

ASSISTANT SERVICE MANAGER (ASM) COMPENSATION PROGRAM

CHILA VISTA FORD

ASSISTANT SERVICE MANAGER: Joseph Chavez EFFECTIVE: February 1, 2023
DEALERSHIP: Chula Vista Ford REPORTS TO: Service Manager

I. **Introduction**

This pay plan describes the general terms by which you will be eligible for compensation as an Assistant Service Manager (ASM) at Chula Vista Ford (Dealership). An ASM is eligible to earn commission based upon the sales of vehicle parts and services. Generally, the commission shall be determined based upon a percentage of your total gross profit sales of parts and labor. Also, other bonuses may be offered by management from time to time.

II. **Commission Schedule**

Your commission percentage will vary depending on your monthly total paid gross profit sales of parts and labor, your Ford Combined surveys received during each individual month including the surveys received with period ending in the month for which you are being paid. For instance, the survey received through Ford's close of the month close will determine your pay percentage. There is no qualification to receive your commissions.


Current-Month Commissionable Individual Parts & Labor Sales	Qualifying Base Commission Rate
Customer Pay Parts and Labor Gross Profit on Closed Repair Orders	12.00%
Warranty Parts and Labor Gross Profit on Closed Repair Orders	8.00%
Internal Parts and Labor Gross Profit on Closed Repair Orders	6.00%

(Internal Gross from Policy Adjustments will be excluded)

III. **Bonus Commission Compensation**

The Dealership may use discretionary and non-discretionary bonuses to award on-going performance based upon a variety of important factors. The terms and conditions for such bonuses will be provided to you in writing from time to time by the General Manager, which may vary according to the circumstances. Bonuses require employment for a designated period of time, or on the bonus payout date, as a condition precedent to earning them, regardless of the measuring period, other performance requirements, or the use of or reference to objective criteria in determining the amount of the bonus.

The following Bonus Commission opportunities are currently in place, though these bonus opportunities, eligibility requirements, and bonus amounts, may be changed at any time.

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Element 1 Individual CVP Bonus

You will earn a CVP Bonus Commission in the amount of 1.5% of the Commissionable Individual Parts & Labor Gross Profit Sales produced by your current-month Closed Repair Orders if both of the following Eligibility Requirements are achieved: (1) your individual current Month CVP ASM Score is greater than or equal to Group as reported by the final month-end report posted on the Manufacturer website; and (2) you must be employed by the Dealership through the last day of the month.

*****Three (3) consecutive months below "Group" and or falling below "Group" average five (5) times during a calendar year will result in termination.*****

If your employment terminates, voluntarily or involuntarily, for any reason prior to the end of the month, no prorated CVP Bonus Commission will be paid to you regardless of whether the other Eligibility Requirements are achieved.

Element 2 Service Department CVP Bonus

You will earn a CVP Bonus Commission in the amount of 1.5% of the Commissionable Individual Parts & Labor Gross Profit Sales produced by your current-month Closed Repair Orders if all of the following Eligibility Requirements are achieved: (1) Service Department total current Month CVP ASM Score is greater than or equal to Group as reported by the final month-end report posted on the Manufacturer website; and (2) your individual current Month CVP ASM Score is greater than or equal to Group as reported by the final month-end report posted on the Manufacturer website; and (3) you must be employed by the Dealership through the last day of the month.

If your employment terminates, voluntarily or involuntarily, for any reason prior to the end of the month, no prorated CVP Bonus Commission will be paid to you regardless of whether the other Eligibility Requirements are achieved.

Minimum Wage

You will always earn the equivalent of at least minimum wage for all hours worked. If your Commissions and Bonuses are not the equivalent of at least minimum wage for all hours worked, you will be paid minimum wage for all hours worked, plus any applicable overtime.

IV. Other Definitions

You must be a current, full-time employee at the time a Repair Order or Parts Invoice becomes a "Closed Repair Order" or "Closed Parts Invoice" and/or "Cleared for Commission" by the Accounting Department in order to "earn" a commission on the sale or service or parts written on the Repair Order or Parts Invoice.

1. Any survey from Ford below a "Group" will be considered negative.
2. Labor commissions are defined as the amount earned on the net labor sale per repair order, excluding sublet labor and discounts.
3. Parts commissions are defined as the amount earned on the net Parts sale per repair order, excluding exchange parts. The company will pay commission on the handling allowance only for exchange parts. The handling allowance will become the part sale amount; rather than the actual price of the exchange part on the repair order, for which the company does not realize income.
4. Change backs of sales by the manufacturer will be deducted from commissionable sales of parts and labor at the end of each month.

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5. The net sale amount will be the gross sale of parts and labor less exchange parts and any other adjustments on the repair order that lowers the actual dollar sale amount. Example: Owner advantage adjustments, goodwill adjustments, any other discounts, and exchange parts.

Payment of Commission and Bonus - Commission and bonuses earned during the prior month, will be paid on the first payday, the 10th of the following month. Commission and bonuses earned during the first half of the month, will be paid on the second payday, the 25th of the month (unless this pay day falls on a weekend or holiday, See Employee Handbook for exceptions).

While Chula Vista Ford utilizes commission vouchers, the vouchers only contain estimates of the commission and bonus. The vouchers are at all times subjected to verification by the Office and subject to adjustments as appropriate. A voucher should not be viewed to signify or represent that a commission or bonus has actual been "earned".

V. General

Chula Vista Ford reserves the right to amend or terminate this pay plan at any time without notice at its sole discretion. This agreement supersedes all previous agreements with respect to your pay and any prior pay plans and agreements are no longer in effect.

It is becoming necessary for Chula Vista Ford to amend this pay plan or it is terminated, commissions/bonuses will be paid at the next scheduled payroll disbursement based on commissions/bonuses earned as described above, at the date of the amendment or termination of this plan.

This pay plan does not constitute an "employee contract," expressed or implemented, which affects your status as an at-will employee, and your employment is for no defined period, regardless of payment of wages. Both Chula Vista Ford and you have the right to terminate the employment relationship at any time, for any reason, with or without cause, and without notice. The at-will status can only be changed in writing signed by the General Manager or President of Chula Vista Ford.

The terms of the pay plan do not modify or alter both your or Chula Vista Ford obligation to arbitrate any and all disputes which may arise out of this pay plan or which relate to your employment in general.

Chula Vista Ford makes no representation that it has identified every factor considered in the calculation of commissions or bonuses. There are costs and other economic factors which can arise that may impact the calculation of a commission or bonus. This pay plan can be changed at any time with or without notice at the sole discretion of Chula Vista Ford and may only be changed in writing and signed by the General Manager or President of Chula Vista Ford. No oral representation contrary this pay plan, please ask your Department manager or General Manager.

General Manager

Date

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I have read the contents of this pay plan and agree to its terms. I understand and agree that my continued employment is based upon my agreement with the commission rates and the compensation amounts established by the General Manager.



Joseph Chavez
2/20/23

Date