



2020 Lexus Crown Jewel Service & Parts Manager Incentive PROGRAM RULES

SUMMARY

Lexus, a division of Toyota Motor Sales, U.S.A., Inc. (referred to hereafter as “**Lexus**”) is sponsoring a Service & Parts Manager Travel Incentive Program (“**Program**”) based on participating continental U.S. Lexus dealerships (each, a “**Dealership**”) in the Western, Central, Eastern and Southern areas (“**Areas**”) and their efforts to achieve service and parts performance goals, subject to Program Scoring, as stated below, and the terms and conditions of these Program Rules, for the duration of the Program Period, as specified below. Each Dealership must remain under the same ownership (“**Dealer Owner**”) for the duration of the Program Period as well as applicable Travel Period, as designated below. **NO PURCHASE NECESSARY. VOID WHERE PROHIBITED.**

PROGRAM DATES

January 2, 2020, through March 31, 2020 (the “**Program Period**”).

ELIGIBLE PARTICIPANTS

One Service Manager and one Parts Manager per Dealership who are least 21 years of age and employed at the Dealership are eligible to participate in the Program, subject to the terms and conditions herein (each referred to herein as a “**Participant**”). Dealer Owners must own the Dealership during the entire Program Period and at the time the award is redeemed (including all travel dates). Any Participant who receives a Program Award, as defined below, must be employed by the same Dealership from which he/she began Participating in the Program and must remain employed at such Dealership for the duration of the entire Program Period and Travel Period, as specified below.

ENROLLMENT

Participant must enroll on the Lexus ENCOMPASS/Crown Jewel website at <https://lexusencompass.programhq.com/login.psp> (“**Website**”) by completing all required enrollment fields, including his/her selection of either a Family Trip, as defined below, or a Couples Trip, as defined below, for redemption should that Participant be selected by his/her Dealership to receive a Program Award, as defined below (“**Enrollment**”). Each Participant may only submit one (1) Enrollment during the Promotion Period. Enrollments become the property of Lexus.

PROGRAM SCORING

Dealership Qualifier

To qualify for Enrollment, using the Scoring Criteria specified below (each, a “**Score**”), by Area, each Dealership must, for the duration of the Program Period, either:

1. Meet a minimum Score of 73% for Service Retention (12 month rolling index through the end of the Program Period).

OR

2. Have a Dealership Follow-up Contact Score on the Lexus Service Survey that meets or exceeds the average/rolling index for the Dealership Area, as specified herein.

For specific criteria and Scoring details, please visit the Website.

Tiebreaker

In the event of a tie of Scoring Criteria between Dealerships, including any Bonus Points, the Dealership, by Area, with the higher Service Retention % Score will be declared the winning Dealership for such Area.

Scoring Criteria (Service)	Measurement	Point Frequency	Weighting	Total Possible Points
10K-Mile Completion Rate % (00110F, 001100)	Points range	Monthly	35%	75
L/Certified Maintenance - Combined Redemption Rate %	Points range	Monthly	35%	75
Service Connect RO Conversion %	Meet or exceed monthly target	Monthly	30%	60
Scoring Criteria (Parts)	Measurement	Point Frequency	Weighting	Total Possible Points
Lexus Tire Center Program Purchases	Meet or exceed monthly target	Monthly	35%	75
Parts Purchases - not including warranty, SSC, and Returns	Current month vs. same month prior year	Monthly	35%	75
Wholesale Parts and Accessory Sales (4750, 4958, 4731 and 4767)	Current month vs. same month prior year	Monthly	30%	60

