

Chula Vista Ford

AUTOMOTIVE TECHNICIAN COMPENSATION PROGRAM

DEALERSHIP: Chula Vista Ford

EFFECTIVE DATE: Marc 6, 2023

TECHNICIAN: Oscar Montoya

REPORTS TO: Service Manager

This Compensation Program is in effect between the Dealership and the Technician named above from the Effective Date, while Technician remains actively employed.

Technician's Compensation for a specific pay period is Technician's Base Hourly Rate (Pay Element 1) and/or Training Hourly Rate (Pay Element 2) for all hours worked during the pay period plus any compensation earned under Elements 3 through 6, less any Advances.

The Dealership distributes paychecks pursuant to its published pay day schedule.

PAY ELEMENTS

▪ **Element 1: Base Hourly Rate (BHR)**

Technician shall be paid a base Hourly Rate ("BHR") of **\$16.30** which is at least equal to the highest applicable minimum wage requirement (the higher of the State, federal, or any applicable local minimum wage, which may be expected to increase from time to time) for each and every hour worked (clock hours), including productive and non-productive time, during the applicable pay period, but not including time spent in training programs or courses (but including time spent in training-related travel) and not including time spent in paid rest and recovery periods as provided by law (see Element 3), plus all applicable overtime required by federal and state law.

▪ **Element 2: Training Hourly Rate**

Technician will be paid a Training Rate of **\$16.30** for each hour attending approved training programs or courses, in lieu of the regular BHR.

▪ **Element 3: Rest and Recovery Compensation**

Each Technician shall be provided rest and recovery periods as required by law. These periods are considered hours worked and are paid at an average hourly rate determined by dividing the total compensation for the workweek, exclusive of compensation for rest and recovery periods and any premium compensation for overtime, by the total hours worked during the workweek, exclusive of rest and recovery periods. Because Element 3 includes all rest and recovery periods during all hours worked (including training time), Technicians may, at times, be paid for such times under both Element 2 and Element 3.

▪ **Element 4: Proficiency Bonus**

Technician Proficiency Bonus Established Flag Rate \$ 16.30 Employee will receive an hourly Base Rate of \$16.30

0% - 50% proficient employee will Earn Minimum/Standard Base rate per hour. \$16.30
51% - 60% proficient employee will Earn Minimum/Standard Base rate per hour. \$17.30
61% - 74% proficient employee will Earn Minimum/Standard Base rate per hour. \$18.30
75% - 100% proficient employee will Earn Minimum/Standard Base rate per hour. \$19.30
101% plus % proficient employee will Earn \$1.00 Per Flag Hour \$19.50

Example: you take the total flag hour and divide it by the clock hour and that will give the proficiency percentage

tech flagged 76.10 hours and clocked 77.65 hours on timecard ($76.10 \div 77.65 = 98\%$)

CV Ford minimum Proficiency standard is 80% this will be the average on a rolling 3 cycle pay period. If employee does not meet the minimum of 80% proficiency
Could lead to disciplinary action and or termination.

▪ **Elements 5 and 6: Semi-Monthly and Monthly Bonus Opportunities**

The Automotive Service Technician may receive a spiff or bonus as determined by the General Manager or Service Department Manager of the Dealership for specific periods of time or based on attaining specific objectives. Any bonus program must be in writing and signed by the General Manager or Service Department Manager and are at management's sole discretion. These various bonuses may or may not be announced in writing during certain periods within any month, or there may be no bonus program during certain time periods.

ADJUSTMENTS TO UNITS PRODUCED, CALCULATIONS, ADVANCES AND/OR WAGES

The Technician agrees that within 180 days of when the Repair Order becomes a Closed Repair Order, Units Produced, TTE, efficiency, Advances and/or wages or any other calculations may be adjusted (1) to correct any error in the calculation, whether that error is the result of miscalculations by the Company, the Service Department Manager, any Technician or any other person; (2) if any Closed Repair Order is subsequently determined not to have been a Closed Repair Order; (3) if a Closed Repair Order is rescinded, reversed, or otherwise reimbursed to the customer or charged back by the factory or warranty (including extended service contracts) provider for any reason; or, (4) for come-backs (Technicians are not paid on come-backs), (5) Compensation to personnel who perform a portion of the Closed Repair Order; and/or, (6) goodwill adjustments made to obtain and maintain the Repair Order as a Closed Repair Order. Any such adjustment resulting in decreased amounts will be treated as an Advance on wages and will be deducted from a subsequent check and/or reconciled, as defined below. Any such adjustment resulting in increased compensation will be paid on the next payday.

ADVANCES AGAINST FUTURE EARNED WAGES

All payments, with the exception of the BHR and any training wages, made to the Technician on Repair Orders are considered Advances against future earned wages and are subject to chargeback upon audit or any adjustment by the Dealership, Manufacturer and/or warranty provider. Such chargebacks will be deducted from future earned Pay Elements, with the

exception of the BHR or any training wages. The Technician acknowledges that such Advances are for the Technician's benefit and authorizes such deductions. Any overpaid Advances against future earned wages must be returned by the Technician upon the Technician's separation from the Dealership and by signing below the Technician agrees that a deduction from his/her final wages shall be made.

