

GENERAL PARTS, LLC

EMPLOYEE HANDBOOK

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INTRODUCTORY STATEMENT

This handbook is designed to acquaint employees with General Parts and provide employees with information about working conditions, employee benefits, and some of the policies affecting employment. Employees should read, understand, and comply with all provisions of the handbook. It describes many of the responsibilities as an employee and outlines the programs developed by General Parts to benefit employees.

This handbook is not intended to create a contract or a term of employment between employees and General Parts.

All employees of General Parts are employees “at will.” This means that General Parts and its employees can terminate the employment relationship at will, at any time, with or without cause. No employment agreement or contract can be entered into without the written approval of the President of General Parts.

This handbook supersedes and revokes all verbal and written policies and procedures previously discussed or distributed. The provisions of the handbook have been developed at the discretion of management and may not be amended or added to without the express written approval of the President of General Parts. This handbook may be revised or modified from time to time and will be applied in accordance with state and federal law. If a policy in this handbook runs contrary to a law in the state where the employee works or resides, General Parts will comply with the law to the extent the Company is required to do so.

Your ideas and opinions are valuable to us and we are interested in the questions you may have. You should address any questions you have regarding the application of this handbook, your work, or our business practices to your supervisor or Human Resources.

WELCOME TO GENERAL PARTS

We are excited to have you as part of our team. You were hired because we believe you can contribute to the success of our business, and share our commitment to achieving our goals as stated in our mission statement.

General Parts is committed to quality and unparalleled customer service in all aspects of our business. As part of the team, we hope you will discover that the pursuit of excellence is a rewarding aspect of your career here.

At General Parts, we pledge to provide distinctive quality and unparalleled customer service as we strive to gain the respect and trust of our customers, suppliers and partner vendors.

The success of General Parts is determined by our success in operating as a unified team. We have to earn the trust and respect of our customers every day in order that the customers make the decision to choose our services. We sell service and service is provided by people. There are no magic formulas. Our success is built by creative, productive employees who are encouraged to make suggestions while thinking “outside the box.”

Your job, every job, is essential to fulfilling our mission everyday to the people who trust and respect us. The primary goal of General Parts, and yours, as one of its employees, is to live our mission statement and continue to be an industry leader. We achieve this through dedicated hard work and commitment from every employee. It is the desire of General Parts to have every employee succeed in their job, and be part of achieving our goals.

You should use this handbook as a ready reference as you pursue your career with General Parts. Additionally, the handbook assures good management and fair treatment of all employees. At General Parts, we want to recognize the contributions of all employees.

Welcome! I look forward to working with you.

Sincerely,

Bruce Hodge
President

ORGANIZATION DESCRIPTION

General Parts supplies parts and repair services to the commercial kitchen and restaurant industry. Many of our customers include fine dining, casual dining and fast food restaurants, colleges, universities, hospitals and nursing homes. We are a warranty service provider for most of the major restaurant equipment manufacturers.

We have multiple locations. Each location houses inventory and provides repair services within a certain radius of its location. In addition, we have satellite offices requiring only the tools and parts a technician will need to service remote areas of the state.

The company was established in 1939 and subsequently purchased in 1969 by John O'Shaughnessy. Originally, repairs were done on residential appliances. The commercial market was developed and became the focus of business during the 1970's. From the original location in Minneapolis and Fargo to multiple states, the company has demonstrated growth and a desire to continue that growth. In February 2006, the company was sold to Encore One, LLC. Encore One, LLC was established to help diversify the assets of the owners of Opus Corporation, one of the nation's largest and most successful commercial real estate developers. Encore One and Opus are based in Minneapolis, Minnesota.

The company is run by the President, Bruce Hodge, who offices in the Milwaukee office. Linnea Chrest is the Chief Financial Officer. Corporate offices are located in Minneapolis, MN.

Each of our locations has a branch manager who is the person responsible for certain aspects of the human resources function. Employees may contact that person or employees may contact the Human Resource/Payroll staff in Minneapolis if employees have specific questions.

The "Vision" of General Parts is to provide unparalleled service with the finest employees, be highly profitable, and share those profits with the people who made them possible.

WORKPLACE EXPECTATIONS AND GUIDELINES

General Parts holds a strong commitment to high ethical standards and full compliance with laws, regulations, and policies. Employees are expected to perform job duties and responsibilities in a manner that reflects the highest ethical and professional standards.

The successful business operation and reputation of General Parts is built upon the principles of fair dealing with customers and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of General Parts is dependent upon our customers' trust and we are dedicated to preserving that trust.

General Parts will comply with all applicable laws and regulations and expects its officers and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide employees with respect to lines of acceptable conduct.

Customer Relations

Customers are among our organization's most valuable assets. Every employee represents General Parts to our customers and the public. The way we do our jobs presents an image of our entire organization. Customers judge all of us by how they are treated with each employee contact. Therefore, one of our first business priorities is to assist any customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention employees give to customers.

General Parts strives to provide employees with appropriate levels of training to support our mission. Customers who wish to lodge specific comments or complaints should be directed to the Parts or Service Department for appropriate action. Our personal contact with the public, our manners on the telephone, and the communications we send to customers are a reflection not only of ourselves, but also of the professionalism of General Parts. Positive customer relations not only enhance the public's perception or image of General Parts, but also pay off in greater customer loyalty and increased sales and profit.

Employee and Supervisor Relationships

One of the most critical components of successful performance at General Parts is the partnership between employees and supervisors. This partnership provides the underlying structure for successful working relationships. The employee-supervisor relationship relies upon the communication and understanding of needs and expectations; the ability to discuss and resolve questions and problems; and, the sharing of suggestions for improvement of work processes, individual and team performance, and service to others.

Attendance and Punctuality

General Parts views attendance as an important facet of their job performance review. To maintain a safe and productive work environment, General Parts expects employees to be reliable and to be punctual in reporting for scheduled work. Regular attendance is essential to good performance by an individual and for the Company as a whole.

