed. An employee in a public safety position must inform the employee's supervisor of any prescription or

legal, nonprescription (i.e., over-the-counter) drugs that are currently being taken if they could in any way affect or impair the employee's ability to perform the job safely. The legal use of prescribed and over-the-counter drugs is only permitted on the job if it does not impair an employee's ability to perform the job safely and it does not affect the safety or well being of other individuals in the workplace.

An employee should not drive on Company business if the employee's ability to drive safely has been impaired by illness, fatigue, injury, prescription medication, illegal drugs, or alcohol.

**Reporting of Problems** - Any observation or knowledge of an employee who is in a condition that impairs the employee's ability to perform job duties, presents a hazard to the safety and welfare of others, or appears to otherwise be in violation of the Company's substance free workplace policy should be reported to a member of management immediately.

**Drug-Free Workplace Act** – United Auto Supply complies with the Drug-Free Workplace Act. In accordance with the Act, an employee must notify the employee's supervisor of any criminal drug conviction occurring in the workplace within five days of the conviction.

**Screening for Drug or Alcohol Use** - In addition to the substance testing policy addressed below for commercial drivers, an employee may be tested for alcohol or illegal drugs where there is a reasonable suspicion that abuse, impairment, or a violation of this policy exists. Testing will be conducted in accordance with applicable state or municipal regulations and will generally follow Department of Transportation (DOT) regulations. An employee who agrees to take a reasonable suspicion test must sign a consent form authorizing such test and the Company's use of the test results for the purpose of administering its discipline policy. It is a violation of this policy to refuse to consent to the test or to test positive for alcohol or illegal drugs. Drug and alcohol tests are paid for by the Company, and are the property of the Company.

An employee who tests positive to a confirmed test for alcohol or controlled substances will be subject to disciplinary action, up to and including termination of employment. In the event an employee is not immediately discharged for testing positive or for some other violation of this policy, the Company, at its sole discretion, may allow the employee to return to work pursuant to the employee executing a written agreement acknowledging that:

- 1) The employee tested positive or otherwise violated this policy; and
- 2) In exchange for the Company not discharging the employee for this instance of testing positive or otherwise violating this policy, the employee agrees to:
  - a) Undergo rehabilitation, counseling or other activities prescribed by the Company's EAP provider and/or a licensed medical professional;
  - b) Periodic, unannounced drug and/or alcohol testing for a set time period; and
  - c) Be subject to discharge for any future violation of this policy.

An employee's participation in a treatment program does not prevent United Auto Supply from disciplining the employee for violations of this or other Company policies.

An employee who tests positive, admits to illegal drug use or related misconduct, or who voluntarily seeks assistance, and is not discharged, will not be allowed to return to work or continue working until the employee has been evaluated by a health care professional of United Auto Supply's choice to determine if the employee can safely return to work.



**Drug and Alcohol Testing Policy** - The Company has adopted a substance testing policy in compliance with the Omnibus Transportation Employee Testing Act of 1991. The purpose of this policy is to reduce accidents resulting from an employee's use of controlled substances and alcohol, thus reducing fatalities, injuries, and property damage. The policy applies to all covered drivers who operate commercial motor vehicles requiring a commercial driver's license (CDL) to operate. Pre-employment, random, reasonable suspicion, post accident, and follow-up substance testing are conducted. All covered employees receive a separate copy of this policy.

**Policy Violations** - Violations of this policy may result in disciplinary action, up to and including termination. The possession, use, sale, purchase, distribution, or manufacture of illegal drugs shall also be brought to the attention of the appropriate law enforcement agency.

## **1007 Personal Conduct**

**Policy Statement** - For the benefit and safety of employees, customers, and the Company, an employee must comply with United Auto Supply's standards of behavior and performance. Conduct that interferes with business operations, discredits United Auto Supply, or is offensive to coworkers, customers, or the public is not tolerated.

**Employee Responsibilities** - Employees are expected to conduct themselves in a professional manner and to treat coworkers, customers, vendors, and visitors with courtesy and respect. Appropriate employee conduct includes, but is not limited to:

- Performing all assigned job duties efficiently, to the best of the employee's abilities, and in accordance with established performance standards;
- Being fair, considerate, and honest with supervisors, coworkers, customers, vendors, and members of the public;
- Reporting any suspicious, unethical, potentially violent, or illegal conduct by coworkers or any other persons with whom the employee conducts business on behalf of the Company; and
- Cooperating with any United Auto Supply investigation.

