

## **COMPANY CAR POLICY**

Usui International Corporation (“UIC”) permits select individuals, subject to the restrictions herein, to drive vehicles owned, leased or rented by UIC (generally "**company car(s)**") to perform work for UIC or on UIC's behalf during their period of employment. Company cars include assigned company cars (assigned to a particular individual) and pool company cars available to select employees. Personal use of assigned company cars is permitted. Personal use of pool company cars is NOT permitted . Personal use includes commuting between the employee's residence and work, vacation or weekend use, or use by spouse or dependents (over the age of 18), only to the extent such spouse or dependent hold a valid driver license issued by a state in the United States.

Only those who have are authorized to use pool company cars, may use them. To protect UIC and its employees, any use of a company car, whether a pool company car or an assigned company car, must conform to this policy. All company car drivers must maintain a valid driver's license. In addition, each driver is responsible for using company cars in a safe, lawful and reasonable manner. This policy applies to use of a company car on UIC's behalf during working and nonworking hours, on and off of UIC's premises, as well as during any permitted personal use.

### **Record of Business Use**

Employees must maintain records documenting business use of the company car during each month and must provide to UIC such records when requested or as instructed by UIC from time to time. The statement must include:

- A description of the vehicle.
- Beginning and ending odometer readings.
- Amount of business use (in miles).
- Date of business use.
- Business purpose for the use.
- Location driven to.
- Fuel expenses.
- Any maintenance expenses.

### **Assigned Company Car Monthly Lease Limit and Restrictions**

The maximum monthly lease payment shall not exceed the following:

Officers: \$600/month

Manager \$500/month

Non-Manager & Pool Cars \$350/month

All assigned company cars shall be leased under a 36 month lease, unless otherwise approved. Other restrictions may apply. Exceptions to this section shall be solely approved by the treasurer.

### **Fuel and Maintenance Expense Protocols**

UIC will reimburse expenses for fuel costs, parking fees and tolls associated with company car use under this policy, but UIC shall not be required to reimburse for any personal use of company cars. In addition, UIC will reimburse expenses for necessary company car maintenance, and individual's assigned company cars must keep all cars maintained at minimum with manufacturer suggested maintenance.

For any out-of-pocket expenses, drivers may request reimbursement for covered company car costs by completing an expense reimbursement form and submitting the completed form as instructed by UIC. All expense reimbursement forms must be signed and verified by both the driver and their supervisor. Expense reimbursement forms are available from human resources department.

Expense reimbursement forms must include original receipts or other substantiating documentation for each expense showing the:

- Amount paid.
- Date the expense was incurred and paid.
- Vendor or provider name and location.
- Nature of the expense.
- Business purpose.

A copy of the monthly report with appropriate receipts will suffice for documentation for expense reimbursement purposes.

If a receipt or other substantiating documentation is not available, the driver must submit a written explanation of why the documentation cannot be provided. UIC, in its sole discretion, will evaluate the explanation and determine whether the expense is reimbursable.

Drivers must submit expense reimbursement forms within 30 days of incurring the expense. Failure to comply with this time frame may result in the reimbursement being taxable income for the employee and UIC may in its sole discretion not reimburse employees for any expenses submitted after this deadline.

Accounting Department will verify that expenses are permissible, and that documentation is adequate and accurate. UIC reserves the right to refuse any expense reimbursement request that is inaccurate, does not include the appropriate substantiating

documentation, is submitted late or otherwise fails to fully comply with UIC's policy, as determined by UIC in its sole discretion. Expense reimbursement forms may be subject to audit by UIC or by government agencies.

UIC will provide reimbursement promptly following verification of the expense and appropriate substantiation, but in any event, no later than December 31 of the calendar year following the calendar year in which the expense is incurred.

If a driver receives an excess reimbursement, he or she must report and return any excess amounts to Accounting Department within 120 days.

### **Accountable Plan**

This policy is intended to qualify as an "**accountable plan**" under the Internal Revenue Code (IRC) and relevant Treasury Regulations.

### **Permissible Uses**

Pool company cars are available to authorized individuals for business purposes. Permissible use of pool company cars includes visiting customers, vendors and UIC facilities. Uses beyond those specified in this policy must be specifically authorized by supervisor. However, individuals using a pool company car may make incidental stops without violating this policy. When not in use, pool company cars must be parked on the premises of UIC.

Assigned company cars are available to authorized individuals for business purposes, however personal use is allowed so long as the employee fully accounts for and documents the percentage of personal use and the percentage of business use.