Employees are expected to arrive at work to start and be at their work station productively engaged in General Parts business by the scheduled start time. Where applicable, General Parts employees must punch in before beginning their work shift and punch out at the end of their shift. All such employees are expected to work their entire shift. Any digression from the above requirements could result in disciplinary action.

Absenteeism and tardiness are disruptive and place a burden on other employees and on General Parts. Either may lead to disciplinary action, up to and including termination of employment. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

All time off must be requested in advance and submitted in writing, as outlined in the appropriate categories. Paid time off (PTO), holidays, and absences such as jury duty, funeral leave or military training, must be specifically noted on the time cards for days on which they occur. All unapproved absences will be noted in the employee's personnel file. Excessive absences will result in disciplinary action, up to and including termination.

The following conditions may subject the employee to appropriate disciplinary action:

1. Tardiness and/or absence
2. Failure to notify supervisor if employees will be late
3. Leaving the work place early without supervisor's approval
4. Failure to notify their supervisor each day employees will be absent from work except during periods of extended absence, or an emergency condition which makes it impossible to notify)

All reasonable attempts must be made to notify the supervisor personally. Phone mail or the answering services may be used only when reasonable attempts to notify the supervisor were taken and were not successful. An employee may be considered to have voluntarily resigned without notice and separation from the payroll after having been absent for three consecutive workdays without notification to his/her supervisor concerning the absence.

Performance Evaluation

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. Performance reviews are normally conducted every twelve (12) months from the date of hire, with the exception of a 90-day review conducted at the conclusion of the "Introductory Period."

General Parts is committed to linking the opportunity for annual pay increases to staff performance during the year. Merit-based pay adjustments are awarded by General Parts in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the individual's performance evaluation and approved fiscal guidelines.

Performance and Work-Related Behavior

General Parts may take disciplinary action when such action is necessary for performance, behavioral, or any other work-related problem. The disciplinary action may vary according to the circumstances involved and may include oral or written warnings, suspension or termination. The company reserves its right to take any action it deems necessary, which may include immediate termination.

The following is a list of examples of unacceptable behavior as a reminder of the importance of maintaining a respectful and orderly business and work environment. In order for the company to function effectively, efficiently, and professionally, behavior such as the following will not be tolerated and will result in disciplinary action, up to and including termination of employment. This is not an all-inclusive list, but examples of behavior that the company will not tolerate:

1. Loafing, loitering, or wasting time during work hours; failure or refusal to perform work as directed by a supervisor or member of management.
2. Profane, obscene, abusive, or disrespectful language or behavior, or violence or harassment of any kind.
3. Failure to obey safety rules.
4. Excessive tardiness, absences or breaks.
5. Being under the influence of, possessing, consuming, or selling drugs or alcohol at work or while within the scope of employment.
6. Embezzlement, theft or inappropriate removal or possession of General Parts', other employees' or customers' property.
7. Falsifying time records.
8. Any violence in the workplace.
9. Conviction of a crime that would have a negative impact on General Parts' reputation or business.
10. Violation of any company policies, as set forth in this manual or as otherwise communicated verbally or in writing to employees.

When employees are not meeting workplace expectations, supervisors may counsel and coach them. Supervisors may also provide corrective action in such situations and document these corrective action processes. In some instances a "Performance Improvement Plan" may be initiated to assist supervisors and employees in addressing and resolving performance problems.

The goal of corrective action is to guide the employee towards satisfactory performance and/or appropriate behavior by identifying any deficiency, its causes and the expectation for meeting standards. If there is no improvement of the performance/behavioral or attendance standards, the corrective action may include termination. As stated previously, though, even the first violation,

or even if there is no violation of a Company policy, may lead to termination under at-will employment.

Personal Appearance

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image General Parts presents to the community. During business hours or when representing General Parts, employees are expected to present a clean, neat, and tasteful appearance.

Workplace attire must be neat, clean, and appropriate to the work being performed in the setting in which work is performed. Supervisors should determine and communicate appropriate workplace attire for their employees; uniforms may be required for certain positions.

Business Travel Expenses

General Parts will reimburse employees for reasonable business travel expenses incurred while on assignments away from the normal work location. All business travel must be approved in advance by the President.

When approved, the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by General Parts. Mileage reimbursement will be paid at the rate established each year by the Internal Revenue Service.

Employees are expected to limit expenses to reasonable amounts. Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by General Parts may not be used for personal use without prior approval. Cash advances to cover reasonable anticipated expenses may be made to employees, after travel has been approved.

Employees should submit a written request to their supervisor when travel advances are needed. When travel is completed, employees must submit completed travel expense reports within 15 days. Reports should be accompanied by receipts for all individual expenses. Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, travel advances, expense reports, reimbursement for specific expenses, or any other business travel issues. Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

Outside Employment

Outside employment that constitutes providing services that would normally be provided as a General Parts service, such as, but not limited to, repair to commercial kitchen equipment may not be done at any time for any individual or company. Employees may not receive any income or material gain from individuals outside General Parts for materials produced or services rendered while performing their jobs.

A conflict of interest exists when an employee has a relationship with an outside organization that can potentially bias the employee in such a way that they (or a member of their immediate family) could potentially stand ultimately to benefit financially by their relationship to that outside organization.

Employees may hold outside jobs as long as they meet the performance standards of their job with General Parts. All employees will be judged by the same performance standards and will be subject to General Parts' scheduling demands, regardless of any existing outside work requirements.

If General Parts determines that an employee's outside work interferes with performance or the ability to meet the requirements of General Parts as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain employed with General Parts.

Confidentiality

As a result of their association with General Parts, many General Parts employees have access to proprietary and/or confidential information. Any such information – whether it is verbal, written, faxed, photographic, or electronic – is considered as “privileged” and all employees are required to maintain such information in strict confidence.