**Prohibited Conduct** - An employee may be subject to disciplinary action, up to and including termination for a violation of a policy, procedure, or rule outlined in this employee handbook or otherwise established by the employee's supervisor. In addition, an employee may be subject to disciplinary action for engaging in any of the following:

- Offensive or unprofessional conduct that is contrary to the Company's best interests;
- Improper performance of job duties or repeated failure to perform assigned duties and responsibilities;
- Unauthorized expenditure of Company funds;
- Insubordination or refusal to obey a supervisor's instructions;
- The use of profane or abusive language, including racial slurs and epithets;
- Sabotaging the work of a coworker;
- Illegal gambling while on duty; and
- Any other act or conduct that is deemed unacceptable by the Company.

The above list is illustrative only and is not intended to limit the Company's right to impose discipline in other situations of inappropriate behavior.

### **1008 Corrective Discipline**

**Policy Statement** – To ensure smooth and efficient operations, United Auto Supply must have certain policies, procedures, and rules. Any conduct that interferes with operations or that discredits the Company will not be tolerated. The Company's disciplinary policy and procedures are intended to promote employee understanding of acceptable conduct and performance and to encourage corrective action to meet those standards. The Company strives to impose corrective discipline fairly, consistently, and in relation to the seriousness of the offense.

**Forms of Discipline** - Disciplinary action may include a verbal warning, written warning, suspension with or without pay, termination of employment, or other disciplinary measures, depending on the circumstances. The Company does not guarantee that one type of discipline shall precede another. Further, the Company reserves the right to suspend an employee with or without pay while an investigation is conducted.

**Payment During Disciplinary Suspensions** - In accordance with the Fair Labor Standards Act (FLSA), an exempt employee may be suspended without pay in partial or full day increments for safety rule infractions of major significance or in one or more full day increments for violations of workplace conduct rules (e.g., violations of the Company's policies relating to sexual harassment, discrimination, violence, and substance testing). Unpaid suspensions for exempt employees for any other reason are generally in full week increments only as required by the FLSA. Paid suspensions for exempt and non-exempt employees may be in partial day or partial week increments.

### **1009 Fraternization**

**Policy Statement** - In order to avoid an actual or perceived conflict of interest, the Company prohibits dating between a supervisor and an employee if the employee directly or indirectly reports to that supervisor. This policy is considered when assigning, transferring, or promoting an employee.

### **1010 Ethics**

**Policy Statement** – United Auto Supply expects all employees to maintain the highest standards of professionalism and integrity in the performance of their job duties and while representing the Company. All work must be performed in an ethical manner and in accordance with government regulations and Company policy.

**Prohibited Conduct** - An employee should never use the employee's position with the Company or relationship with internal coworkers or external constituents for private gain. An employee is expected to refrain from any illegal and/or dishonest business activity. In addition, an employee is prohibited from engaging in any activity that could have the potential to conflict with the interests of the Company, coworkers, or customers or that could be viewed unfavorably by customers or the public. Examples of prohibited conduct include, but are not limited to:

- Directly or indirectly soliciting or accepting a bribe, kickback, loan, gift, service, or entertainment from a current or prospective vendor, supplier, customer, or competitor for the

employee's personal gain in return for being influenced in connection with United Auto Supply business;

- Directly or indirectly giving a bribe, kickback, loan, gift, service, or entertainment to a current or prospective vendor, supplier, customer, or competitor in return for influencing that individual or organization in connection with United Auto Supply business;
- Having a direct or indirect financial interest or a personal business relationship with any business or person that does business with United Auto Supply without disclosure to and approval of the Company; and
- Investing in the stocks, bonds, or securities of a vendor, supplier, customer, or competitor if such transactions are based on any "inside information."

**Employee Guidance** - Because the Company is unable to list every example of conduct that may violate this policy, an employee should use good judgment and seek guidance and assistance from the employee's supervisor, if needed.

**Gifts** - An employee who is offered a gift, money, service, travel, entertainment, or other special consideration from any current or prospective vendor, supplier, or customer must politely refuse the gift, advising the giver of United Auto Supply's policy that prohibits its acceptance. However, an employee may accept inexpensive marketing items of token value, such as calendars, pens, and magnets.

## **1011 Conviction Notification**

**Policy Statement** - An employee must, as a condition of employment, inform United Auto Supply of all criminal convictions.