### **Authorized Drivers and Passengers**

Only authorized employees can drive company cars. Employees permitted to drive company cars must have a valid driver's license. In the event that an authorized driver's license is suspended or revoked, that individual must notify their supervisor and the treasurer of UIC, as soon as possible. In addition, consistent with relevant background check laws, UIC reserves the right to evaluate the driving record of all company car drivers and revoke driving privileges as necessary. Upon request, any employee must show a valid driver's license to UIC, and if none is provided, employee shall cease driving any company car.

Transportation of passengers is authorized for business use of company cars, but the number of passengers cannot exceed the number of passenger seats available, and passengers may only occupy company cars for purposes authorized by this policy. To the extent that a child will be traveling in a company car, child safety seats must be used and installed to the extent and in a manner consistent with governing law. In addition, assigned company cars may be used for personal use, including transporting family members, but the number of passengers shall not exceed the number of passenger seats available, and all passengers including children shall be transported in a manner

consistent with and in compliance with all applicable law.

### **Safety Standards**

Everyone operating a company car is expected to operate the vehicle in a safe and lawful manner. Safe driving standards include, but are not limited to:

- Maintaining a reasonable rate of speed.
- Abiding by traffic signals and signs, and all other applicable laws and regulations.
- Wearing seat belts.
- Avoiding aggressive and reckless driving.
- Never driving in unsafe conditions.
- Never driving when impaired by alcohol, drugs or fatigue.
- Never texting or e-mailing while driving or using portable or handheld devices.
- Never talking on a cell phone while driving without the use of a hands-free device, and solely as allowed by law.
- Never listening to headphones while driving.

Safety standards include the need to be vigilant about company car maintenance. If a company car seems to be unsafe or in need of maintenance, company car drivers must bring this issue to the attention of the treasurer or other identified as soon as possible. In addition, company car drivers must respect the vehicle as company property and take steps to avoid damage to it and its contents, including:

- Keeping property secure, including locked doors, closed windows and properly maintained valuables (including confidential information). Personal items may not be stored in a company car, and personal losses generally will not be reimbursed.
- Never transporting dangerous or flammable materials unless specifically authorized by UIC.
- Never attaching or pulling trailers or other vehicles.
- Never making after-market changes to the car.
- Never picking up hitchhikers.
- Never transporting items for third parties other than those associated with the employer's business for legitimate business purposes.

- Never using a company car for hire or in furtherance of any ride sharing service, including but not limited to Uber or Lyft.

In the event of an accident, the driver must stay with the company car and file a police report or otherwise cooperate with the police, as applicable, and follow all rules, regulations and laws. Employees should not attempt to provide medical care to those involved in an accident beyond their level of suitable training. Company car drivers must communicate the details of the accident to their supervisor and the treasurer as soon as possible, and must also communicate theft of company property (including the car itself) and any moving violations.

### **Section 409A of the Internal Revenue Code**

Reimbursements and in-kind benefits under this policy are intended to comply with IRC Section 409A and applicable guidance issued under it or an exemption from the application of Section 409A.

Accordingly, all provisions of this policy will be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. The amount of reimbursements and in-kind benefits provided under this policy in any calendar year will not affect the amount of reimbursements and in-kind benefits provided during any other calendar year and the right to reimbursements and in-kind benefits under this policy cannot be liquidated or exchanged for any other benefit.

Notwithstanding any provision of this policy, UIC will not be liable to any employee for any taxes or penalties imposed under Section 409A on any reimbursements and in-kind benefits under this policy.

### **Administration of this Policy**

The Human Resources Department is responsible for the administration of this policy. If an employee has any questions about this policy or related procedures, the employee should contact the Human Resources Department.

An individual who abuses or violates this policy, for example by submitting fraudulent company car reimbursement requests or failing to comply with safety standards, will be subject to disciplinary action, up to and including termination of employment.

**Acknowledgment of Receipt and Review**

By signing below, I acknowledge receiving a copy of UIC's Company Car Policy and that I read it, understood it and agree to comply with it. I understand that UIC has the maximum discretion permitted by law to interpret, administer, change, modify or delete this policy at any time with or without notice. No statement or representation by a supervisor or manager or any other employee, whether oral or written, can supplement or modify this policy. Changes can only be made if approved in writing by the treasurer of UIC. I also understand that any delay or failure by UIC to enforce any work policy or rule will not constitute a waiver of UIC's right to do so in the future. I understand that neither this policy nor any other communication by a management representative or any other employee, whether oral or written, is intended in any way to create a contract of employment. I understand that, unless I have a written employment agreement signed by an authorized UIC representative, **I am employed at will and this policy does not modify my at-will employment status.** If I have a written employment agreement signed by an authorized UIC representative and this policy conflicts with the terms of my employment agreement, I understand that the terms of my employment agreement will control.

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Signature

\_\_\_\_\_  
Printed Name

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Date]