Employees agree that they will not, either during or after employment with the Company, divulge, or disclose to anyone, except in the responsible exercise of their duties at General Parts, any such information, whether or not it has been specifically designated as “confidential”.

Should an occasion arise in which employees are unsure of their obligations under this policy, it is their responsibility to consult with their supervisor. Failure to comply with this policy could result in disciplinary action, up to and including termination.

Personnel Files

General Parts maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary changes, and other employment records.

Personnel files are the property of General Parts, and access to the information they contain is restricted. Generally, only supervisors and management personnel of General Parts who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact Human Resources. With reasonable advance notice, employees may review their own personnel files in General Parts' offices and in the presence of an individual appointed by General Parts to maintain the files.

Employee Information and Data Changes

Employee information and personal data is originally collected from each individual at the time of employment, and periodically verified or updated as necessary or as required by Human

Resources. The employee is responsible for promptly notifying the Human Resources Department of any change in personal data including, but not limited to: legal name, if changed by marriage or otherwise; mailing address and/or residence address; telephone number; marital status; number of dependents, for income tax and/or group insurance purposes; and/or insurance beneficiary information.

Employment Reference Checks

Human Resources will respond in writing only to those reference check inquiries that are submitted in writing. Responses to such inquiries will be limited to factual information that can be substantiated by General Parts' records, such as position held, dates of employment and wage/compensation.

USE OF COMPANY PROPERTY

General Parts will provide employees with the necessary equipment to do their job. None of this equipment should be used for personal use, nor removed from the physical confines of General Parts - unless it is approved and their job specifically requires use of company equipment outside the physical facility of General Parts.

Computer, Network, and Communication Systems

Computer, computer files, the e-mail system and the software furnished to employees are General Parts' property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization.

- Users are responsible for the security of their accounts. Passwords should be changed often and made secure to protect against hacking attempts. Users may not give their passwords or access to their accounts to others.
- Users must not attempt to circumvent data protection schemes or exploit holes in security measures, or to disguise the identity of themselves or the computer they are using. Evidence of security holes must be reported to the appropriate network/system administrator.
- Users must not run, install, or distribute on any computer systems, or give to another user, any software program or code, nor perform any other action, which is intended to or is likely to result in the eventual damage to or degradation of the performance of computer files, systems, or network resources. This includes, but is not limited to, the classes of programs known as computer viruses, bots, Trojan horses, and worms.
- Users must not perform acts that are deliberately wasteful of computing resources or which unfairly monopolize resources to the exclusion of others. These acts include, but are not limited to, distribution and/or redistribution of multimedia files, sending unsolicited bulk email (UBE), chain letters, creating unnecessary multiple jobs or processes, obtaining unnecessary output/printing or creating unnecessary network traffic.

To ensure compliance with this policy, computer and e-mail usage may be monitored. Employees should have no expectation to privacy in their computer usage.

General Parts strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, General Parts prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuses include, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

E-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations or other non-business matters.

General Parts purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, General Parts does not have the right to reproduce such software for use on more than one computer.

Unauthorized duplication of copyrighted computer software violates the law and is contrary to our organization's standards of conduct. We disapprove of such copying and recognize the following principles as a basis for preventing its occurrences:

- We will neither engage in nor tolerate the making or using of unauthorized software copies under any circumstances.
- We will provide legally acquired software to meet the legitimate software needs in a timely fashion and in sufficient quantities for all our computers.
- We will comply with all license or purchase terms regulating the use of any software we acquire or use.
- We will enforce strong internal controls to prevent the making or using of unauthorized software copies, including effective measures to verify compliance with these standards and appropriate disciplinary measures for violation of these standards.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. General Parts prohibits the illegal duplication of software and its related documentation.

Employees should notify their immediate supervisor, the MIS Manager or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

Telephones, cell phones, and pagers

The telephone lines at General Parts must remain open for business calls to service our customers. Employees are requested to discourage any personal calls - incoming and outgoing - with the exception of emergency calls. No long distance calls which are not strictly business-related are to be made on company phones. General Parts provides cellular telephones to some employees as a business tool. They are provided to assist employees in communicating with management and other employees, their clients, associates, and others with whom they may conduct business. Incoming calls to service technicians from clients are to be referred to the local dispatch office immediately. Cell phone use is intended for business-related calls. Cell phone invoices may be regularly monitored. Employees may have access to a cell phone while in their vans and should remember that their primary responsibility is driving safely and obeying the rules of the road. Employees are prohibited from using cell phones to conduct business while driving and should safely pull off the road and come to a complete stop before dialing or talking

on the phone. The same policy and procedure applies to personal cell phones used for business purposes or personal use during work hours. As a General Parts representative, cell phone users are reminded that the regular business etiquette employed when speaking from office phones or in meetings applies to conversations conducted over a cell phone. Text messaging is included in the above policy. The camera function of a cell phone should never be used in the workplace.

Company Owned Vehicles

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines. Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. The driver should not perform any repair work to vehicles. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others.

Each driver must inform their supervisor immediately whenever any of the following occurs:

- Issuance of a ticket for traffic violations
- Temporary restrictions on license
- Permanent restrictions on license
- Charged with driving while under the influence of alcohol/drugs
- Whenever involved in an accident.
- Any damage to any vehicle.

Drivers will be responsible for all tickets, towing and impoundment fees related to the vehicle. Exceptions to this will be any ticket related to safety for mechanical condition of the vehicle. Vehicles are to be operated by the Designated Driver only. Vehicles are to be used in connection with business activities only. Drivers must wear seat belts. Drivers must never allow hitchhikers or unauthorized riders. The driver is responsible for the interior and exterior cleanliness of the vehicle which is designed to assure the safe reliable use of the vehicle. Washing as needed is recommended for a clean, organized and professional appearance. The service manager will regularly inspect all vehicles. The insurance company for General Parts will review Motor Vehicle Records (MVR) on all company drivers annually. General Parts will be notified of any unsafe or high risk driving records. Loss of privileges up to and including termination may result from a disregard for any of the statements made in this policy.