Bonus Points	Point Frequency	Total Points Possible
<p>1) Digital Marketing</p> <p>Enrolled in the Lexus Service Digital Advertising Program (LSDAP) Search Engine Marketing (SEM) and one or more of the additional services below:</p> <ul style="list-style-type: none"> • Social media (Facebook ads) • Video (YouTube pre-roll) • Display banners <p>Must be enrolled in LSDAP by January 31, 2020, and active through March 31, 2020 (to be validated by Shift Digital).</p>	Awarded once	20 Points
<p>2) Dealer Website: Online Service Appointment Scheduler</p> <p>Maintenance Schedule <u>with pricing</u> incorporated into electronic service menu for entire Program Period (to be validated by District Service & Parts Manager (DSPM))*</p>	Awarded once	20 Points
<p>3) Inactive-Customer Campaign - Campaign must be initiated outside of regular ENGAGE communications.</p> <ul style="list-style-type: none"> • One inactive campaign (mail or email) must be completed during the Program Period, January 2-March 31, 2020. • Campaign must specifically target inactive Lexus vehicles with no service visits within the last 12 months or longer. • Service Smarts for Retention (SSR) is the required source for the customer list. • The customer list must have a minimum of 200 customers' VINs. (Questions? Contact your DSPM.) • If Affinitiv is not the business partner used to fulfill this inactive campaign, the Dealer Owner must provide validation information** to DSPM.* 	Awarded once	20 points

<p>4) Takata Airbag Remediation</p> <p>Outreach to Priority Groups 1 - 12</p> <ul style="list-style-type: none"> • Download list from SSR (SSR usage validated by National) • Send email or mail campaign to target list • Must execute minimum of 2 campaigns during Program Period • If Affinitiv is not the business partner used to fulfill campaigns, the Dealer Owner must provide validation information** to DSPM.* 	<p>Awarded once</p>	<p>20 points</p>
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* Validated by DSPM by March 31, 2020

**The following information must be forwarded to your DSPM as validation if Affinitiv is not used to fulfill the campaigns:

<p>Dealer name/number</p>	<p>Customer selection (i.e., customers with last-visit dates between 12 and 18 months ago) or Takata</p>	<p>Final mail count</p>
<p>Date sent</p>	<p>Campaign type</p>	<p>Campaign summary, confirmation, or affidavit with creative sample</p>

OFFICIAL REPORTS

Scores are calculated based on month-end data from the prior month during the Program Period.

- Preliminary monthly Scores are calculated and posted on the Website during the second week of February and March 2020.
- Final monthly Scores are calculated and posted during the third week of February and March 2020.
- Final standing Scores of the Program will be posted during the last week of April 2020.

PROGRAM AWARDS

The top Scoring forty (40) Dealerships (“**Winning Dealerships**”) will each win one (1) Family Trip and one (1) Couples Trip, both of which are defined below (each, a “**Program Award**”) which will be redeemed by the Participant according to his/her selection of a Family Trip or Couples Trip, both of which are defined below, upon Enrollment (each, a “**Winner**”).

Family Trip

Cabo San Lucas, Mexico - Grand Velas Los Cabos; Travel Period is: June 22-26, 2020, with an approximate retail value (“ARV”) of \$12,258.34 (each, a “**Family Trip**”). A total of 40 Family Trips will be awarded.

Couples Trip

Prague, Czech Republic - Four Seasons Hotel Prague; Travel Period is: July 19-24, 2020, with an ARV of \$9,004.50 (each, a “**Couples Trip**”). A total of 40 Couples Trips will be awarded,

Each Program Award includes:

- Roundtrip airfare to and from major international airport nearest Winner’s residence
- Roundtrip airport transfers
- Hotel accommodations
- Group activities and certain group meals, as designated for either the Family Trip or the Couples Trip
- The Family Trip attendees consist of up to two (2) adults, both of whom must be at least 21 years of age and up to two (2) children (immediate family only). Families with more than two (2) children are responsible for all costs associated for any additional travelers, including, but not limited to, airfare, accommodations, activities and meal costs. Consult “Children’s Buy-In” information on the Website for complete details.
- The Couples Trip is for two (2) adults only: the Winner plus one (1) guest. Winner and guest must both be at least 21 years of age.
- Family Trip and Couples Trip travelers are solely responsible for obtaining all necessary travel documents (e.g., valid photo ID, passport, etc.) and ensuring these documents meet destination validity rules. Visit the Travel Documentation Requirements page on the Website for complete details.
- Program Awards are subject to availability.