**Notification Prior to Employment** - An applicant must indicate any convictions on the Company's *Application for Employment Form* and/or indicate such convictions, if asked, during any employment interviews.

**Notification during Employment** - An employee is responsible for notifying their supervisor and the Human Resources Department within three days of receiving a misdemeanor or felony conviction.

**Employment Decisions Based on Conviction** - A criminal conviction does not necessarily disqualify an applicant from employment consideration or result in termination of a current employee. Employment decisions based on such information take into consideration the extent to which the offense relates to the functions of the particular job, the seriousness of the offense, rehabilitation, and length of time since the conviction.

## 1100 COMPANY PREMISES AND WORK AREAS

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### 1101 *Company Property*

**Policy Statement** - The purpose of United Auto Supply's property is for the smooth and efficient operations of the Company.

**Employee Responsibility** - An employee is responsible for any items issued by the Company that are in the employee's possession and/or control. All equipment must be used appropriately, handled carefully, and maintained in good condition. In addition, all operating and maintenance instructions must be followed. Supplies should be used efficiently and not wasted in order to save money and resources.

**Prohibited Uses of Company Property** - An employee should not deliberately destroy, deface, or misuse Company property. The theft or unauthorized removal or possession of Company property is prohibited.

**Damage to Company Property** - An employee must stop using and report any damaged, defective, or malfunctioning Company property to their supervisor immediately.

**Personal Use of Company Property** - An employee may not use or borrow any Company property for the employee's personal use.

**Personal Use of Company Facilities** - Employees and private individuals are prohibited from conducting any type of personal business, entertainment or non-business related activity on Company premises.

**Definition of Company Property** - For the purpose of this policy, United Auto Supply's property is defined as equipment, tools, supplies, keys, uniforms, vehicles, products and this employee handbook. This list is not all-inclusive.

### 1102 *Personal Belongings*

**Policy Statement** - The Company discourages an employee from bringing valuable, unnecessary, or inappropriate personal property to work, including work sites. Personal property that is brought onto Company premises must be appropriate for a business environment, should not be offensive to others, disrupt work, or pose a safety risk to other employees, customers, or visitors.

**Personal Liability** – United Auto Supply is not responsible for the personal belongings of employees. The Company will not repair, replace, or reimburse an employee for any damage to, or loss of, an employee's personal property. This includes personal items in Company, leased, rental, or personal vehicles.

**Music** - Radios, CD players, and similar items are allowed in work areas as long as the volume is kept low and the choice of music is not offensive to coworkers or customers.

### 1103 **Work Areas**

**Policy Statement** – United Auto Supply is dedicated to providing a safe, clean, and pleasant work environment for employees, customers, and visitors.

**Work Areas** - Work areas are to be maintained in a clean and orderly fashion. Equipment and supplies should be returned to their proper location after use. Coats, boots, and other personal items should be stored in designated locations.

**American Flag** – In accordance with New York State labor regulation, the Company allows an employee to display an American flag in the employee's work area as long as it does not substantially or materially interfere with the employee's job duties.

**Food and Beverages** - An employee should consume food or beverages in designated areas, such as the break room, in order to help minimize spills and clutter in work areas. Employees should also be careful with beverages when working with, or around, equipment and business materials.

**Housekeeping** - It is the responsibility of employees to keep the break room, cafeteria, conference rooms, meeting rooms, restrooms and the entire premises clean at all times. Please put items in their proper location after each use, dispose of garbage in the appropriate trash cans, and wash and put away dishes. Office paper, cardboard, newspapers, and other items that can be recycled should be placed in the designated containers.

### 1104 **Parking**

**Designated Parking** - Employee parking is available. Employees should not park in designated handicapped, customer, reserved, or visitor parking areas. When at work sites, employees must follow the parking guidelines established by the customer.

**Damage to Vehicles** – United Auto Supply is not responsible for the security of, or damage to, employees' vehicles or their contents while parked on the premises or while on Company business. Your Supervisor and/or the Human Resources Coordinator must be notified immediately of any accident, theft, or damage to a vehicle that occurs while on Company premises, regardless of the severity, so that the proper authorities may be notified.

### 1105 **Smoking**

**Policy Statement** – United Auto Supply is dedicated to providing a safe and healthy work environment for all employees. In compliance with New York State regulation, the Company maintains a smoke-free work environment.