Company Tools

General Parts will supply technicians with basic tools in order to adequately perform their jobs (see the Intranet for the company-supplied tool list). Technicians are responsible to reasonably safeguard company-provided tools and to replace them if they are lost. In the event of a tool theft from a job site or a service van, the service/branch manager will evaluate each instance to determine who will bear the replacement cost. No deductions to technicians wages or replacement by technician will be required except in accordance with applicable state law.

Company supplied tools that are broken/damaged/lost/stolen should be reported immediately to the service manager. Damaged and/or broken tools must be turned in to the service manager for

evaluation. A technician who incorrectly applies a tool that results in a broken or damaged tool will not warrant replacement by the company.

All technicians are to be equipped with their own hand tools, which are to be covered by a manufacturer's lifetime warranty and readily replaceable in the local market area. There are limited circumstances in which General Parts will replace a technician's own hand tool.

If a customer or one of their employees damages a tool, General Parts will replace the tool with a like quality (not an upgrade). It is the technician's responsibility to immediately inform the service manager and to make every reasonable effort to obtain the name of the person who damaged the tool. The service/branch manager will ascertain if the tool replacement cost will be passed along to the customer.

New employees are required on their start date to have sufficient personal tools to complete most service calls and will be supplied with company provided tools within 90 days of their start date. A tool inventory will be conducted upon the technician's three (3) month anniversary. Tool inventories are conducted once annually. Technicians are responsible for maintaining an up to date tool inventory list of personal tools. Tool lists for personal and company provided tools must be on file in the employee master files in Minnesota.

Tools supplied by General Parts are covered under the company's insurance policy. Tools supplied by the technician that are stolen or vandalized while in the service van or vehicle, at or on the job site, or on company premises will be covered by the company's insurance policy, so long as they are itemized and valued and are on the inventory list when the loss occurs. Technicians are encouraged to have their homeowners' insurance policies cover their tools in these circumstances, or store the tools in a secure location.

Any tools not listed on the inventory form in the Human Resources office when an act of damage, theft or vandalism occurs will not be reimbursed to the technician by General Parts.

Return of Property

Employees are responsible for items issued to them by General Parts or in their possession or control. All General Parts property must be returned by employees on or before their last day of work. General Parts may also take all action deemed appropriate to recover or protect its property. Failure to return property to the company may result in the cost being deducted from the employee's paycheck where permitted and in accordance with applicable state law.

WORKPLACE HEALTH AND SAFETY

General Parts is committed to promoting and supporting a safety culture that will help maintain employees' health, increase productivity, minimize lost work time, and reduce costs. Every employee is responsible for taking all practical steps to bring conditions, behaviors, or practices that create risks to the General Parts community to the attention of their supervisors.

To assist in providing a safe and healthful work environment for employees, customers, and visitors, General Parts has established a workplace safety program. This program is a top priority for General Parts. The Safety Manager has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all. Failure to comply with the safety policy may result in corrective action up to and including termination of employment.

General Parts provides information to employees about workplace safety and health issues through regular communication. A safety advisory group has been established to assist in these activities and to facilitate effective communication between employees and management about workplace safety and health issues.

Employees have a duty to comply with the safety rules of General Parts, adhere to all safety instructions provided by their supervisor, and use safety equipment that is provided to help create and maintain a safe working environment. When safety concerns are suspected or discovered, employees are required to report all relevant information about the concerns to their immediate supervisors.

Reporting Injuries, Accidents and Worker's Compensation

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the appropriate supervisor. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures. The work related accident may be covered by the Worker's Compensation Insurance that General Parts maintains pursuant to the laws of the states in which General Parts operates.

Employees should report safety violations or injuries to the Safety Committee, even if they are not the injured or violating party. No employee will be punished or reprimanded for reporting safety violations or hazards and may make the report anonymously. However, General Parts may need to investigate the safety violation or injury and may seek cooperation during the investigative process. Any deliberate or ongoing safety violation, or creation of hazard by an employee will be dealt with through corrective action by General Parts, up to and including termination.

Additional information on Worker's Compensation Insurance is available from Human Resources.

Disability and Impairment

Employees with physical or mental impairments that affect their abilities to perform their job should discuss their situation with their supervisor. Employees who need a reasonable accommodation should contact Human Resources.

Severe Weather and Emergency Conditions

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility. When the decision to close is made AFTER the workday has begun, employees will receive official notification from their immediate supervisor, and time off from scheduled work will be paid. If the employee chooses to leave before the office is officially closed and is a nonexempt employee under wage and hour laws, the time will be considered unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused PTO benefits. In cases where an emergency closing is not authorized, employees who fail to report for work will not be paid for the time off. Employees may request available paid leave time such as unused PTO. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay.

Smoking & Use of Tobacco

In keeping with General Parts' intent to provide a safe and healthful work environment, smoking and the use of tobacco is prohibited throughout the workplace. This policy applies equally to all employees, customers, and visitors.

Alcohol and Drug Policies

General Parts prohibits and will not tolerate the use, possession, storage, manufacture, distribution, dispensation, sale or transfer of controlled substances, drugs or alcohol while on-the-job, during work hours, while conducting Company business, in General Parts-owned or supplied vehicles, on Company premises, or on the premises of the Company's customers or clients. General Parts, will make limited exceptions to this rule for social alcohol use in the interest of client relations or employee events when the circumstances warrant. Limited and responsible alcohol consumption is acceptable in special circumstances. For example, employees may consume alcohol when appropriate for entertaining clients. This exception is not to be construed as permission for regular, or excessive alcohol consumption on Company premises or while doing Company business. Employees and those doing business for General Parts are expected at all times to use alcohol responsibly, and violations of General Parts' policies will not be excused by the use of alcohol. Employees must notify their supervisor of the use of prescribed medications or over-the-counter medications that may affect their ability to work with or operate motor vehicles, machinery or equipment or in any other way affect their ability to function while on the job. Violation of any of these rules may result in discipline, including, at the discretion of the management, immediate termination of employment. Employees must notify Human Resources if they believe this policy has been violated.

