

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) March 30, 2017



U.S. AUTO PARTS NETWORK, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33264
(Commission
File Number)

68-0623433
(IRS Employer
Identification No.)

16941 Keegan Avenue, Carson, CA 90746
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (310) 735-0085

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Aaron Coleman as Chief Executive Officer

On March 30, 2017, Aaron Coleman was appointed as Chief Executive Officer of U.S. Auto Parts Network, Inc. (the “*Company*”), effective immediately.

Mr. Coleman, 42, has served as our President since October 2016 and our Chief Operating Officer since September 2010. Prior to that time, Mr. Coleman served as our Executive Vice President of Operations and Chief Information Officer from April 2008 until September 2010. From July 2007 to April 2008, Mr. Coleman served as Senior Vice President - Online Systems at Blockbuster Inc., which he joined as Vice President - Online Systems in March 2005. From April 2003 to March 2005, he was the Chief Technology Officer of Travelweb LLC, which is owned by priceline.com Incorporated, and was responsible for all aspects of Travelweb’s technology, including the technology for Travelweb.com and over 40 affiliate websites, as well as the booking gateway for the merchant property processing for Orbitz and priceline.com. Mr. Coleman’s prior experience also includes serving as Manager of the Customer Technology Infrastructure group at American Airlines. Mr. Coleman holds a B.A. degree in Business Administration from Gonzaga University.

In connection with his appointment, Mr. Coleman entered into an amended and restated employment agreement with the Company (the “*Employment Agreement*”) which provided for the following amended terms to Mr. Coleman’s compensation as approved by the Compensation Committee of the Company’s Board of Directors (the “*Board*”): (i) an increase in annual base salary to \$400,000, (ii) an increase in annual target bonus equal to 80% of Mr. Coleman’s base salary under the Company’s Annual Bonus Plan, and (iii) an increase in Mr. Coleman’s automobile allowance to \$15,000 per year. The Employment Agreement also provides that in the event Mr. Coleman’s employment is terminated by the Company without “cause” as defined in the Employment Agreement or he resigns for “good reason” as defined in the Employment Agreement, Mr. Coleman will be entitled to increased severance benefits consisting of an annual base salary for a period of one year following termination. The other terms of Mr. Coleman’s employment with the Company remain unchanged.

On March 30, 2017, the Compensation Committee also approved the following grants to Mr. Coleman in connection with his appointment: (i) a grant of an additional 50,678 performance-based restricted stock units (“*PRSUs*”) under the 2016 Equity Incentive Plan (the “*2016 Equity Plan*”) which were granted in lieu of the increase to Mr. Coleman’s target cash bonus eligibility under the Company’s Annual Bonus Plan, provided that achievement of the Company’s objectives relating to Adjusted EBITDA for the fiscal year ending December 30, 2017 will determine the actual number of PRSUs to be earned, and provided further, that if the Company achieves certain performance metrics relating to Adjusted EBITDA, Mr. Coleman will also be eligible for a cash bonus award (the “*Cash Bonus Award*”) above and beyond his target bonus (represented in the form of the PRSUs) in accordance with the terms of his Performance Cash Bonus Award Agreement; (ii) a grant of restricted stock unit awards (the “*RSU Award*”) under the 2016 Equity Plan covering 200,000 shares of the Company’s common stock, 25% of which will vest on the first anniversary of the grant date, and the remainder of which will vest in equal monthly installments thereafter over three years, subject to Mr. Coleman’s service to the Company through such dates and the terms of the Employment Agreement, provided, however, that if Mr. Coleman is terminated without cause or resigns for good reason (as defined under the Employment Agreement), then the RSU Award will become fully-vested on the date of such earlier termination or resignation; and (iii) a grant of 650,000 stock options (the “*Options*”) under the 2016 Equity Plan, at an exercise price equal to \$3.32 per share, the closing price of the Company’s common stock on the date of grant, 25% of which will vest on the first anniversary of the grant date, and the remainder of which will vest in equal monthly installments thereafter over three years, subject to Mr. Coleman’s service to the Company through such dates and the terms of the Employment Agreement.

The Employment Agreement is filed as Exhibit 10.1 to this Current Report on Form 8-K, and the foregoing description of this agreement is qualified in its entirety by reference to the full text of the agreement, which is incorporated herein by reference. The terms and conditions of the PRSUs, Cash Bonus Award, RSU Award and Options are set forth in the forms of agreements which were previously filed by the Company as exhibits to the Form 8-K filed with the Securities and Exchange Commission on January 26, 2017.

Departure of Shane Evangelist as Chief Executive Officer

On March 30, 2017, Shane Evangelist resigned as Chief Executive Officer, effective immediately. The Company and Mr. Evangelist have entered into a Transition Consulting Services Agreement, dated March 30, 2017 (the “**Consulting Agreement**”), pursuant to which Mr. Evangelist will serve as a consultant to the Company through May 1, 2017 (the “**Transition Period**”) and assist with an orderly transition of his duties and responsibilities. During the Transition Period, Mr. Evangelist will receive a consulting fee equivalent to his prior base salary on a pro-rated basis and receive continued health care coverage through the end of the Transition Period.

The Consulting Agreement is filed as Exhibit 10.2 to this Current Report on Form 8-K, and the foregoing description of this agreement is qualified in its entirety by reference to the full text of the agreement, which is incorporated herein by reference.

Changes in the Board of Directors

On March 30, 2017, Shane Evangelist, who currently serves as a Class I Director, and Fred Harman, who currently serves as a Class III Director, resigned from the Board, effective immediately. The Board approved a decrease in the size of the Board by one director, from nine to eight directors and appointed Mr. Coleman, the Chief Executive Officer, to fill the other resulting vacancy. Mr. Coleman will initially serve as a Class III director, with a term expiring at the Company’s 2018 annual meeting of stockholders. Mr. Coleman has no family relationship with any of the Company’s directors or executive officers, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K. As an employee of the Company, Mr. Coleman will not receive any additional compensation or equity awards in connection with his service on the Board. There was no disagreement or dispute between the departing directors and the Company that led to their decision to resign.