CLOSED REPAIR ORDER

No Pay Elements under Elements 3 through 6 will be earned until the Repair Order becomes a "Closed Repair Order." A Repair Order is not "closed" until the vehicle has been delivered to the customer and the Dealership has been paid in full on the transaction and all related paperwork is properly completed and approved for payment by the Customer, Manufacturer and/or warranty provider, subject to adjustment as outlined above. The Technician must be employed at the time the Repair Order becomes a Closed Repair Order for the Units Produced or payments on any Repair Order to be "Earned," regardless of the work done or the fact that he/she was employed when the Repair Order was written or completed and must not be subject to reduction in price or returned by the Customer or the Manufacturer or Warranty Provider within the time frame for returns, audit adjustments and/or customer goodwill, etc.

UNITS PRODUCED

Units Produced shall be defined as the number of Units which are credited in the sole discretion of the Dealership and/or the Manufacturer (or warranty or extended service contract provider) on Closed Repair Orders and the repair and/or service was performed correctly to complete the desired repair and/or service. Repairs and/or service that are not properly completed according to industry standards and/or the Dealership/Manufacturer guidelines are not considered Units Produced and do not qualify as earned wages and/or Units Produced, whether or not the Technician has been paid for the work as an Advance or otherwise. Such Units Produced and/or payments which are paid but are not Units Produced on Closed Repair Orders are considered an Advance on future possible wages. The number of Units credited for each particular task, service and/or repair completed are determined in the sole discretion of the manufacturer, the warranty provider, the after-market service contract provider, third-party repair guide and/or the Dealership, as the case may be. Those Unit values are available from each provider and may be obtained by the Technician either before, during and/or after the service/repair is performed.

Technician will not be credited for Units Produced for the purpose of bonus calculations for Units Produced from come-back work Technician originally performed and for which Technician was paid.

ATTENDANCE DOCUMENTATION

The Technician is required by federal and state law and by this Dealership to keep an accurate record of all the hours worked each day. Hours worked in excess of your scheduled hours require approval in advance by your supervisor. Failure to comply with this requirement can result in discipline up to and including termination.

MEAL BREAKS AND REST PERIODS

All Technicians who work five or more hours in a day are required to take a thirty-minute meal break. All meal breaks must be at least 30 minutes, uninterrupted, during which Technician will be relieved of all duties and free from the control of the Company. Technician is not expected to respond to work-related telephone calls, sales opportunities or other communications (email, text messages, pages, etc.) during your meal breaks, and are not encouraged or permitted to

perform work duties of any kind during a meal break. Technician is permitted to leave Company premises during meal breaks. A second thirty minute break is required for Technicians who work more than ten hours in a day. The first thirty minute meal break must be started no later than the end of the Technician's fifth hour of work, and the second thirty minute meal break (if applicable) must be started no later than the end of the Technician's 10th hour of work. Certain exceptions to these rules exist based on the number of hours worked and/or the nature of the Technician's duties, but application of these exceptions is uncommon, and Technician must have written authorization from the General Manager if Technician will be taking an on-the-job meal break or will not be taking a meal break. Technicians taking their meal breaks must record their time on their timesheets when they begin and end their meal periods.

In addition, the Company also provides Technician a rest period of ten (10) minutes "net" rest time per four (4) hours worked, or major fraction thereof, and which insofar as practicable shall be in the middle of each work period. However, the Company generally will not authorize a rest period for Technicians whose total daily work time is less than three and one-half (3½) hours. Thus, Technician will receive one 10 minute rest period for shifts from three and one-half (3½) hours to six (6) hours in length, two 10 minute rest periods for shifts of more than six (6) hours up to ten (10) hours in length, and three 10 minute rest periods for shifts of more than ten (10) hours up to fourteen (14) hours. If Technician works a shift longer than fourteen (14) hours Technician will be provided additional rest periods. In the context of an eight (8) hour shift, one rest break should fall on either side of the meal break. Rest periods are counted as hours worked, and thus, Technicians are not required to record their rest periods on their timesheets.

All missed meal or rest break periods are to be reported to Technician's supervisor immediately. Technicians understand that no supervisor and no policy and/or practice is permitted to do anything to incentivize Technician to forego, exert coercion against taking, impede, discourage, or dissuade any other Technician from taking meal and rest periods that are required by law. If any other Technician, including supervisors, attempts to incentivize Technician to forego, exerts coercion against Technician taking, or attempts to impede, discourage or dissuade Technician in any way from taking a meal or rest period as described herein or required by law, Technician is to immediately notify the General Manager and/or the Human Resources Department. Authorized meal and rest periods cannot be used to shorten the workday or be accumulated for any other purpose. Additionally, rest periods may not be combined with a meal period.