Workplace Violence Prevention

General Parts is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, General Parts has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to their immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, employees should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor.

General Parts will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, General Parts may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to corrective action up to and including termination of employment.

General Parts encourages employees to bring their disputes or differences with other employees to the attention of their supervisors or Human Resources before the situation escalates into potential violence.

EMPLOYMENT

Employment with General Parts is at-will and either General Parts or the employee may terminate the relationship with or without cause at any time.

Job Descriptions

General Parts makes every effort to create and maintain accurate job descriptions for all positions within the organization. General Parts maintains job descriptions to aid in orienting new employees to their jobs, identifying the requirements of each position, establishing hiring criteria, setting standards for employee performance evaluations, and establishing a basis for making reasonable accommodations for individuals with disabilities.

Human Resources and the hiring manager prepare job descriptions when new positions are created. Existing job descriptions are also reviewed and revised in order to ensure that they are up to date. Job descriptions may also be rewritten periodically to reflect any changes in the position's duties and responsibilities. All employees will be expected to help ensure that their job descriptions are accurate and current, reflecting the work being done.

Employees should remember that job descriptions do not necessarily cover every task or duty that might be assigned, and that additional responsibilities may be assigned as necessary.

Fair Labor Standards Act (FLSA)

The FLSA establishes provisions and standards to determine overtime pay, hours worked, record-keeping plans, and child-labor provisions. Employees at General Parts are either classified as performing "exempt" or "non-exempt" work based upon regulations of the FLSA.

Non-Exempt Status

Employees performing non-exempt work may be paid by General Parts on an hourly or salary basis. General Parts is also required to pay employees performing non-exempt work for all hours worked beyond 40 hours in a workweek at the rate of one-and-a-half times their regular hourly wage rate for that work week in which overtime occurs.

Exempt Status

Employees performing exempt work are not covered by the overtime pay provisions of the FLSA and are not eligible to receive overtime pay for hours worked beyond 40 in a workweek. Employees performing exempt work are paid on a salary basis.

The normal workday is eight (8) hours for non-exempt employees. Forty (40) hours is a normal work week. Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Supporting needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

Exempt employees generally work the same hours, but may be required to work more or less hours as the work dictates to get the job done.

While employees are generally expected to work the number of hours stated above, General Parts does not guarantee that employees will actually work that many hours in any given day or week. Non-exempt employees will only be paid for such hours the employee actually works.

Employment Categories

It is the intent of General Parts to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and General Parts.

Regular Full-Time employees are those who are not in a temporary or introductory status and who are regularly scheduled to work General Parts' full-time schedule. Generally, they are eligible for General Parts' benefit package, subject to the terms, conditions, and limitations of each benefit program.

Regular Part-Time employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 32 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all of General Parts' other benefit programs.

Introductory employees are those whose performance is being evaluated to determine whether further employment in a specific position or with General Parts is appropriate. Employees who satisfactorily complete the introductory period will be notified of their new employment classification.

Temporary employees are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status or guarantee to continued employment. Temporary employees retain that status unless and until notified of a change. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of General Parts' other benefit programs.

Job Posting

General Parts provides employees an opportunity to indicate their interest in open positions and advance within the organization according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although General Parts reserves its discretionary right to not post a particular opening. Other recruiting sources and outside candidates may also be used to fill open positions in the best interest of the organization.

General Parts will reward employees (excluding management) through a referral bonus for identifying friends or acquaintances who are interested in employment opportunities and refer qualified outside applicants for posted positions. Employees should obtain permission from the individual before making a referral, share their knowledge of the organization, and not make

commitments or oral promises of employment. An employee should submit the referral's resume and/or completed application form to Human Resources for a posted job. If the referral is interviewed, the referring employee will be notified of the initial interview and the final selection decision.

Transfers and Promotions

Employees may have the opportunity for career growth and advancement through transfers and promotions within General Parts. Expressing an interest in a transfer or promotion at General Parts will not adversely affect an employee's current employment.

Employment Applications

General Parts relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment.

Introductory Period for New Employees

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. General Parts uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or General Parts may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

Any significant absence will automatically extend an introductory period by the length of the absence. If General Parts determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, it may extend the introductory period for a specified period.

During the introductory period, new employees are eligible for those benefits that are required by law, such as workers' compensation insurance and Social Security. Subject to the terms and conditions of each benefits program, the employee may also be eligible for other General Parts provided benefits. Employees should read the information for each specific benefits program for the details on eligibility requirements.

Termination of Employment

Resignation is a voluntary act initiated by the employee to terminate employment with General Parts. Although advance notice is not required, General Parts requests at least 2 weeks' written resignation notice from all employees.

General Parts will generally schedule exit interviews at the time of employment termination. In order to assist with General Parts' retention and recruitment efforts, an exit survey process has been established for employees terminating their employment with General Parts. This process is designed to elicit voluntary information concerning their experience at General Parts and their reasons for leaving. Suggestions, complaints, and questions can also be voiced. This data is

collected, analyzed, and reported anonymously as part of General Parts' continuing efforts to improve its policies, practices, and programs as well as to create a more favorable workplace environment and experience.

The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to General Parts, or return of General Parts-owned property. Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

BENEFIT OPPORTUNITIES

Eligible employees at General Parts are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law. Most benefit plans have eligibility requirements, such as Regular Full-Time employee classification.

General Parts offers Regular Full-Time employees and their family members a strong foundation of core benefits that offer value, including quality health and dental care plans, reimbursement accounts, retirement plans, disability, and life insurance.

Health Insurance:

Regular Full-Time employees are eligible to enroll in one of two major medical insurance coverage choices (the VEBA plan or the PPO plan). Health insurance coverage includes a prescription drug program. Premiums are deducted from paychecks on a pre-tax basis – with General Parts paying a major portion of the premium.

