

## HOURLY COMPENSATION PROGRAM

### CHULA VISTA FORD

NAME: Ivan Ponce DATE: January 1, 2023

DEALERSHIP: Ford of Chula Vista REPORTS TO: Parts Manager

This "Pay Plan" describes the terms and conditions by which the Associate's (You) compensation as an employee at Chula Vista Ford (the "Company") shall be earned and calculated. It supersedes any and all prior written or oral compensation agreements, arrangements or representations regarding your compensation.

#### INTRODUCTION:

This Pay Plan lays out the general terms by which you will be eligible for compensation as an employee of the Company. You will be paid an hourly rate for each hour you work, plus overtime, if applicable, based on all hours worked.

#### COMPENSATION:

- **Hourly Wages.** You are paid solely by the hour unless notified otherwise in writing by the Human Resources Department. You will receive the greater of **\$16.30** or the state minimum wage (your "Regular Rate") for every hour actually worked, including paid rest and recovery periods, which compensation shall be paid twice per month. Your rate of compensation may be changed prospectively at any time by the Company.
- **Overtime.** If applicable, overtime is paid at 1.5 times your Regular Rate for all hours worked over 8 in a day, 40 in a week, and for the first 8 hours worked on the 7th consecutive day of work in the work week. If applicable, double time is paid for all hours worked over 12 in a work day, or all hours worked over 8 on the 7th consecutive day of work in a work week.

Hourly Rate (Regular Rate)	Regular Overtime Rate (Regular Rate x 1.5)	Double-Time Rate (Regular Rate x 2)
\$16.30	\$24.45	\$32.60

**All overtime worked must be approved by your Manager in advance. Failure to obtain approval to work overtime may result in discipline up to and including discharge.**

#### WORKDAY, WORKWEEK, AND PAY PERIOD:

For the purpose of computing compensation under this Pay Plan, the "workday" is the 24-hour period ending at 12:00 midnight; the "workweek" begins on Monday at 12:00 a.m. and ends at midnight (end of) Sunday. On the 7th of each month (unless this pay day falls on a weekend or holiday, See Employee Handbook), you will receive your wages due for the period from the 16th day through the last day of the prior month pursuant to this pay plan. On the 22nd of each month (unless this pay day falls on a weekend or holiday, See Employee Handbook), you will receive your wages due for the period from the 1st day through the 15th day of the current month pursuant to this pay plan. These pay dates are subject to modification for weekends and holidays (See Employee Handbook).

#### TIMEKEEPING, MEAL AND REST BREAKS AND RECOVERY PERIODS:

Because of state and federal timekeeping requirements, you are responsible for keeping accurate time records, including recording each day when you (1) start and end work, and (2) when you start and end your meal periods. Your compensation cannot be correct unless your working time is properly recorded. Meal periods should be at least 30 uninterrupted and duty free minutes, to commence before working more than 5 hours each day for the first meal period, and 10 hours each day for the second meal period. Certain exceptions to the meal period rules exist based on the number of hours worked and/or the nature of an employee's duties, but such exceptions are uncommon. Unless an on-duty meal period is approved in writing, you are relieved of all duty and not expected to respond to work-related telephone calls or other communications (email, text messages, etc.) during meal breaks, and are not to perform work of any kind during a meal break. You are permitted to

Employee Initials IP  
Rev. 01.01.21

leave Company premises during meal breaks. You will be notified by the General Manager of the length of your meal periods if they are greater than 30 minutes. In no circumstances will they be less than 30 minutes.

Rest breaks are included as hours worked, so employees are not required to document on their time records the time they take for rest periods (10 minutes for each 4 hours of work or major fraction (over 2 hours) thereof). However, the Company generally will not authorize a rest period for employees whose total daily work time is less than three and one-half (3 ½) hours for the day. You are authorized and instructed to take an uninterrupted ten (10) minute rest break if you work more than 3 ½ hours in a day but not more than 6 hours, two 10 minute breaks if you work more than 6 hours but not more than 10 hours, and three 10 minute breaks if you work more than 10 hours but not more than 14 hours. It is your obligation to determine an appropriate time, as close to the middle of each four hour period of work as possible, to take your break(s). Employees are required to certify the accuracy of their time records each pay period including documentation regarding meal periods. All changes must be signed and initialed by you and an assigned supervisor.

Employees are also authorized and provided the opportunity to take any uninterrupted cool-down periods (of at least five (5) minutes) needed to avoid overheating. Recovery periods are included as hours worked.