**Smoking Restrictions** - The smoking and chewing of tobacco products is prohibited throughout the entire workplace, including the office, warehouse, meeting rooms, private and non-private offices, hallways, restrooms, Company vehicle or any grounds and parking lots owned by United Auto Supply.

**Policy Violations** – Violations of this policy will result in disciplinary action up to, and including, termination

## **1106 Charitable Solicitation and Distribution**

**Policy Statement** - The Company is supportive of charitable causes in the community. However, so as not to interfere with normal business operations, employees are not allowed to distribute literature or solicit/approach coworkers, customers, vendors, and/or visitors on Company premises or at any location while representing the Company. This includes the selling of any non-Company products or services (e.g., cosmetics, kitchenware) and collecting money for gifts or parties that are not sponsored by the Company. The sole exceptions to this policy are charitable and community activities supported by United Auto Supply.

**Non-Employees** - In an effort to ensure a productive and harmonious work environment, the Company prohibits non-employees from soliciting, posting, distributing literature, or engaging in similar activity on Company premises at any time for any purpose.

**Company Premises** - For the purpose of this policy, Company premises is defined as all Company buildings, stores, warehouses, parking lots, grounds, and work sites.

# 1200 SAFETY AND SECURITY

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## 1201 *Safety Program*

**Policy Statement** – United Auto Supply is committed to providing a safe and healthy workplace. All machinery, equipment and devices are placed, operated, guarded, and lighted to provide reasonable and adequate protection to all persons. The objective of the Company's safety program is to reduce the number of workplace injuries and illnesses to zero. Accidents can often be prevented through the use of reasonable precautions and the practice of safe working habits.

**Safety Officer** – Human Resources has been designated as the Company's Safety Officer.

**Communication and Information** - The Company provides workplace safety and health information to employees on a regular basis via staff meetings, training sessions, bulletin board postings, memos, and other written communications.

**Employee Suggestions** - Some of the best safety improvement ideas come from employees. Employees with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to contact their supervisor or the Safety Officer.

**Safety Hazards** - Any suspected safety hazard should be brought to the attention of a supervisor or the Safety Officer immediately. Examples of potential safety hazards include, but are not limited to, damaged or broken machinery or equipment, slippery floors, torn carpet, cords in aisles, and boxes located in walkways or blocking exit doors. Reports about workplace safety issues may be made anonymously if an employee chooses. An employee will not be retaliated against for making a report.

**Investigations** - The Human Resources conducts an investigation of all job-related injuries, illnesses, and near misses to determine the cause and attempt to prevent a recurrence.

## 1202 *Accidents*

**Accident Procedures** - In the event of a workplace accident, take the following steps:

1. Stop work;
2. Eliminate or isolate the immediate cause of the accident to prevent further injury;
3. Obtain aid for the injured person and summon assistance. If the injury appears serious, dial 9-1-1;
4. Call a supervisor immediately;
5. Take steps to prevent additional accidents; and
6. Complete an *Accident Report* with full details of the accident and submit it to the Human Resources Coordinator immediately following the accident. When an accident occurs which involves a non-employee, notify the Store Manager and/or the Human Resources Coordinator immediately, no matter how minor the accident or injury may appear and even if no one was hurt.

**First Aid Kit(s)** - First aid kits are located in designated locations throughout the building.

### 1203 **Building Evacuation**

**Evacuation Procedures** - An employee should be familiar with all exits in the building. In the event of a fire or other emergency that requires the building to be evacuated, the following procedures must be followed:

1. Leave the building by walking rapidly but calmly to the nearest exit door (do not run or push), assisting others along the way;
2. Immediately notify a supervisor or other designated person if anyone is having trouble leaving the building;
3. Do *not* take time to gather any Company property or personal belongings;
4. Assemble in the designated location immediately after exiting the building; and
5. Do not re-enter the building until a supervisor or other designated person gives authorization to do so.

Supervisors are responsible for the orderly exit of all employees within their department. Each supervisor should be the last one out of the department and should make sure that all doors are closed. Once outside of the building, the supervisor should account for all department employees.

**Fire Extinguishers** - Fire extinguishers are located in designated areas. Fire extinguishers are located throughout the building. Employees should be familiar with the location and operation of fire extinguishers. A fire extinguisher should only be used by an individual who has received training in its use and only if the fire is containable (e.g., wastepaper basket, garbage bin). A coworker should be instructed to dial 9-1-1 simultaneously. Leave the building immediately if the fire does not go out; never attempt to use a second extinguisher or take other measures to try and contain the fire.