Dental Insurance:

Regular Full-Time employees are eligible to enroll in the dental plan, which covers preventive, basic, and major restorative services up to an annual benefit maximum. The dental plan also includes a vision care program. Participation in the dental plan is voluntary and the premiums are paid entirely by the employee.

Reimbursement Accounts (Flexible Spending Account – FSA):

General Parts offers two types of reimbursement accounts that allow Regular Full-Time employees to take advantage of tax savings on eligible expenses: Health care (for health care expenses not covered by insurance), and Dependent care (for reimbursement of day care expenses for eligible dependents).

401(k) Savings Plan:

General Parts has established a 401(k) savings plan to provide employees the potential for future financial security for retirement. To be eligible to join the 401(k) savings plan, you must complete 90 days of service and be 18 years of age or older. Eligible employees may participate in the 401(k) plan subject to all terms and conditions of the plan. The 401(k) savings plan allows you to elect how much of your salary you want to contribute and direct the investment of your plan account, so you can tailor your own retirement package to meet your individual needs. General Parts also contributes an additional matching amount to each employee's 401(k) contribution.

Profit Sharing:

General Parts has established a profit sharing plan. Eligible employees may participate in the plan subject to all the terms and conditions of the plan. To be eligible for the profit sharing plan, you must complete 12 months of service and be 18 years of age or older. If company profits reach certain levels, profits may be shared with the employees through increased matching of employee contributions to the 401k plan or through other forms of distribution.

Long Term Disability Insurance:

In addition to disability coverage from Social Security, General Parts has a long-term disability insurance plan that provides 60% of an employee's salary in disability income after the employee has been disabled for 30 consecutive days. This figure is reduced by any other disability income benefits to which the employee is entitled.

Life and Accident Insurance:

Basic Term Life and Accidental Death & Disability coverage is provided by the company at no cost to the employee. Additional life insurance coverage is available to employees who wish to supplement life insurance needs. Participation in the supplemental life plan is voluntary and the premiums are paid entirely by the employee.

Details of specific plans are described in the Summary Plan Description (SPD), available via the employee intranet. An SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees. Any differences between the summary provided in the handbook is superseded by the terms and conditions of the plan documents. General Parts reserves the right to modify, change, or amend any of the benefits provided to employees in accordance with the plan documents and under state and federal law.

TIME AWAY FROM WORK

Paid Time Off

Paid time off (PTO) is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Regular Full-Time employees are eligible to earn and use paid time off as described in this policy. PTO is accrued bi-weekly and is available for use after 180 days from date of hire. Upon completion of the 180-day waiting period, accrued PTO will be credited retroactively to the initial date of employment. Annual accrual rates are based on years of service from the employee's most recent employment date in a Regular Full-Time position.

Employees do not accrue PTO during the 180-day waiting period. Employees who terminate with less than six months service will not receive payment for PTO. Upon completion of the 180-day waiting period, the employee will be credited PTO retroactively to the initial date of hire.

Years of Service	Annual Accrual	Carry-over Limit	Maximum Balance
After 6 months < 1 year	7.5 days	7.5 days (60 hours)	30 days (240 hours)
1 – 3 years	15 days	22.5 days (180 hours)	30 days (240 hours)
4 years	16 days	24 days (192 hours)	30 days (240 hours)
5 years	17 days	25.5 days (204 hours)	30 days (240 hours)
6 years	18 days	27 days (216 hours)	30 days (240 hours)
7 years	19 days	28.5 days (228 hours)	30 days (240 hours)
8 years	20 days	30 days (240 hours)	30 days (240 hours)
9 years	21 days	30 days (240 hours)	30 days (240 hours)
10 years	22 days	30 days (240 hours)	30 days (240 hours)
11 years	23 days	30 days (240 hours)	30 days (240 hours)
12 years	24 days	30 days (240 hours)	30 days (240 hours)
13 years +	25 days	30 days (240 hours)	30 days (240 hours)

Limits are imposed on the amount of PTO that can be maintained as a balance and on the amount of PTO that can be carried forward from one calendar year to the next. Current PTO account balances may not exceed one and one-half (1.5) times the employee's annual accrual rate. At the end of each calendar year, unused account balances up to the employee's annual accrual rate will be carried forward to the next calendar year. An employee may not have a balance of more than two hundred forty (240) accrued and unused PTO hours. If an employees' balance equals two hundred forty (240) hours, the employee will not accrue any additional PTO hours.

Upon termination employees will be paid for accrued, unused PTO. If the employee has taken more PTO than actually accrued at the time of resignation, the unearned PTO will be deducted from the employee's final pay check upon authorization by employee and in accordance with state and federal law.

PTO must be scheduled in advance and approved by your supervisor, except in cases of illness or emergency. The PTO Policy does not cover scheduled holidays, time off for jury duty or bereavement leave. Questions about PTO earned and used should be referred to your supervisor.

Holidays

Regular Full-Time employees will receive 6 paid holidays per year, including New Year's Day (January 1), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25).

Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. To be eligible for holiday pay, employees must work the last scheduled day immediately preceding and the first scheduled day immediately following the holiday, unless previously approved by the supervisor.

Regular Part-Time and temporary employees are not paid for holidays, unless they are specifically requested to work on the designated holiday. An employee who has been suspended for disciplinary reasons during a holiday is not eligible for holiday pay. A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday. If a recognized holiday falls during an eligible employee's paid absence (PTO), holiday pay will be provided instead of the paid time off benefit that would otherwise have applied. If eligible nonexempt employees work on a recognized company holiday, they will receive holiday pay plus wages at two times their straight-time rate for the hours worked on the holiday.