Program Awards are nontransferable, no substitutions can be made, and cannot be redeemed or exchanged for cash or other award, or alternative travel dates, etc. No exceptions will be made, nor will alternate provisions be made for Winners unable to travel on the dates specified above. Scores earned during the Program Period are for the sole purpose of comparing Program performance only and have no redeemable or intrinsic value. Limit one (1) Program Award per Winner.

GROUP COMPETITION AND SELECTION OF WINNERS

- Winning Dealerships will be grouped with other Winning Dealerships of similar Repair Order (“RO”) volume within their respective Areas for Scores and to compete for Program Awards. Group assignments will be made by each Area office in its sole discretion.
- The list of Winning Dealerships will be included with the final Score standings posted on the Website.
- Lexus reserves the right to change any term or requirement of this Program in its sole discretion.

Lexus Western Area

The two (2) top-performing Winning Dealerships in each of Crown Jewel Dealer Groups 1, 2, 3, 4, and 5 will each be awarded one (1) Family Trip and one (1) Couples Trip (twenty (20) total Program Awards):

The one (1) top-performing Winning Dealership in Crown Jewel Dealer Group 6 will awarded one (1) Family Trip and one (1) Couples Trip (two (2) total Program Awards total):

Lexus Central Area

The three (3) top-performing Winning Dealerships in each of Crown Jewel Dealer Groups 1 and 2 will each be awarded one (1) Family Trip and one (1) Couples Trip (twelve (12) total Program Awards)

The two (2) top-performing Winning Dealerships in Crown Jewel Dealer Group 3 will each be awarded one (1) Family Trip and one (1) Couples Trip (four (4) total Program Awards):

Lexus Eastern Area

The one (1) top-performing Winning Dealership in each Crown Jewel Dealer Groups 1-7 will be awarded one (1) Family Trip and one (1) Couples Trip (fourteen (14) total Program Awards):

Each runner-up Winning Dealerships overall from Crown Jewel Dealer Groups 1 and 2 collectively, Crown Jewel Dealer Groups 3 and 4 collectively, and Crown Jewel Dealer Groups 5, 6, and 7 collectively will each be awarded one (1) Family Trip and one (1) Couples Trip (six (6) total Program Awards):

Lexus Southern Area

The three (3) top-performing Winning Dealerships in Crown Jewel Dealer Group 1 will each be awarded one (1) Family Trip and one (1) Couples Trip (six (6) total Program Awards): The two (2) top-performing Winning Dealerships in each of Crown Jewel Dealer Groups 2, 3, 4, and 5 will each be awarded one (1) Family Trip and one (1) Couples Trip (sixteen (16) total Program Awards).

TAX STATUS OF AWARDS

Program Award for each Winner will be taxable based on the Program Award ARV redeemed by Winner and will be taxed to the Winner as income, and all U.S. federal, state, and local tax liability are solely the Winner’s responsibility. The Winning Dealership is solely responsible for all Program Award tax reporting requirements.

TERMS AND CONDITIONS

- Lexus reserves the right at any time to disqualify or otherwise declare ineligible any Dealership, including any Dealer Owner and/or Participant which, in Lexus’ sole discretion, fails to adhere to any term of the Lexus Dealer Agreement or these Program Rules or the goals of this Program.
- All questions regarding the proper application or interpretation of Program Rules will be subject to final determination by Lexus, a division of Toyota Motor Sales, U.S.A., Inc., in its sole discretion. Lexus reserves the right to cancel, amend, or revoke this Program or any portion of this Program at any time without prior notice.