Item 7.01.Regulation FD Disclosure

On March 31, 2017, the Company issued a press release announcing Mr. Coleman’s promotion to Chief Executive Officer of the Company. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

The information furnished pursuant to this Item shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|--------------------|--|
| 10.1 | Employment Agreement, dated March 30, 2017, by and between the Company and Aaron Coleman. |
| 10.2 | Transition Consulting Services Agreement, dated March 30, 2017, by and between the Company and Shane Evangelist. |
| 99.1 | Press Release, dated March 31, 2017 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 31, 2017

U.S. AUTO PARTS NETWORK, INC.

By: /s/ NEIL WATANABE

Neil Watanabe

Chief Financial Officer

EXHIBIT INDEX

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “*Agreement*”) is revised effective March 30, 2017 (the “*Effective Date*”) by and between U.S. Auto Parts Network, Inc., a Delaware corporation (the “*Company*”), and Aaron Coleman, an individual (the “*Executive*”). This Agreement was initially effective on April 3, 2008 (the “*Initial Effective Date*”) and was subsequently amended on March 29, 2010, September 18, 2012 and February 14, 2014.

WHEREAS, the parties hereto desire to amend the written agreement documenting the terms of Executive’s employment with the Company.

1. Duties and Responsibilities.

A. Executive shall serve as the Company’s Chief Executive Officer, reporting directly to the Company’s Board of Directors. Executive shall have the duties and powers at the Company that are customary for an individual holding such position.

B. Executive agrees to use his best efforts to advance the business and welfare of the Company, to render his services under this Agreement faithfully, diligently and to the best of his ability.

C. Executive shall be based at the Company’s office located at Carson, California, or at such other offices of the Company located within 30 miles of such offices.

2. **Employment Period.** Following the Effective Date, Executive’s employment with the Company shall be governed by the provisions of this Agreement for the period commencing as of the date hereof and continuing until the earlier of (i) Executive’s termination of employment with the Company for any reason, or (ii) the fifth anniversary of the Effective Date (the “*Employment Period*”). Provided that Executive’s employment has not been or is not being terminated for any reason, Executive and the Company agree to negotiate in good faith prior to the end of the Employment Period to enter into a new Employment Agreement to take effect after the Employment Period.

3. Cash Compensation.

A. **Annual Salary.** Executive’s base salary shall be \$400,000 per year (the “*Annual Salary*”), which shall be payable in accordance with the Company’s standard payroll schedule (but in no event less frequent than on a monthly basis), and may be increased from time to time at the discretion of the Compensation Committee of the Company’s Board of Directors (the “*Compensation Committee*”). The Compensation Committee shall review Executive’s Annual Salary at least annually and may increase the Annual Salary from time to time at its sole discretion. Any increased Annual Salary shall thereupon be the “Annual Salary” for the purposes hereof. Executive’s Annual Salary shall not be decreased without his prior written consent at any time during the Employment Period.

B. **Annual Target Bonus.** Executive shall also be entitled to receive an annual target incentive bonus of up to 80% of the Executive’s current salary. The annual bonus shall be based

upon the Company achieving its revenue and EBITDA goals, and Executive meeting the annual goals determined by the Compensation Committee. The amount of the annual target bonus payable to Executive with respect to any given year shall be determined by the Compensation Committee. The annual bonus shall be paid no later than the end of March following the year for which such bonus is being paid.

C. **Applicable Withholdings.** The Company shall deduct and withhold from the compensation payable to Executive hereunder any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statutes, regulations, ordinances or orders governing or requiring the withholding or deduction of amounts otherwise payable as compensation or wages to employees.

4. **Equity Compensation.**

A. **Prior Equity Awards.** Any equity awards previously granted to Executive shall continue in effect in accordance with their existing terms unless superseded by the terms of this Agreement.

B. **Other Equity Compensation.** Executive shall also be entitled to participate in any other equity incentive plans of the Company. All such other options or other equity awards will be made at the discretion of the Company's Compensation Committee of the Board of Directors pursuant and subject to the terms and conditions of the applicable equity incentive plan, including any provisions for repurchase thereof. The option exercise price or value of any equity award granted to Executive will be established by the Company's Board of Directors as of the date such interests are granted but shall not be less than the fair market value of the class of equity underlying such award. Except with respect to any restricted stock unit awards granted to Executive (the "***RSUs***") (the terms of which shall be governed by the applicable award agreements), the vesting of all stock options and other equity compensation awards (both time-based vesting and performance-based vesting at target level) granted to Executive that are outstanding on the date of Executive's termination or resignation shall accelerate in full in the event that the Executive's employment is terminated without Cause (as defined herein) or Executive resigns for Good Reason (as defined herein) within the period beginning three months before, and ending twelve months following, a Change in Control (as defined in the Company's 2007 Omnibus Incentive Plan (the "***Plan***")) (each, a "***Change in Control Termination***"). In the event of Executive's termination or resignation for any reason, all stock options granted to Executive that are outstanding on the date of such termination or resignation shall remain exercisable until the earlier of (i) the expiration date set forth in the applicable stock option agreement or (ii) the expiration of one (1) year measured from the date of Executive's termination or resignation. The provisions of this Section 4B of this Agreement shall govern the acceleration of Executive's stock options and other equity compensation awards (other than the RSUs) in the event of a Change in Control Termination and the period for which Executive's stock options remain exercisable following Executive's termination or resignation for any reason and shall supersede any provisions to the contrary in any other agreement.

C. **Equity Bonus Eligibility.** Executive shall also be eligible to receive an annual target incentive bonus, additionally or in the alternative to the annual cash target incentive bonus described in Section 3B of this Agreement, in the form of common stock or restricted stock unit awards as determined by the Compensation Committee.

5. **Expense Reimbursement.** In addition to the compensation specified in Section 3, Executive shall be entitled to receive reimbursement from the Company for all reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder, provided that Executive furnishes the Company, not later than the August 31 of the year following the year in which the expense was incurred, with vouchers, receipts and other details of such expenses in the form reasonably required by the Company to substantiate a deduction for such business expenses under all applicable rules and regulations of federal and state taxing authorities. The Company shall reimburse such expenses as soon as practicable, but in no event later than ninety (90) days after such documentation is received.