### 1204 **OSHA**

**Policy Statement** – United Auto Supply complies with the safety and health standards that have been issued by the Occupational Safety and Health Act (OSHA). In order to prevent occupational injuries and illnesses, the Company makes every effort to provide a workplace which is free from recognized hazards that could cause physical harm to employees. In order to help the Company maintain a safe workplace, employees are expected to abide by OSHA's rules and regulations.

**OSHA Inspection** – A member of Management is to be notified immediately if an OSHA inspector arrives at the office, store, warehouse, or work site.

### 1205 **Building Security**

**Safety Precautions** - In order to ensure employee safety, prevent theft, and reduce accidents, an employee who enters or remains in the office, store or warehouse before or after normal business hours must exercise reasonable care for the employee's protection and must receive prior authorization from the employee's supervisor.

Whenever possible, there should always be a minimum of two employees on the premises, and a supervisor must be present. All exterior doors must be locked and no unauthorized persons should be allowed to enter the building. The offices, stores, and warehouses are equipped with a



security system. Employees who are authorized to enter or remain in the building before or after normal business hours are assigned a security code and issued a key.

**Video Recording** - Video surveillance equipment is used for safety and security purposes. In accordance with New York State labor regulation, the Company prohibits video recording in the bathrooms, locker rooms, or designated changing rooms.

**Securing the Premises** - The last person to leave the building at the end of the workday is responsible for locking all exterior doors and windows, turning the security system on and ensuring all appliances and lights are turned off.

## **1207 Visitors**

**Normal Business Hours** - Visitors should enter the stores and/or warehouses through the main entrance and report to the Manager. Visitors must be accompanied by an employee at all times while on Company premises.

**Non-Business Hours** - For safety and security reasons, visitors are prohibited from being on Company premises before or after normal business hours, unless otherwise authorized by a member of management.

**Definition of Visitor** - For the purpose of this policy, a visitor is defined as a customer, vendor, supplier, friend or family member of an employee, or any other non-employee.

### **Personal Visitors –**

An employee may have personal visitors on Company premises for brief visits during authorized meal and break periods as long as such visits do not interfere with operations or interrupt other employees who are still working.

## **1208 Workplace Violence**

**Policy Statement** – United Auto Supply considers the safety of its employees, or any individual on Company property to be of paramount importance. The Company has zero tolerance for any type of workplace violence committed by, or against, an employee, including threatening, intimidating, or inferring violence against any person or property associated with the Company.

**Notification of Threatening Behavior** - An employee who is a victim of, witness to, or becomes aware of any potentially dangerous situation, aggressive or hostile behavior, or threats or acts of violence, must inform their supervisor or another member of management immediately. Any suspicious individuals or activity must also be reported immediately.

**Investigations** – United Auto Supply treats any threat of violence as legitimate, and will take immediate appropriate action, including an investigation of the matter and the involvement of the police department.

**Prohibited Conduct** - The following conduct is prohibited at all times while on Company property or at any location while representing the Company:

- Fighting, provoking a fight, or threatening violence;
- Horseplay;

- Hostile behavior that creates a reasonable fear of harm to others or property; and
- Intentionally damaging Company or coworker property.

**Firearms and Weapons** – An employee is prohibited from possessing firearms or weapons of any kind while on Company premises; in Company, leased, rental or personal vehicles while conducting business for United Auto Supply; or at work sites, customer locations, or any other location during working hours or while representing the Company, regardless of whether the employee is licensed to carry the weapon. The only exceptions are law enforcement personnel and security guards.

**Policy Violations** - Violations of this policy will result in disciplinary action, up to and including termination and/or legal action.

### **1209 Security Inspections**

**Policy Statement** - To maintain security and protect against theft, United Auto Supply reserves the right to inspect all Company and personal property brought onto Company premises or work sites at any time with or without notice, if there is suspicion by management of theft, illegal activity, or similar behavior that may violate Company policy or government regulation. This includes, but is not limited to, Company and personal vehicles, packages, briefcases, purses, desks, lockers, and file cabinets, even if locked. The inspection will normally be conducted in the presence of the employee.

**Policy Violations** - An employee who refuses to allow management to inspect the employee's Company or personal property may be subject to disciplinary action, up to and including termination. In addition, an employee who steals from the Company will be subject to disciplinary action, up to and including termination, as well as prosecution to the fullest extent of the law.