Medical Leave

Medical leave is intended to complement the leave rights granted to employees by the Family Medical Leave Act and/or state laws. In accordance with the Family and Medical Leave Act of 1993, General Parts will grant employees who have been employed with the Company for twelve (12) months in total, and have worked at least one thousand two hundred fifty (1,250) hours during the twelve (12) month period prior to commencement of the leave, an unpaid leave of absence for up to twelve (12) weeks for any of the following reasons:

1. To care for their child after birth, adoption or placement in foster care. Any new parent leave must be taken within (12) months of the birth, adoption or placement.
2. For a serious health condition that makes employees unable to perform their job, or to care for their spouse, child, or parent, who has a serious health condition.
 - a. For purposes of these provisions, a "serious health condition" is a condition that involves inpatient care in a hospital, hospice or residential medical care facility or continuing treatment by a health care provider.
 - b. Leave due to a serious health condition of employees or their spouse, child, or parent may be taken on an intermittent or reduced leave schedule.

General Parts calculates its Medical Leave using a “rolling” 12 month period. This means that the twelve (12) month period is calculated from the first day that medical leave is taken. Once such leave is begun, only 12 weeks total can be taken in the 12 months following that date. Accordingly, no more than twelve weeks of leave can be taken in any twelve-month period.

If employees request a leave for any reasons listed above employees may be asked to provide:

1. 30-day written advance notice of the need to take the leave when the need is foreseeable, and as much notice as is reasonable when the leave is not foreseeable;
2. Medical certifications supporting the need for leave due to a serious health condition affecting employees or an immediate family member;
3. Periodic reports during leave on employees status and intent to return to work; and/or
4. A “fitness for duty” certification to return to work.

While on medical leave, health insurance benefits will continue as if employees were an active employee. Employees will be responsible for paying the employee portion of the premiums. When employees return to work, employees will be placed in their previous job or a comparable position, if available.

Generally, FMLA leave is unpaid. Accrued and unused PTO may be substituted for all or part of any (otherwise) unpaid FMLA leave relating to the employee’s own serious health condition, birth, placement of a child for adoption or foster care, or care for a spouse, child or parent who has a serious health condition. Long Term Disability leave for the employee’s own serious health condition would count as running concurrently for purposes of both the benefit plan and the FMLA leave entitlement.

General Parts will comply with all applicable state laws. Please see the Human Resource office for details.

Military Leave

Military Leave of Absence is designed for employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

The Company will pay the difference between the military rate of pay and the normal standard rate earned as an employee. Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of

the applicable plans for which the employee is otherwise eligible. Benefit accruals, such as PTO or holiday benefits, will be suspended during the leave and will resume upon the employee's return to active employment.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws. Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service. Contact Human Resources for more information or questions about military leave.

Bereavement

An eligible Regular Full-Time employee may have up to three consecutive days of absence, with pay, following a death in the immediate family. The immediate family includes a spouse, children and their spouses, grandchildren, parents, parents-in-law, grandparents, and brothers or sisters.

Employees who wish to take time off due to the death of a family member should notify their supervisor immediately. Bereavement absence will normally be granted unless there are unusual business needs or supporting requirements. Employees may, with their supervisors' approval, use additional PTO as necessary.

Civic Leave or Jury Duty

General Parts encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees must provide their supervisor with a copy of the jury summons as soon as possible upon receiving the summons. Regular hourly pay and/or salary for non-exempt employees and exempt employees, who are regular full time employees, will continue as before for each day served, up to 40 hours per week, for a maximum of two (2) weeks. A non-exempt and exempt employee on jury duty will be paid normal compensation during the first two (2) weeks provided the employee makes every effort to cover normal job responsibilities and is available for work when not scheduled for actual jury duty assignments. Exempt employees will also be paid for the work week in which they perform any work after the two (2) weeks paid leave described above in accordance with federal wage and hour laws.

When employees return to work, employees should provide their supervisor with verification from the court of the number of days employees served on the jury, and the amount that employees were paid per day.

If the amount employees are compensated by the court, per day, exceeds twenty (\$20) dollars per day, their regular pay will be offset by the excess amount. Extenuating circumstances, which would cause this deduction to become a penalty, must be discussed with and approved by their supervisor. If employees are released from jury duty with at least four (4) hours remaining in their work day, employees should return to work for the remainder of the day. Night shift

employees may be excused from work while on jury duty leave in accordance with applicable state law.

Should extraordinary circumstances exist which would make their absence severely detrimental to the operation of our company, at the time of their call to jury duty, we reserve the right to contact the court to request that their service be postponed.

Employees in an eligible classification may request up to 2 work weeks of paid jury duty leave over any 1 year period unless paid leave is otherwise required by applicable state law. Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available PTO or may request an unpaid jury duty leave of absence. General Parts will continue to provide health insurance benefits up to the last day of active employment or a minimum of 32 hours per week. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue unless continuation of coverage is otherwise required by applicable state law, in which case General Parts will continue to pay the Company's portion of the premium. When the employee returns from jury duty, benefits will again be provided by General Parts according to the applicable plans. Benefit accruals such as PTO and holiday benefits will be suspended during unpaid jury duty leave unless otherwise prohibited by applicable state law and will resume upon return to active employment.

Voting Absences

General Parts encourages employees to participate in elections. Therefore, if employees will otherwise be unable to vote, the company will allow employees adequate paid time off while the polls are open with applicable state law to exercise this right.

PAYROLL

Pay Periods

All employees are paid biweekly on every other Friday. Each paycheck will include earnings for all work performed through the end of the previous payroll period. In the event that a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will receive pay on the last day of work before the regularly scheduled payday.

Recording and Reporting Hours Worked

Accurately recording time worked is the responsibility of every employee. Federal and state laws require General Parts to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees should report to work no more than 15 minutes prior to their scheduled starting time nor stay more than 15 minutes after their scheduled stop time without expressed, prior authorization from their supervisor. Nonexempt employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

Overtime

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. Overtime must be specifically authorized with prior approval by the department supervisor.