6. **Fringe Benefits.**

A. **Group Plans.** Executive shall, throughout the Employment Period, continue to be eligible to participate in all of the group term life insurance plans, group health plans, accidental death and dismemberment plans, short-term disability programs, retirement plans, profit sharing plans or other plans (for which Executive qualifies) that are available to the executive officers of the Company. During the Employment Period, the Company will pay for coverage for Executive and his spouse and dependents residing in Executive's household (collectively, the "***Dependents***") under the Company's health plan, and coverage for Executive under the Company's accidental death and dismemberment plan and for short-term disability. In the event Executive elects not to participate in the Company's health plan, the Company shall reimburse Executive for the cost of alternative health care coverage of his choosing for Executive and his Dependents in an amount up to \$1,500 per month. Payment for all other benefit plans will be paid in accordance with the Company's policy in effect for similar executive positions.

B. **Vacation.** Executive shall continue to be entitled to at least four weeks paid vacation per year. Vacation shall accrue pursuant to the Company's vacation benefit policies.

C. **Auto Allowance.** Executive shall continue to be entitled to an auto allowance for one vehicle for Executive's use up to \$1,250 per month.

D. **Indemnification.** On the Initial Effective Date, the Company and Executive entered into the Company's standard indemnification agreement for its key executives, which agreement was superseded by an indemnification agreement executed by the parties on December 9, 2015.

7. **Termination of Employment.** Executive's employment with the Company continues to be "at-will." This means that it is not for any specified period of time and can be terminated by Executive or the Company at any time, with or without advance notice, and for any or no particular reason or cause. Upon such termination, Executive (or, in the case of Executive's death, Executive's estate and beneficiaries) shall have no further rights to any other

compensation or benefits from the Company on or after the termination of employment except as follows:

A . **Termination For Cause**. In the event the Company terminates Executive's employment with the Company prior to expiration of the Employment Period for Cause (as defined below), the Company shall pay to Executive the following: (i) Executive's unpaid Annual Salary that has been earned through the termination date of his employment; (ii) Executive's accrued but unused vacation; (iii) any accrued expenses pursuant to Section 5 above, and (iv) any other payments as may be required under applicable law (subsections (i) through (iv) above shall collectively be referred to herein as the "***Required Payments***"). For purposes of this Agreement, "***Cause***" shall mean that Executive has engaged in any one of the following: (i) misconduct involving the Company or its assets, including, without limitation, misappropriation of the Company's funds or property; (ii) reckless or willful misconduct in the performance of Executive's duties in the event such conduct continues after the Company has provided 30 days written notice to Executive and a reasonable opportunity to cure; (iii) conviction of, or plea of nolo contendere to, any felony or misdemeanor involving dishonesty or fraud; (iv) the violation of any of the Company's policies, including without limitation, the Company's policies on equal employment opportunity and the prohibition against unlawful harassment; (v) the material breach of any provision of this Agreement after 30 days written notice to Executive of such breach and a reasonable opportunity to cure such breach; or (vi) any other misconduct that has a material adverse effect on the business or reputation of the Company.

B . **Termination Upon Death or Disability**. If Executive dies during the Employment Period, the Executive's employment with the Company shall be deemed terminated as of the date of death, and the obligations of the Company to or with respect to Executive shall terminate in their entirety upon such date except as otherwise provided under this Section 7B. If Executive becomes Disabled (as defined below), then the Company shall have the right, to the extent permitted by law, to terminate the employment of Executive upon 30 days prior written notice in writing to Executive. Upon termination of employment due to the death or Disability of Executive, Executive (or Executive's estate or beneficiaries in the case of the death of Executive) shall be entitled to receive the Required Payments. Additionally, upon termination of employment due to the Executive's death, or due to the Company's involuntary termination of Executive's employment due to the Executive's Disability, Executive (or Executive's estate or beneficiaries in the case of the death of Executive) shall also be entitled to the following: (i) any unpaid annual target bonus under Section 3B for the year immediately prior to the year of such termination (in an amount equal to the bonus percentage accrued by the Company, pursuant to GAAP, through the last closed accounting month prior to the time of such termination) and a pro-rated share of Executive's annual target bonus under Section 3B for the year of such termination (in an amount equal to the bonus percentage accrued by the Company, pursuant to GAAP, through the last closed accounting month prior to the time of such termination), which bonus amounts shall be paid at the earlier of (A) such time as the Company regularly pays bonuses, or (B) no later than 2 ½ months following the calendar year in which the termination occurs; and (ii) continuation of his Annual Salary following such termination for a period of one year, which shall be payable in accordance with the Company's standard pay schedules; and

(iii) in the case of termination due to Disability, the Company shall reimburse Executive's COBRA payments for Executive's health insurance benefits for a period of one year. For the purposes of this Agreement, "**Disability**" shall mean a physical or mental impairment which, the Board of Directors determines, after consideration and implementation of reasonable accommodations, precludes the Executive from performing his essential job functions for a period longer than three consecutive months or a total of one hundred twenty (120) days in any twelve month period.