## 1300 COMMUNICATION POLICIES

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### 1301 *Employee Questions and Concerns*

**Policy Statement** – United Auto Supply believes that open communication between employees and management is essential to a productive and successful work environment. It is the Company's intent to be responsive to employees' questions and concerns.

**Complaint Procedure** - An employee is encouraged to bring any questions or concerns to the attention of the employee's supervisor. Normally, employee issues can be resolved through conversations with the employee's supervisor. However, in the event that the supervisor does not resolve the issue to the employee's satisfaction or the concern involves the supervisor, the employee may contact Human Resources. A Human Resources Representative will review the situation and provide a timely response to the employee.

**Complaint Procedure for Compliance Policies** - If an employee's complaint involves any of the Company's compliance policies relating to harassment, sexual harassment, and/or discrimination, the employee should follow the complaint procedure outlined in *Policy 503 Complaint Procedure and Investigations*.

**Retaliation** - An employee will not be subject to retaliation or any adverse employment action that could affect the employee's job security or potential advancement because of bringing any work-related questions, concerns, or complaints to management's attention. An employee who believes that he or she has been retaliated against for filing a complaint should contact Human Resources immediately.

### 1302 *Employee Communications*

**Policy Statement** - Company information is communicated to employees via a variety of communication channels, including memos, e-mails, voice mail, payroll attachments, conference calls, staff meetings, and bulletin board postings.

**Staff Meetings** - Staff meetings are held periodically to report on issues of interest and open discussion on any concerns or problems you may wish to discuss. Staff meetings are mandatory unless an employee is excused by the meeting coordinator.

**Bulletin Board** - A bulletin board is located in areas frequented by employees for the posting of Company announcements and information of general interest. An employee should review the bulletin board on a regular basis.

An employee is prohibited from defacing or removing any items posted on the Company bulletin board(s).

**Posting of Material** – An employee is prohibited from posting any personal or non work-related materials on the bulletin board.

### 1303 *Use of Communications Systems*

**Policy Statement** – United Auto Supply’s communication systems and equipment are an integral part of the Company’s business, and are provided to employees to aid them in the performance of their job duties and to promote efficient operations.

**Definition of Communications Systems and Equipment** - For the purpose of this employee handbook, the Company's communications systems and equipment include, but are not limited to, telephones, voice mail system, pagers, cell phones, photocopiers, fax machines, incoming/outgoing mail, video and audio taping devices, Personal Digital Assistants (PDAs), and computer systems (e.g., networks, laptops, hardware, software, Internet, e-mail, instant messaging, text messaging, web blogs, and computer files).

**Company Property** - All Company communications systems and equipment are the sole property of United Auto Supply and are subject to review or access by the Company at any time. This includes the messages created, transmitted, stored, and downloaded on such systems and equipment.

**Passwords** - For security purposes, an employee may need a password to use some of United Auto Supply’s communications systems. Passwords are issued to employees by the Network Administrator. An employee must submit all passwords to the IT Department. While an employee may create their own passwords, it is expected that upon request, the passwords will be disclosed to their supervisor or to the IT Department. Passwords are confidential and should not be disclosed to anyone other than the employee’s supervisor or the IT Department. If it is suspected that a password has become known to others, it must be changed immediately and the IT Department must be notified.

**Prohibited Uses** - The following uses of United Auto Supply’s communications systems and equipment are prohibited. This list is meant to be illustrative and not exhaustive.

- Any illegal activity that violates copyright or other United States regulations, including the copying or distributing of copyrighted materials without the express permission of the author;
- Use of non-secure communications systems, such as e-mail, instant messaging, and cellular or photo phones, to transmit confidential, proprietary, or trade secret information;
- Displaying, storing or sending (by e-mail or any other any other form of electronic communication such as bulletin boards, chat rooms, Usenet groups, etc.) material that is personal in nature or fraudulent, harassing, embarrassing, sexually explicit, profane, obscene, intimidating, defamatory or otherwise inappropriate or unlawful;
- Distributing chain letters;
- Displaying, writing, transferring, e-mailing, sending, or storing obscene or sexually suggestive text or images;
- Attempting to remove or modify computer network equipment or software without proper authorization;
- Accessing, or attempting to access, the computer files or e-mail, text, instant, or voicemail messages of a coworker without appropriate authorization from a supervisor;
- Reading, copying, modifying, or deleting a coworker’s computer files or e-mail, text, instant, or voicemail messages without authorization from the coworker or a supervisor;
- Using or aiding in the unauthorized use of another person’s password;