Overtime compensation is paid at one and one half times normal rate to all nonexempt employees in accordance with applicable federal and state wage and hour restrictions. Overtime pay is based on an excess of 40 actual hours worked each work week. The work week starts at 12:00 a.m. on Monday and ends at 11:59 p.m. on the following Sunday. Paid Time Off, Holidays, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Regular Full time employees will be paid one and one-half times the regular rate of pay for working on a company holiday. Part time employees will be paid one and one-half times the regular rate of pay for working on a company holiday. Exempt employees are not entitled to overtime pay.

On Call technicians will be paid double time for hours worked on Sundays and paid holidays observed by the company.

Pay Deductions and Setoffs

The law requires that General Parts make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. General Parts also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." General Parts matches the amount of Social Security taxes paid by each employee.

General Parts offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Pay setoffs are pay deductions taken by General Parts, usually to help pay off a debt or obligation to General Parts or others. General Parts will make these deductions in accordance with applicable state law. If employees have questions concerning why deductions were made from their paycheck or how they were calculated, their supervisor can assist in having their questions answered.

Paycheck Corrections

General Parts takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of Human Resources so that corrections can be made as quickly as possible.

Direct Deposit

General Parts provides, and encourages, direct deposit of paychecks. This is a service which saves employees time and provides added security. With this option, each paycheck will be automatically deposited to one or more employee banking accounts. Direct Deposit will be initiated one pay period following the receipt of the signed authorization form from the employee.

EQUAL EMPLOYMENT AND ANTI-DISCRIMINATION POLICIES

Equal Employment Opportunity

General Parts, LLC, does not discriminate on the basis of race, color, sex (including sexual harassment), religion, national origin, age, disability (physical or mental), sexual orientation, reprisal, or any other protected class under applicable state, local and federal law. General Parts is committed to equal employment opportunity principles and practices in all management decisions and personnel practices.

General Parts is committed to providing equal employment opportunity; eliminating discrimination in employment; and maintaining an environment that is free from any form of prohibited discrimination. General Parts will provide a prompt, fair and impartial review, and adjudication of any allegations of discrimination.

General Parts is committed to providing equal employment opportunities to qualified individuals with disabilities. If employees have a disability and need an accommodation to do their job, it is their responsibility to notify Human Resources. Human Resources will then consult with employees concerning the type of accommodation employees require. To determine the appropriate accommodation, General Parts may need to obtain additional information from their physician or other medical professionals. It is their obligation to cooperate with Human Resources to determine what accommodations are appropriate and reasonable.

Harassment and Discrimination Prevention

It is the policy of General Parts, LLC, to maintain a work environment free from harassment for its employees, customers, visitors, and vendors. Discriminatory harassment, including sexual harassment, is a violation of state and federal law. Harassment based upon an individual's sex, race, ethnicity, national origin, age, religion or any other legally protected characteristics will not be tolerated. Any and all complaints or allegations of harassment, including sexual harassment, will be investigated promptly. No person will be adversely affected in employment with the employer as a result of bringing complaints of unlawful harassment. Appropriate, corrective action will be implemented based upon the result of the investigation in the event harassment in violation of this policy is found to have taken place.

Harassment is verbal or physical conduct that demeans or shows hostility, or aversion, toward an individual because of his/her race, color, religion, sex, gender, national origin, age, sexual orientation, or disability, or that of his/her relatives, friends, or associates and that:

- Has the purpose or effect of creating an intimidating, hostile, or offensive working environment; or
- Has the purpose or effect of unreasonably interfering with an individual's work performance; or
- Otherwise adversely affects an individual's opportunities.

Sexual harassment is behavior of a sexual nature that is unwelcome and offensive to the person or persons it is targeted toward. Unwelcome sexual advances, requests for sexual favors, and

other verbal or physical conduct of a sexual nature constitute harassment when (1) submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (2) submission to or rejection of such conduct by an individual is used as the basis for decisions about employment, promotion, transfer, selection for training, performance evaluations, benefits, or other terms and conditions of employment; or (3) such conduct has the purpose or effect of creating an intimidating, hostile, or offensive work environment or substantially interferes with an employee's work performance.

If an employee feels that he or she has been harassed on the basis of his or her sex, race, national origin, ethnic background, or any other legally protected characteristic they should immediately report the matter to his or her supervisor. If that person is not available, or if the employee feels it would be unproductive to inform that person, the employee should immediately contact Human Resources. If the employee does not believe reporting the matter to Human Resources is satisfactory, information should be submitted in writing to the President or the Chief Financial Officer. Once the matter has been reported it will be promptly investigated and any necessary corrective action will be taken where appropriate. All complaints of unlawful harassment will be handled in as discreet and confidential a manner as is possible under the circumstances.

The procedure for reporting incidents of harassing behavior is not intended to impair, replace, or limit the right of any employee to seek a remedy under available state or federal law by immediately reporting the matter to the appropriate state or federal agency. Any form of retaliation against those who in good faith bring forward complaints or allegations, or who participate in an investigation of discrimination or harassment, is strictly prohibited.

All employees, including supervisors and other management personnel, are expected and required to abide by this policy. Any employee engaging in improper harassing behavior will be subject to disciplinary action, including the possible termination of employment.

ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING

This Employee Handbook has been prepared for your information and understanding of the policies, procedures and benefits of General Parts, LLC. Please read it carefully.

I, _____, have received a copy of the General Parts, LLC Employee Handbook which outlines the policies, benefits and procedures of General Parts, as well as my responsibilities as an employee.

I have familiarized myself with the contents of this handbook. By my signature below, I acknowledge, understand, accept and agree to comply with the information contained in the Employee Handbook provided to me by General Parts, LLC.

I understand this handbook is not intended to cover every situation which may arise during my employment, but is simply a general guide to the policies, benefits, and procedures of General Parts, LLC.

I understand that the General Parts, LLC Employee Handbook is not a contract or a term of employment and should not be deemed as such and that my employment is “at-will.”

(Employee signature)

Date: _____