



OFFICE OF GENERAL COUNSEL

NOTICE TO ALL EMPLOYEES

*** NO PERSONAL PURCHASES FROM VENDORS ***

Starting immediately, employees may not, in any way, contact or solicit a vendor of the Company for personal purchases of product or services. If an employee desires to purchase the product or services of a Company vendor, he or she must do so only through his or her immediate manager or supervisor. An employee may not deal directly with the vendor. Further, any such employee purchase must be properly invoiced and processed through that employees' manager or supervisor, and all purchases must be ordered through normal ordering channels by the purchasing department. An employee may never process a personal purchase by him or herself. All sales to employees are at the employee discount rate that yields a ten (10) percent margin to the Company. Anyone caught violating this policy or the terms stated herein will be subject to formal reprimand, including termination.

The Company's Personnel Policy Handbook (Section 7) provides, in relevant part:

"F. Employee Purchases

All purchases made by eligible employees (completion of the 90 day 'trial period') **must first be cleared with the Manager**, and must be for that employee's personal use and not for the use of friends. Employees will receive special pricing considerations for these purchases; please ask the Manager for special pricing.

All purchases must be paid in full by cash, check, or credit card before the merchandise is removed from the Company premises. There will be no exceptions. There will be a Twenty-Five Dollar (\$25.00) service charge on all returned checks.

Special-order parts cannot be returned. An employee should not set aside or allocate a product for him/herself (e.g., "pick-back"), until such time as the employee is ready to make the purchase.

The Company reserves the right to discontinue this program in its sole discretion and/or deny an employee who abuses this right he benefits of the program.

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ALSO, the Company's Personnel Policy Handbook (Section 6) provides, in relevant part:

Conflicts of Interest

1. **Gifts**

No employee may accept a gift, gratuity, or promotional product from any customer, vendor, or other person doing business with the Company ***without the advance approval of his/her Manager.***

2. **Business Dealings; Investments**

Employees have an obligation to conduct business in a manner that avoids actual, potential conflicts of interest. The purpose of these guidelines is to provide general direction.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative, associate, or friend as a result of the Company's business dealings, or if the employee may be influenced to make decisions that are detrimental to the Company. Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which this Company does business, but also when an employee, friend, associate, or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealing involving the Company.

If an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that (s)he discloses, in writing, to an officer of the Company, as soon as possible, the existence of any potential or actual conflict of interest so that safeguards can be established to protect all parties.

The Company considers some investments (such as stock or other forms of equity in a Company that manufactures, sells, markets, develops, repairs, services, or distributes automotive parts and accessories) held in or made, directly or indirectly, by employees to conflict with the best interest of the Company, and strictly prohibits same. The employee shall, as soon as possible, disclose to an officer of the Company the existence of any actual or potential conflict of interest."

Should there be any questions regarding the foregoing, an employee is directed to contact either Rona at Human Resources (x5512) or Darren M. Salvin, Esq., General Counsel (x2667).