C. Termination for Any Other Reason; Resignation for Good Reason. Should the Company terminate Executive's employment (other than for Cause or as a result of Executive's Death or Disability), or the Company does not enter into a new Employment Agreement with Executive prior to the fifth anniversary of the Effective Date (other than because the Executive has been or is being terminated for Cause or because of the Executive's death or Disability) and this Agreement expires, or in the event Executive resigns for Good Reason (as defined below) within two years following the initial occurrence of the event giving rise thereto, then the Company shall pay Executive the Required Payments; and Executive shall also be entitled to the following: (i) any unpaid annual target bonus under Section 3B for the year immediately prior to the year of such termination, expiration or resignation (in an amount equal to the bonus percentage accrued by the Company, pursuant to GAAP, through the last closed accounting month prior to the time of such termination, expiration or resignation) and a pro-rated share of Executive's annual target bonus under Section 3B for the year of such termination, expiration or resignation (in an amount equal to the bonus percentage accrued by the Company, pursuant to GAAP, through the last closed accounting month prior to the time of such termination, expiration or resignation), which bonus amounts shall be paid at the earlier of (A) such time as the Company regularly pays bonuses, or (B) no later than 2 ½ months following the calendar year in which the termination, expiration or resignation occurs; (ii) continuation of Executive's Annual Salary, which shall be payable in accordance with the Company's standard pay schedules for a period of one year; and (iii) the Company shall also reimburse Executive's actual COBRA payments for Executive's health insurance benefits for a period of one year. This Section 7C is intended to qualify as an involuntary separation pay arrangement that is exempt from application of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") because certain severance payments are treated as paid on account of an involuntary separation (including a separation for Good Reason) and paid in a lump sum within the "short-term deferral" period following the time the Executive obtains a vested right to such payments. For the purposes of this Agreement, "**Good Reason**" shall mean Executive's voluntary resignation for any of the following events that results in a material negative change to the Executive; (i) a reduction without Executive's prior written consent in either his level of Annual Salary or his target annual bonus as a percentage of Annual Salary; (ii) a reduction in the scope of Executive's authorities, duties and responsibilities or a reduction in the authority, duties or responsibilities of the supervisor to whom the Executive is required to report, (iii) a relocation of Executive more than thirty (30) miles from the Company's current corporate headquarters as of the date hereof, (iv) a material breach of any provision of this Agreement by the Company or (v) the failure of the Company to have a successor entity specifically assume this Agreement. Following a Change in Control (as defined the Plan), Good Reason shall include (x) a material negative change in authority, duties or responsibilities resulting from the Executive no longer being an executive

officer of a publicly-traded company and (y) the Company's chief executive officer (immediately prior the Change in Control) no longer being the chief executive officer of the successor publicly-traded company. Notwithstanding the foregoing, the Executive shall be entitled to benefits described in this Section 7C and in Section 4B due to a resignation resulting from (x) or (y) of the preceding sentence only if such resignation occurs more than six months after the Change in Control. Notwithstanding the foregoing, "Good Reason" shall only be found to exist if prior to Executive's resignation for Good Reason, the Executive has provided, not more than 90 days following the initial occurrence thereof, written notice to the Company of such Good Reason event indicating and describing the event resulting in such Good Reason, and the Company does not cure such event within 90 days following the receipt of such notice from Executive.

D. **Health Care Reform Compliance.** Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the Company cannot provide the health insurance premium reimbursement benefits under this Section 7 without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof pay Executive a taxable cash amount, which payment shall be made regardless of whether Executive elects or pays for health insurance benefits following termination (the "***Health Care Benefit Payment***"). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the health insurance premium reimbursement amounts would otherwise have been paid. The Health Care Benefit Payment shall be equal to the amount that the Executive would have otherwise paid for health insurance premiums (which amount shall be calculated based on the premium for the first month of coverage), and shall be paid until the expiration of the one year period following Executive's termination.

8. **Non-Competition During the Employment Period.** Executive acknowledges and agrees that given the extent and nature of the confidential and proprietary information he will obtain during the course of his employment with the Company, it would be inevitable that such confidential information would be disclosed or utilized by the Executive should he obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Consequently, during any period for which Executive is receiving payments from the Company, either as wages or as a severance benefit, Executive shall not, without prior written consent of the Chief Executive Officer and Chairman of the Board, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be employed by or provide advice to, any enterprise that is engaged in any business directly competitive to that of the Company in the aftermarket auto parts market in the United States; provided, however, that such restriction shall not apply to any passive investment representing an interest of less than 1% of an outstanding class of publicly-traded securities of any company or other enterprise where Executive does not provide any management, consulting or other services to such company or enterprise.

9. **Proprietary Information.** Executive has executed or is concurrently executing the Company's standard Confidential Information and Assignment of Inventions Agreement (the "***Confidentiality Agreement***"), which is hereby incorporated by this reference as if set forth fully herein. Executive's obligations pursuant to the Confidentiality Agreement will survive

termination of Executive's employment with the Company. Executive agrees that he will not use or disclose to the Company any confidential or proprietary information from any of his prior employers.

10. **Successors and Assigns.** This Agreement is personal in its nature and the Executive shall not assign or transfer his rights under this Agreement. The provisions of this Agreement shall inure to the benefit of, and shall be binding on, each successor of the Company whether by merger, consolidation, transfer of all or substantially all assets, or otherwise, and the heirs and legal representatives of Executive.

11. **Notices.** Any notices, demands or other communications required or desired to be given by any party shall be in writing and shall be validly given to another party if served either personally or via overnight delivery service such as Federal Express, postage prepaid, return receipt requested. If such notice, demand or other communication shall be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication is given by overnight delivery, such notice shall be conclusively deemed given two business days after the deposit thereof addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth:

To the Company: U.S. Auto Parts Network, Inc.
16941 Keegan Avenue
Carson, California 90746
Attn: General Counsel

To Executive: At Executive's last residence as provided by
Executive to the Company for payroll records.

Any party may change such party's address for the purpose of receiving notices, demands and other communications by providing written notice to the other party in the manner described in this Section 11.

12. **Governing Documents.** This Agreement, along with the documents expressly referenced in this Agreement, constitute the entire agreement and understanding of the Company and Executive with respect to the terms and conditions of Executive's employment with the Company and the payment of severance benefits, and supersedes all prior and contemporaneous written or verbal agreements and understandings between Executive and the Company relating to such subject matter. This Agreement may only be amended by written instrument signed by Executive and an authorized officer of the Company. Any and all prior agreements, understandings or representations relating to the Executive's employment with the Company are terminated and cancelled in their entirety and are of no further force or effect.

13. **Governing Law.** The provisions of this letter agreement will be construed and interpreted under the laws of the State of California. If any provision of this Agreement as applied to any party or to any circumstance should be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the invalidity of that provision shall in no way affect (to the maximum extent permissible by law) the application of such provision under

circumstances different from those adjudicated by the court, the application of any other provision of this Agreement, or the enforceability or invalidity of this Agreement as a whole. Should any provision of this Agreement become or be deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision will be stricken and the remainder of this Agreement shall continue in full force and effect.

14. **Remedies.** All rights and remedies provided pursuant to this Agreement or by law shall be cumulative, and no such right or remedy shall be exclusive of any other. A party may pursue any one or more rights or remedies hereunder, or may seek damages or specific performance in the event of another party's breach hereunder, or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

15. **No Waiver.** The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any later breach of that provision.