- Soliciting or proselytizing for commercial ventures, other employers, religious or political causes, or for other non-job related purposes;
- Non-business and entertainment software, such as games, puzzles, wallpaper, screen savers, and videos should not be downloaded or used on Company computers, laptops, or PDAs
- Transmitting messages under an assumed name or attempting to obscure the origin of any message;
- Harming or destroying software, data, files, or messages (other than editing or deleting information in the normal course of job duties); and
- Intentionally tampering with, obstructing, or impairing the availability of any computer system, anti-virus software, network, or security feature, or circumventing any system intended to protect the privacy or security of another user.

**Company's Right to Monitor Communications Systems and Equipment** - There is no guarantee of privacy when using Company-owned communications systems and equipment. Management reserves the right to enter, search, and monitor the Company's communications equipment and files, with or without advance notice, and/or in the employee's absence, at any time in the normal course of business. This applies to all information, messages, and files that an employee creates, transmits, downloads, receives, stores, or deletes on such systems, including items that are password protected. Specifically, the Company has the ability to monitor sites visited by the employee on the Internet, chat rooms, newsgroups, all voice mail messages, and every e-mail message and file transfer into and out of the Company's network.

**Use of Audio and Video Recording Devices** - Due to confidentiality and personal privacy concerns, the use of camera/photo phones, PDAs, video cameras, tape recorders, and other audio and video recording devices are prohibited in the workplace. An employee must obtain advance authorization from a member of management before photographing, audiotaping, or videotaping any Company property, coworker, customer, or any other person on Company premises. Advance authorization from the individual(s) being photographed or taped is also required. Video recording devices and camera/photo phones are specifically prohibited in restrooms, locker rooms, restricted access areas, or in any other location where personal privacy is expected.

## **1304 Computers and the Internet**

**Issuing of Computer Systems** - The IT Department is responsible for issuing all computer hardware and software, laptops, PDA device, and flash drives to authorized employees.

**Computer Hardware and Software** – All computer software must be licensed and registered to the Company. No unauthorized or unlicensed hardware or software may be used or installed on any Company-owned computer, laptop, or PDA device. An employee may not reproduce, transfer, download, modify, or share licensed or non-licensed software with any coworker, business, client, or for the employee's personal use.

**User IDs and Passwords** - An employee is responsible for all computer transactions made with the employee's user ID and password. When leaving your computer for an extended period of time, an employee should log off of the computer. IDs and passwords should not be shared with anyone except an employee's supervisor or the IT Department.

**Virus Detection** – Employees should take the necessary anti-virus precautions before downloading or copying any file from the Internet. Files obtained from sources outside the Company, including disks brought from home; files downloaded from the Internet, newsgroups,

bulletin boards, or other online services; files attached to e-mail; and files provided by customers or vendors may contain dangerous computer viruses that may damage the Company's computer network. Employees should never download files from the Internet, accept e-mail attachments from outsiders, or use disks from non-Company sources, without first scanning the material with the Company's anti-virus software. The IT Department should be contacted immediately if an employee receives a suspicious e-mail attachment or believes there is a virus on the employee's computer or laptop.

**Professional Messages** - All e-mail, text, and instant messages should be written in a professional manner that reflects positively on both the Company and the employee.

**Personal Use** - The Company's computers, laptops, PDAs, and the Internet are generally reserved for business purposes. Personal use, including social networking sites such as Twitter, Facebook and blogging during working hours is prohibited.

**Inappropriate Web Sites and Computer Files** - An employee should not intentionally log on to any inappropriate or sexually explicit web sites. If you unintentionally become connected to an inappropriate or sexually explicit web site, you should disconnect from the web site immediately. The Company will delete any inappropriate files or material on Company-owned computers without notification to the employee.

**Social Media Posting and/or Blogging** - The Company does not have – nor is an employee authorized to develop – a corporate blog. The Company respects an employee's right to blog using the employee's own personal computer during his/her personal time. However, if an employee indicates on a blog that he or she is a United Auto Supply employee, it must clearly state that the views expressed are solely those of the employee and are not necessarily the views of the Company. Blogs should not include any proprietary and confidential company information; discriminatory statements or sexual innuendos regarding co-workers, management, customers, or vendors; or defamatory statements regarding the company, its employees, customers, competitors, or vendors.