You understand that you are to do nothing to incentivize, discourage, coerce, or dissuade any employee from taking meal, rest or recovery periods that are provided by law. If you learn that any other employee, including managers, attempt to incentivize, discourage, coerce, or dissuade any employee from taking meal and rest periods that are required by law, you are to immediately notify the General Manager and/or the Human Resources Department. Failure to comply with these requirements, or honor this policy, can result in discipline up to and including termination.

#### **PAYMENT AT TERMINATION:**

Unless otherwise provided in writing and signed by the Human Resources Department, separation pay shall consist of: (1) your earned Hourly Wages, and any other compensation due by the date of separation, plus (2) any accrued but unused/unpaid vacation in accordance with the Company's vacation accrual policy. If applicable, all incentive pay shall be paid upon termination as soon as reasonably calculable, or as required by law.

#### **TOOL AND EQUIPMENT ACKNOWLEDGMENT:**

In compliance with Industrial Welfare Commission, Wage Order No. 7, you voluntarily acknowledge and confirm that the Dealership, at its sole expense, provides and maintains all of the tools and equipment necessary to perform your job duties and responsibilities. You further understand and agree that any additional tools/equipment that you provide or purchase are provided or purchased voluntarily and that the Dealership has not required, encouraged, or suggested that you provide or purchase such additional tools/equipment. You further agree to inform your supervisor in the event that at any time during the course and scope of your employment, additional tools/equipment necessary to the performance of your job are not provided.

#### **NOTICES AND CONFIRMATION OF AGREEMENT TO TERMS:**

You acknowledge that you have read this Pay Plan in its entirety, and that you had the opportunity to discuss any questions with your Manager and/or a representative of the HR Department. You also acknowledge that you understand how your compensation is calculated and you understand the requirements that must be satisfied in order to receive compensation. If applicable, bonus compensation is not earned and payable until the completion of the calculation date. No pro rata bonus compensation will be paid for partial calculation periods or partial work completed regardless of whether your employment was terminated voluntarily or involuntarily.

You agree to keep accurate time records, including recording your time at the beginning and end of your work shift and at the beginning and end of your meal periods, and to sign periodic certifications regarding your time records in compliance with Company policy. You agree to review your paycheck for accuracy and to immediately bring any questions concerning the computation or the amount of the paycheck to the attention of your supervisor. Senior management's interpretation of the Pay Plan shall govern any dispute that arises regarding the compensation due, except for clerical or mathematical errors computations. You agree to abide by all of the Company's policies and terms and conditions of employment, including those contained in the Employee Handbook.

You acknowledge this Pay Plan DOES NOT constitute a contract of employment for any purpose other than to establish the terms of compensation.

Employee Initials TP  
Rev. 01.01.21

This Pay Plan Agreement is not an employment contract and may be changed at the discretion of the Company on a prospective basis. You understand that nothing in this Pay Plan creates or is intended to create a promise or representation of continued employment and that your employment, position and compensation is for no definite period, regardless of payment of compensation. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right. Notwithstanding anything to the contrary herein, you further understand that your 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 you and the CFO of the Company, and that "at-will" employment is the sole and entire agreement between the parties.

You further acknowledge and agree that any disputes regarding this Pay Plan, or any other aspect of your employment relationship will be decided by binding arbitration, pursuant to the arbitration agreements you have executed with the Company. To the extent that any provision in this Pay Plan conflicts with the Employee Handbook or any agreement regarding At-Will Employment and Arbitration, the provisions of the Employee Handbook and agreement for At-Will Employment and Arbitration will prevail and supersede any conflicting language in this Pay Plan.

This Pay Plan is your total pay package, and no further payments and/or compensation shall be anticipated or expected. This Pay Plan supersedes and replaces any Pay Plan in place prior to the above Effective Date.

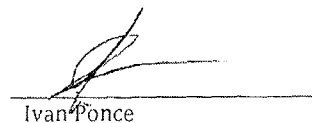
You voluntarily agree to be bound by all terms and conditions of this Pay Plan and your signature also acknowledges that you have received a copy of this Pay Plan signed by an authorized Company representative and you.

*By placing my Signature below, I (Employee) voluntarily agree to be bound by all terms and conditions of this Pay Plan and my Signature also acknowledges that I have received my own copy of this Pay Plan signed by an authorized Company representative and me.*

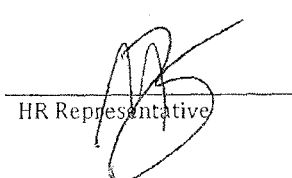
**Agreed to:**

**Employee**

**Company**

  
Ivan Ponce

01/01/2023

  
HR Representative

01/01/2023