16. **Counterparts.** This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

17. **Section 409A.**

(a) Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A"). Severance benefits shall not commence until Executive has a "separation from service" for purposes of Section 409A. Each installment of severance benefits is a separate "payment" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4) and 1.409A-1(b)(5) to the maximum extent such exemptions are available. However, to the extent such exemptions are not available and Executive is, upon separation from service, a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of (i) six (6) months and one day after Executive's separation from service, or (ii) Executive's death. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption.

(b) It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing,

the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code to payments made pursuant to this Agreement. To the extent that any severance benefit payments are delayed as required by this Agreement due to the application of Section 409A, all suspended payments shall earn and accrue interest at the prevailing "Prime Rate" of interest as published by The Wall Street Journal at the time the payment is made, and any suspended payment when so made, shall be made as a lump sum payment, including accrued interest.

18. **Section 280G.**

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a "280G Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

(b) Notwithstanding any provision of Section 18(a) to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A of the Code that would not otherwise be subject to taxes pursuant to Section 409A of the Code, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A of the Code as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A of the Code shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A of the Code.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations.

If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(d) If Executive receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 18(a) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Executive shall promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 18(a)) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 18(a), Executive shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

U.S. AUTO PARTS NETWORK,
INC.

By: /s/ Neil Watanabe
Print Name: Neil Watanabe
Chief Financial
Title: Officer
Address: 16941 Keegan Avenue
Carson, CA 90746

EXECUTIVE

/s/ Aaron Coleman
AARON E. COLEMAN

TRANSITION CONSULTING SERVICES AGREEMENT

This Transition Consulting Services Agreement (the “*Agreement*”) is made effective March 30, 2017 (the “*Effective Date*”), by and between Shane Evangelist (“*Employee*”) and U.S. Auto Parts Network, Inc., its officers, directors, employees, foreign and domestic subsidiaries, benefit plans and plan administrators, affiliates, agents, joint ventures, attorneys, successors and/or assigns (collectively referred to as “*Company*”).

RECITALS

Employee is currently employed as the Chief Executive Officer of the Company, and Employee has notified the Company that he is resigning effective immediately. Employee and the Company desire to transition Employee to a consultant for a limited period of time as set forth herein. As a demonstration of that desire, Employee shall resign on the Effective Date. In addition, on the Effective Date, Employee shall transition to a consultant through May 1, 2017 (the “*Consultancy Termination Date*”) pursuant to the terms of this Agreement (the period between the Effective Date and the Consultancy Termination Date, the “*Transition Period*”).

AGREEMENTS

Based upon the foregoing, and in consideration of the mutual promises contained in this Agreement, Employee and the Company agree, effective upon the date of execution by Employee, as follows:

1. Consulting Services.

(a) Transition Period. On the Effective Date, Employee hereby resigns as an officer, director, and employee of the Company and any of its affiliates and subsidiaries and transitions to a consultant for the duration of the Transition Period. During the Transition Period, Employee shall perform transitional services on an as requested basis by the Company’s Chief Executive Officer (the “*Consulting Services*”) in an amount not to exceed forty (40) hours per week during the Transition Period. Employee shall devote his best efforts, attention and energies to the business and interests of the Company while performing the Consulting Services consistent with the terms of this Agreement.

(b) Compensation and Benefits. As consideration for Employee’s Consulting Services during the Transition Period, Employee will receive a consulting fee equivalent to his prior base salary on a pro-rated basis for the Transition Period. Payment for the Consulting Services shall be payable on a bi-weekly basis in accordance with the Company’s payroll practices for its employees. Employee shall also be entitled to receive continued health care coverage and continued vesting of his equity awards through the end of the Transition Period. Following the Effective Date, Employee shall also be eligible to receive reimbursement for any reasonable business expenses incurred

prior to the Effective Date or during the Transition Period in accordance with the Company's standard policies.

2. Tax Liability. Employee assumes full responsibility for any and all taxes, interest and/or tax penalties that may ultimately be assessed upon any payments made by Company provided hereunder. In the event that any taxing authority seeks to collect taxes, interest and/or penalties from the Company on the consideration conveyed to Employee under this Agreement, Employee will hold the Company harmless from any and all claims for such taxes, interest and/or tax penalties and will indemnify the Company against any such tax-related claims.

3. Acknowledgment. The Company will pay Employee all regular salary, expenses, commissions, distributions, and Company benefits due and owing as of the Effective Date, less appropriate withholdings and is not owed any monies allowed, including but not limited to those required under the California Labor Code, as of the Effective Date. This sum is not consideration for this Agreement. The Company will pay Employee for any vacation days that Employee has accrued but has not used as of the Effective Date. This sum is likewise not consideration for this Agreement. Information regarding the transfer or distribution of Employee's USAP 401(k) Retirement Plan account (if applicable) will be provided to Employee under separate cover by Fidelity Investments Consideration following the Effective Date.

4. Non-Admission of Liability.

The Company hereby disclaims any wrongdoing against Employee. Indeed, Employee agrees that neither this Agreement, nor the furnishing of the consideration for the release contained herein shall be deemed or construed at any time for any purpose as an admission by Company of any liability or unlawful conduct of any kind.

5. Release.

(a) Employee, on behalf of Employee, Employee's spouse, successors, heirs, and assigns, hereby forever relieves, releases, and discharges the Company as well as its past, present and future officers, directors, administrators, shareholders, employees, agents, successors, subsidiaries, parents, assigns, representatives, brother/sister corporations, and all other affiliated or related corporations, all benefit plans sponsored by the Company, and entities, and each of their respective present and former agents, employees, or representatives, insurers, partners, associates, successors, and assigns, and any entity owned by or affiliated with any of the above (collectively, the "**Released Parties**"), from any and all claims, debts, liabilities, demands, obligations, liens, promises, acts, agreements, costs and expenses (including but not limited to attorneys' fees), damages, actions, and causes of action, of whatever kind or nature, including but not limited to any statutory, civil, administrative, or common law claims, whether known or unknown, suspected or unsuspected, fixed or contingent, apparent or concealed, arising out of any act or omission occurring before Employee's execution of this Agreement, including but not limited to any claims based on, arising out of, or related to Employee's employment with, or the transitioning of and/or ending of Employee's