OVERTIME FOR TECHNICIANS

Technician will be paid overtime in accordance with state and federal requirements.

NOTICES AND CONFIRMATION OF AGREEMENT TO TERMS AND RECEIPT OF COPY

Technician has read this Compensation Program in its entirety, and Technician has had an opportunity to discuss any questions with the General Manager of the Dealership. Technician understands how his/her compensation is calculated and, in addition, Technician understands the benchmarks that must be attained in order to receive payment for any of the Pay Elements. Technician must be employed at the time a Pay Element is earned and payable in order to be eligible to receive the Pay Element. A Pay Element is not earned and payable until the completion of the calculation date. No pro rata Pay Element will be paid for partial calculation periods or partial work completed regardless of whether Technician's employment was terminated voluntarily or involuntarily, except for BHR. Technician further acknowledges this Compensation Program is subject to review, after which it may be adjusted. Moreover, Technician acknowledges this Compensation Program DOES NOT constitute a contract of employment for other than to establish the terms of compensation.

This is the total Compensation Program and no further payments and/or compensation shall be anticipated or expected. This Compensation Program is not an employment contract and may be changed at the discretion of the Dealership. This Compensation Program supersedes and replaces any Compensation Program in place prior to the above Effective Date.

Technician understands that nothing in this Compensation Program creates or is intended to create a promise or representation of continued employment and that Technician's employment, position and compensation is for no definite period, regardless of payment of compensation. Technician has the right to terminate his/her employment at any time, with or without cause or notice, and the Dealership has a similar right. Notwithstanding anything to the contrary herein, Technician further understands that his/her status as an "at-will" employee may not be changed except through a writing specifically modifying the at-will and/or arbitration provision, which is signed by Technician and the President of the Dealership, and that "at-will" employment is the sole and entire agreement between the parties.

DISPUTE RESOLUTION AGREEMENT

I also acknowledge that the Company utilizes a system of alternative dispute resolution which involves binding arbitration to resolve all disputes which may arise out of the employment context. Because of the mutual benefits (such as reduced expense and increased efficiency) which private binding arbitration can provide both the Company and myself, I and the Company both agree that any claim, dispute, and/or controversy that either party may have against one another (including, but not limited to, any claims of discrimination and harassment, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, as well as all other applicable state or federal laws or regulations) which would otherwise require or allow resort to any court or other governmental dispute resolution forum between myself and the Company (or its owners, directors, officers, managers, employees, agents, and parties affiliated with its employee benefit and health plans) arising from, related to, or having any relationship or connection whatsoever with my seeking employment with, employment by, or other association with the Company, whether based on tort, contract, statutory, or equitable law, or otherwise, (with the sole exception of claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers' Compensation Act, and Employment Development Department claims) shall be submitted to and determined exclusively by binding arbitration. I understand and agree that nothing in this agreement shall be construed so as to preclude me from filing any administrative charge with, or from participating in any investigation of a charge conducted by, any government agency such as the Department of Fair Employment and Housing and/or the Equal Employment Opportunity Commission; however, after I exhaust such administrative process/investigation, I understand and agree that I must pursue any such claims through this binding arbitration procedure. I acknowledge that the Company's business and the nature of my employment in that business affect interstate commerce. I agree that the arbitration and this Agreement shall be controlled by the Federal Arbitration Act, in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the Act's other mandatory and permissive rights to discovery). However, in addition to requirements imposed by law, any arbitrator herein shall be a retired California Superior Court Judge and shall be subject to disqualification on the same grounds as would apply to a judge of such court. To the extent applicable in civil actions in California courts, the following shall apply and be observed: all rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8. Resolution of the dispute shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any

basis (including, but not limited to, notions of "just cause") other than such controlling law. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with the arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this Agreement's modifications to the Act's procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator's written reasoned opinion. If CCP § 1284.2 conflicts with other substantive statutory provisions or controlling case law, the allocation of costs and arbitrator fees shall be governed by said statutory provisions or controlling case law instead of CCP § 1284.2. Both the Company and I agree that any arbitration proceeding must move forward under the Federal Arbitration Act (9 U.S.C. §§ 3-4) even though the claims may also involve or relate to parties who are not parties to the arbitration agreement and/or claims that are not subject to arbitration: thus, the court may not refuse to enforce this arbitration agreement and may not stay the arbitration proceeding despite the provisions of California Code of Civil Procedure § 1281.2(c). **I UNDERSTAND BY AGREEING TO THIS BINDING ARBITRATION PROVISION, BOTH I AND THE COMPANY GIVE UP OUR RIGHTS TO TRIAL BY JURY.**

Technician voluntarily agrees to be bound by all terms and conditions of this Compensation Program and Technician's Signature also acknowledges that he/she has received a copy of this Compensation Program signed by the Dealership representative and Technician.

Agreed to:

Oscar Montoya

Date

General Manager

Date