### **1305 Telephone Usage**

**Policy Statement** – Because personal telephone calls can negatively affect productivity and distract coworkers, employees are not allowed to make or receive personal calls during working hours, unless it is an emergency. Long distance, personal calls should not result in charges to the Company if and/or when such calls are made during an employee's lunch or break.

Company telephones are not available for employee use. Incoming calls of a personal, non-emergency nature are not transferred to employees nor are messages taken. Emergency calls are transferred to employees immediately or a message is taken and delivered so that an employee may return the call as soon as possible.

**Personal Cell Phones or Pagers** - An employee should not make or receive non-business related calls on the employee's personal cell phone, pager, or PDA during working hours, except in an emergency. This includes sending or receiving and viewing text messages. Using a cell phone for calls and/or for texting while driving is strictly forbidden by both State Law and Company Policy. Any employee found to be using a phone while driving will be subject to the discipline procedure up to and including termination.

**Excessive Use** - If an employee's personal calls become excessive, affect an employee's job performance, and/or distract coworkers, the privilege of carrying a personal cell phone during working time may be revoked.

### **1306 Mail**

**Personal Mail** - An employee is not allowed to use the Company's mail system for personal use. Personal mail, including magazines and packages, should not be delivered to the workplace. The Company reserves the right to review all incoming mail, including mail addressed to individual employees.

**Stationery and Business Cards** - Business cards and personalized Company stationery may only be issued by United Auto Supply. Company stationery may not be used for an employee's personal use nor should an employee's personal correspondence appear to be official communication from United Auto Supply.

### **1307 Employee Suggestions**

**Policy Statement** – United Auto Supply values the suggestions and ideas of employees. Giving and receiving feedback is encouraged in order to promote a positive, productive, and cooperative atmosphere. An employee is strongly encouraged to inform the employee's supervisor and/or Human Resources, of any suggestions that may be valuable to the Company's productivity and success either in person, in writing or via the Human Resources Rapid Response Program. All suggestions are carefully reviewed and implemented, if feasible.

### **1308 Customer and Media Relations**

**Customer Relations** - Customers and the public should be assisted promptly and treated courteously and professionally at all times. Positive customer service can greatly enhance goodwill, while a negative experience can easily destroy a valuable customer relationship.

An employee who receives a verbal complaint from a customer, vendor, supplier, or member of the public should immediately report a rapid response via the United Auto Supply website.

**Media Relations** - All requests for information from the media (e.g., television, radio, and newspaper) regarding any aspect of United Auto Supply must be referred to a member of management.

**Written Documents Released to the Media** - All press releases, publications, articles, and any other written documents for release to the media must be approved in advance by the President.

**UNITED AUTO SUPPLY  
EMPLOYEE HANDBOOK ACKNOWLEDGMENT**

I hereby acknowledge that I have received a copy of United Auto Supply's employee handbook, which includes an overview of the policies, procedures, rules, and benefits of the Company. I further acknowledge that I have read or will read the contents of the employee handbook and I agree to abide by the policies contained therein. I am aware that if I have any questions regarding the contents of the employee handbook I should contact the Human Resources Coordinator.

I understand that the policies in this employee handbook may supersede, modify, or eliminate benefits, policies, procedures, or rules previously issued by the Company.

I understand that United Auto Supply reserves the right to interpret, add, modify, or revoke any provision in the employee handbook with or without cause or notice. I also understand that the employee benefits, policies, procedures, rules, and regulations in this employee handbook will remain in effect until notified otherwise by the Company. I agree to retain my copy of the employee handbook for future reference and to update it with any policy additions or revisions that the Company issues.

I am aware that my copy of the employee handbook and any United Auto Supply property in my possession must be returned to the Company upon my separation from employment or when requested by the Company.

I understand that I may be subject to reasonable suspicion substance testing as outlined in the Substance-Free Workplace Policy. I am aware that my refusal to consent to such a test or to test positive for alcohol or illegal drugs is a policy violation which will result in disciplinary action, up to and including termination.

Employment at United Auto Supply is employment-at-will. Accordingly, this employee handbook is not intended to be a contract of employment, a warranty of benefits, or a limitation on the Company's ability to terminate employees.

Failure to sign this employee handbook acknowledgement may result in disciplinary action, up to and including termination.

\_\_\_\_\_  
Employee Name (Please Print)

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Signature of Manager or Supervisor

\_\_\_\_\_  
Date of Signature