employment with the Company, any claims arising from rights under federal, state, and local laws relating to the regulation of federal or state tax payments or accounting; federal, state or local laws that prohibit harassment or discrimination on the basis of race, national origin, religion, sex, gender, age, marital status, bankruptcy status, disability, perceived disability, ancestry, sexual orientation, family and medical leave, or any other form of harassment or discrimination or related cause of action (including but not limited to failure to maintain an environment free from harassment and retaliation, inappropriate comments or touching and/or "off-duty" conduct of other Company employees); statutory or common law claims of any kind, including but not limited to, any alleged violation of Title VII of the Civil Rights Act of 1964, The Civil Rights Act of 1991, Sections 1981 through 1988 of Title 42 of the United States Code, as amended; The Employee Retirement Income Security Act of 1971, as amended, The Americans with Disability Act of 1990, as amended, the Age Discrimination in Employment Act, 29 U.S.C. Sections 621 et. seq., the Workers Adjustment and Retraining Notification Act, as amended; the Occupational Safety and Health Act, as amended, the Sarbanes-Oxley Act of 2002, the California Family Rights Act (Cal. Govt. Code § 12945.2 et. seq.), the California Fair Employment and Housing Act (Cal. Govt. Code § 12900 et. seq.), statutory provision regarding retaliation/discrimination for filing a workers' compensation claim under Cal. Labor Code § 132a, California Unruh Civil Rights Act, California Sexual Orientation Bias Law (Cal. Lab. Code § 1101 et. seq.), California AIDS Testing and Confidentiality Law, California Confidentiality of Medical Information (Cal. Civ. Code § 56 et. seq.), contract, tort, and property rights, breach of contract, breach of implied-in-fact contract, breach of the implied covenant of good faith and fair dealing, tortious interference with contract or current or prospective economic advantage, fraud, deceit, invasion of privacy, unfair competition, misrepresentation, defamation, wrongful termination, tortious infliction of emotional distress (whether intentional or negligent), breach of fiduciary duty, violation of public policy, or any other common law claim of any kind whatsoever; any claims for severance pay, sick leave, family leave, liability pay, overtime pay, vacation, life insurance, health insurance, continuation of health benefits, disability or medical insurance, or Employee's 401(k) rights or any other fringe benefit or compensation; and any claim for damages or declaratory or injunctive relief of any kind. The Parties agree and acknowledge that the release contained in this Paragraph 5 does not apply to any vested rights Employee may have under any 401(k) Savings Plan with the Company. Employee represents that at the time of the execution of this Agreement; Employee suffers from no work-related injuries and has no disability or medical condition as defined by the Family Medical Leave Act. Employee represents that Employee has no workers' compensation claims that Employee intends to bring against the Company. Employee understands that nothing contained in this Agreement, including, but not limited to, this Paragraph 5, will be interpreted to prevent Employee from filing a charge with a governmental agency or participating in or cooperating with an investigation conducted by a governmental agency, including the Equal Employment Opportunity Commission. Employee further acknowledges that this release also releases the Company for all claims of unpaid wages, including unpaid overtime wages, related to Employee's employment with the Company and subject to the terms of this Agreement.

(b) Mistakes in Fact; Voluntary Consent. The Parties, and each of them, expressly and knowingly acknowledges that, after the execution of this Agreement, the Parties may discover facts different from or in addition to those that they now know or believe to be true with respect to the claims released in this Agreement. Nonetheless, this Agreement shall be and remain in full force and effect in all respects, notwithstanding such different or additional facts and Employee intends to fully, finally, and forever settle and release those claims released in this Agreement. In furtherance of such intention, the release given in this Agreement shall be and remain in effect as a full and complete release of such claims, notwithstanding the discovery and existence of any additional or different claims and each Parties assume the risk of misrepresentations, concealments, or mistakes, and if the Parties should subsequently discover that any fact relied upon in entering into this Agreement was untrue, that any fact was concealed, or that Employee's understanding of the facts or law was incorrect, Employee shall not be entitled to set aside this Agreement or the settlement reflected in this Agreement or be entitled to recover any damages on that account.

(c) Section 1542 of the California Civil Code. Employee expressly waives any and all rights and benefits conferred upon Employee by Section 1542 of the California Civil Code, which states as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN EMPLOYEE'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY EMPLOYEE MUST HAVE MATERIALLY AFFECTED EMPLOYEE'S SETTLEMENT WITH THE DEBTOR.

Thus, notwithstanding the provisions of section 1542, and to implement a full and complete release and discharge of the Released Parties, Employee expressly acknowledges this General Release is intended to include in its effect, without limitation, all claims Employee does not know or suspect to exist in Employee's favor at the time of signing this Agreement, and that this General Release contemplates the extinguishment of any such claim. Employee warrants that Employee has read this General Release, including this waiver of California Civil Code section 1542, and that Employee has consulted counsel about this Agreement and specifically about the waiver of section 1542, and that Employee understands this Agreement and the section 1542 waiver, and so Employee freely and knowingly enters into this Agreement. Employee acknowledges that Employee may later discover facts different from or in addition to those Employee now knows or believes to be true regarding the matters released or described in this General Release, and even so Employee agrees that the releases and agreements contained in this General Release shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Employee assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes, or controversies released or described in this Agreement or with regard to any facts now unknown to Employee relating thereto. Employee hereby expressly waives and relinquishes all rights and benefits under the foregoing section and any law of any other jurisdiction of similar effect with respect to Employee's release of any unknown or unsuspected claims herein.

Accordingly, Employee knowingly, voluntarily and expressly waives any rights and benefits arising under Section 1542 of the California Civil Code and any other statute or principle of similar effect.

(d) No Lawsuits. Employee agrees to take any and all steps necessary to insure that no lawsuit arising out of any claim released herein shall ever be prosecuted by Employee or on Employee's behalf in any forum, and hereby warrants and covenants that no such action has been filed or shall ever be filed or prosecuted. Employee also agrees that if any claim is prosecuted in Employee's name before any court or administrative agency that Employee waives and agrees not to take any award or other damages from such suit to the extent permissible under applicable law.

6. Confidential and Proprietary Information / Return of Company Property. Employee acknowledges that as a result of Employee's employment with the Company, Employee has had access to the Company's confidential and proprietary business information, including, but not limited to, product information, pricing strategies, vendor and supplier information, business plans, research and development activities, manufacturing and marketing techniques, technological and engineering data, processes and inventions, legal matters affecting the Company and its business, customer and prospective customers information, trade secrets, bid prices, contractual terms and arrangements, prospective business transactions, and financial and business forecasts ("Confidential Information"). Employee also acknowledges and reaffirms Employee's compliance and ongoing obligation to comply with that certain Confidential Information and Invention Assignment Agreement, dated March 28, 2016, entered into with the Company. Confidential Information also includes information, knowledge or data of any third party doing business with the Company that the third party has identified as being confidential. Employee agrees not to use or to disclose to anyone any Confidential Information at any time in the future without the prior written authorization of the Company, unless ordered to do so by a court of competent jurisdiction. In the event of any such court order, Employee agrees to promptly notify the Company and to afford the Company the opportunity to take appropriate legal action prior to Employee's disclosure of any Confidential Information.

Employee understands and acknowledges that whether or not Employee signs this Agreement, Employee has both a contractual and common law obligation to protect the confidentiality of the Company's trade secret information after the termination of Employee's employment for so long as the information remains confidential. Employee further agrees to immediately return all Company property in Employee's possession, including but not limited to all materials, documents, photographs, handbooks, manuals, electronic records, files, laptop computer, cellular telephones, keys and access cards, no later than two days after the Effective Date and Employee certifies that Employee has not and will not retain any Company property, trade secret or other operating or strategic information, provided however, Employee make retain his Company provided computer and phone during the Transition Period.

7. Non-solicitation. Employee will not directly or indirectly during the Transition Period or for a period of one (1) year following the Consultancy Termination

Date, attempt to disrupt, damage, impair or interfere with the Company's business by raiding or hiring any of the Company's employees or soliciting any of them to resign from their employment by the Company, or by disrupting the relationship between the Company and any of its consultants, agents, representatives, vendors, customers and other business partners. Employee acknowledges that this covenant is necessary to enable the Company to maintain a stable workforce and remain in business.

8. Remedies. Employee understands and agrees that in the event Employee violates any provision of this Agreement, including the provisions set forth in Paragraphs 5, 6, or 7, then the Company shall have the right, among other things, (a) to apply for and receive an injunction to restrain any violation of this Agreement; and (b) to immediately terminate the Consulting Services. The remedies available to the Company pursuant to this Paragraph 8 are in addition to, and not in lieu of, any remedies which may be available under statutory and/or common law relating to trade secrets and the protection of the Company's business interest generally.

9. Nonassignment. Employee represents and warrants that Employee has not assigned or transferred any portion of any claim or rights Employee has or may have to any other person, firm, corporation or any other entity, and that no other person, firm, corporation, or other entity has any lien or interest in any such claim.

10. Future Cooperation. Employee agrees to cooperate reasonably with the Company, its successors, and all the Company affiliates (including the Company's outside counsel) in connection with the contemplation, prosecution and defense of all phases of existing, past and future litigation, regulatory or administrative actions about which the Company reasonably believes Employee may have knowledge or information. Employee further agrees to make himself available at mutually convenient times as reasonably deemed necessary by the Company's counsel. The Company shall not utilize this Section to require Employee to make himself available to an extent that it would unreasonably interfere with employment responsibilities that he may have, and shall reimburse Employee for any pre-approved reasonable business travel expenses that he incurs on the Company's behalf as a result of this Section, after receipt of appropriate documentation consistent with the Company's business expense reimbursement policy. Employee agrees to appear without the necessity of a subpoena to testify truthfully in any legal proceedings in which the Company calls him as a witness. Employee further agrees that he shall not voluntarily provide information to or otherwise cooperate with any individual or private entity that is contemplating or pursuing litigation or any type of action or claim against the Company, its successors or affiliates, or any of their current or former officers, directors, employees, agents or representatives.

11. Consideration and Revocation Period. Employee may revoke Employee's release of claims, insofar as it extends to potential claims under the Age Discrimination in Employment Act, by informing the Company of Employee's intent to revoke Employee's release within seven (7) calendar days following Employee's execution of this Agreement. Employee understands that any such revocation must be in writing and delivered by hand or by certified mail - return receipt requested - within the applicable period to Human Resources Department, 16941 Keegan Avenue, Carson, California

90746. Employee understands that if Employee exercises Employee's right to revoke, then the Company will have no obligations under this Agreement to Employee or to others whose rights derive from Employee.

The Agreement shall not become effective or enforceable, until the revocation period identified above has expired. The terms of this Agreement shall be open for acceptance by Employee for a period of twenty-one (21) calendar days. Employee understands that Employee should, and the Company hereby advises Employee to, consult with legal counsel regarding the releases contained herein and to consider whether to accept the Company's offer and sign the Agreement. Employee acknowledges that it has been Employee's decision alone whether or not to consult with counsel regarding this Agreement. Employee acknowledges that no proposal or actual change that Employee or Employee's counsel makes with respect to this Agreement will restart the 21-day period.

Employee acknowledges that Employee was permitted to use as much of the 21-day consideration period as Employee wished prior to signing, but by Employee's signature below Employee acknowledges that Employee has chosen to voluntarily execute this Agreement earlier and to waive the remaining days of such 21-day period.

12. Miscellaneous Provisions

(a) Integration. This Agreement, together with that certain Confidential Information and Invention Assignment Agreement, dated March 28, 2016, entered into with the Company, constitutes a single, integrated written contract expressing the entire Agreement of the parties concerning the subject matter referred to in this Agreement. No covenants, agreements, representations, or warranties of any kind whatsoever, whether express or implied in law or fact, have been made by any party to this Agreement, except as specifically set forth in this Agreement. All prior and contemporaneous discussions, negotiations, and agreements have been and are merged and integrated into, and are superseded by, this Agreement.

(b) Modifications. No modification, amendment, or waiver of any of the provisions contained in this Agreement shall be binding upon any party to this Agreement unless made in writing and signed by both parties.

(c) Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law and to carry out each provision herein to the greatest extent possible, but if any provision of this Agreement is held to be void, voidable, invalid, illegal or for any other reason unenforceable, the validity, legality and enforceability of the other provisions of this Agreement will not be affected or impaired thereby.

(d) Non-Reliance on Other Parties. Except for statements expressly set forth in this Agreement, no party has made any statement or representation to any other party regarding a fact relied on by the other party in entering into this Agreement, and no party has relied on any statement, representation, or promise of any other party, or of any

representative or attorney for any other party, in executing this Agreement or in making the settlement provided for in this Agreement.

(e) Negotiated Agreement. The terms of this Agreement are contractual, not a mere recital, and are the result of negotiations between the parties. Accordingly, no party shall be deemed to be the drafter of this Agreement.

(f) Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the heirs, successors, and assigns of the parties hereto and each of them. In the case of the Company, this Agreement is intended to release and inure to the benefit of any affiliated corporations, parent corporations, brother-sister corporations, subsidiaries (whether or not wholly owned), divisions, shareholders, officers, directors, agents, representatives, principals, and employees.

(g) Applicable Law; Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California without taking into account conflict of law principles. Employee and the Company agree to submit to personal jurisdiction in the State of California and to venue in its courts. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

(h) Attorneys' Fees. In the event suit is brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to receive, in addition to any other relief, reasonable attorneys' fees and costs.

(i) Restrictions on Selling Stock of Company. The Company and Employee agree that from and after the Effective Date, Employee will continue to be subject to the Company's insider trading policy until the Company's first open trading window following the Consultancy Termination Date.

(j) This Agreement may be executed via facsimile and in one or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument, binding on the parties.

EMPLOYEE ACKNOWLEDGES AND AGREES THAT EMPLOYEE HAS CAREFULLY READ AND VOLUNTARILY SIGNED THIS AGREEMENT, THAT EMPLOYEE HAS HAD AN OPPORTUNITY TO CONSULT WITH AN ATTORNEY OF EMPLOYEE'S CHOICE, THAT BY SIGNING THIS AGREEMENT, EMPLOYEE HAS UTILIZED OR WAIVES THE 21-DAY CONSULTING PERIOD, AND THAT EMPLOYEE SIGNS THIS AGREEMENT WITH THE INTENT OF RELEASING THE COMPANY AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY AND ALL CLAIMS.

ACCEPTED AND AGREED TO:

Employee

U.S. Auto Parts Network, Inc.:

/s/ Shane Evangelist

/s/ Aaron Coleman, CEO

Signature

Signature

3/30/2017

3/30/2017

Date

Date



Aaron Coleman Appointed Chief Executive Officer and Director

CARSON, Calif. - March 31, 2017 - U.S. Auto Parts Network, Inc. (NASDAQ: PRTS), one of the largest online providers of aftermarket automotive parts and accessories, announced today the appointment of Aaron Coleman as Chief Executive Officer and Director, effective immediately. Coleman, 42, has served as President of U.S. Auto Parts since October 2016 and Chief Operating Officer since September 2010. Prior to that time, Coleman served as Executive Vice President of Operations and Chief Information Officer of U.S. Auto Parts from April 2008 until September 2010, and before that, as the Senior Vice President at Blockbuster from July 2007 to April 2008, which he joined as Vice President in March 2005.

Shane Evangelist, who served as Chief Executive Officer and a Director since 2007, submitted his resignation to the Board and strongly recommended that the Board implement its succession plan and name Coleman as Chief Executive Officer. "The U.S. Auto Parts Board unanimously concluded that Aaron is the right choice to lead U.S. Auto Parts. Aaron's nine years of service to U.S. Auto Parts have been marked by outstanding performance, and he has demonstrated remarkable talent and sound judgment in everything he does," said Robert J. Majteles, Chairman of the Board. "We are also grateful for Shane's service to U.S. Auto Parts and we want to thank Shane for his strategic vision and leadership which has helped shape U.S. Auto Parts as a leader in its industry. His contributions will be felt for many years to come," said Majteles.

"I am proud to lead a great team and company with a clear focus on creating value for our customers, employees, and shareholders," said Coleman. "Our previously issued guidance remains on track and provides us with a strong foundation upon which to build from here. We are excited about our long term strategic plan and believe our market opportunity will continue to grow."

About U.S. Auto Parts

Established in 1995, U.S. Auto Parts is a leading online provider of automotive aftermarket parts, including collision, engine, and performance parts and accessories. Through the Company's network of websites, U.S. Auto Parts provides consumers with a broad selection of competitively priced products, all mapped by a proprietary database with applications based on vehicle makes, models and years. U.S. Auto Parts' flagship websites include www.autopartswarehouse.com, www.carparts.com, www.jcwhitney.com, and www.automd.com, as well as the Company's corporate website at www.usautoparts.net.

Safe Harbor Statement

This press release contains statements which are based on management's current expectations, estimates and projections about the Company's business and its industry, as well as certain assumptions made by the Company. These statements are forward looking statements for the purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended and Section 27A of the Securities Act of 1933, as amended. Words such as "anticipates," "could," "expects," "intends," "plans," "potential," "believes," "predicts," "projects," "seeks," "estimates," "may," "will," "would," "will likely continue" and variations of these words or similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, the Company's expectations regarding its recent management change, its future operating results and financial condition and its potential growth and market opportunities. We undertake no obligation to revise or update publicly any forward-looking statements for any reason. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors.

Important factors that may cause such a difference include, but are not limited to, competitive pressures, our dependence on search engines to attract customers, demand for the Company's products, the online market for aftermarket auto parts, the economy in general, increases in commodity and component pricing that would increase the Company's product costs, the operating restrictions in our credit agreement, the weather, and any other factors discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"), including the Risk Factors contained in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are available at www.usautoparts.net and the SEC's website at www.sec.gov. You are urged to consider these factors carefully in evaluating the forward-looking statements in this release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. Unless otherwise required by law, the Company expressly disclaims any obligation to update publicly any forward-looking statements, whether as result of new information, future events or otherwise.

Company Contact

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