TRAVEL RESPONSIBILITY

Lexus, its parent, subsidiaries, and affiliated companies (“**Lexus Entities**”) maintain no control over the personnel, equipment, or operation of any air, water or surface carrier, ship line, bus or limousine company, transportation company, hotel, restaurant, or other person or entity furnishing service, products, or accommodations as a part of any of the Program Awards provided under this Program, since Lexus is merely an independent supplier of a portion of the Program Awards and is not in any way related to the other suppliers. Lexus Entities shall not be liable for any injury, damage, loss, expense, accident, delay, inconvenience, or other irregularity that may be caused or contributed to (a) a wrongful, negligent, or unauthorized act or omission on the part of any of the Program Award suppliers or any of their agents, servants, employees, or independent contractors, (b) any defect in or failure of any vehicle, equipment, instrumentality, service, product, or accommodation that is owned, operated, furnished, or otherwise used by any of the Program Awards suppliers, (c) the wrongful, negligent, or unauthorized act or omission on the part of any other person or entity not an employee of the Lexus Entities, or (d) any cause, condition, or event whatsoever beyond the control of the Lexus Entities. Lexus Entities shall not be liable for any injury, damage, loss, expense, accident, delay, inconvenience, or irregularity arising out of or relating to the Program Awards or the redemption of the Program Awards. Winner and/or Winner’s guest(s) may have the opportunity to participate in various optional activities, such as water sports and other athletic activities, contests, tours, excursions, and side trips as part of the Program Award. Lexus Entities shall not be liable for any injury, damage, loss, expense, accident, delay, inconvenience, or irregularity resulting from or relating to said participation by Winner and/or Winner’s guest(s).

LIMITATIONS OF LIABILITY

By participating in this Program, each Participant agrees to: (a) to abide by these Program Rules and decisions of Lexus, which shall be final and binding in all respects relating to this Program; (b) to release, discharge and hold harmless Lexus, its respective advertising and promotion agencies, and the respective officers, directors, shareholders, employees, agents and representatives of the foregoing (collectively “**Released Parties**”) from any and all injuries, liability, losses and damages of any kind to persons, including death, or property resulting, in whole or in part, directly or indirectly, from Participant’s participation in the Program or any Program-related activity or the acceptance, possession, use or misuse of a Program Award that may be awarded to me in this Program; and (c) to the use of Participant’s name, voice, performance, photograph/video, image and/or likeness for programming, advertising, publicity and promotional purposes in any and all media, now or hereafter known, worldwide including but not limited to on the Internet, and in perpetuity by Lexus and its designees, without compensation (unless prohibited by law) or additional consents from Participant or any third party and without prior notice, approval or inspection, and to execute specific consent to such use if asked to do so. Participants agree not to release any publicity or other materials on their own or through someone else regarding their participation in the Program without the prior consent of Lexus, which it may withhold in its sole discretion. The Released Parties are not responsible for: (1) any incorrect or inaccurate information, whether caused by Participant’s printing errors or by any of the equipment or programming associated with or utilized in the Program; (2) technical failures of any kind, including but not limited to, malfunctions, interruptions, or disconnections in phone lines or network hardware or software; (3) unauthorized human intervention in any part of the Program participation, (4) technical or human error which may occur in the administration of the Program, and (5) any injury or damage to persons or property which may be caused, directly or indirectly, in whole or in part, from Participants participation in this Program, or receipt or use or misuse of any Program Award awarded in this Program. No more than the stated number of Program Awards will be awarded under this Program. In the event that production, technical, seeding, programming, or any other reasons cause more than the stated number of Program Awards, as set forth in these Program Rules to be available and/or claimed, Lexus reserves the right to award only the stated number of Program Awards by a random drawing among all legitimate, un-awarded, eligible Participant claims.

DISPUTES

Participants and Dealer Owners agree that (1) any and all disputes, claims, and causes of action arising out of, or connected with, this Program (including without limitation, any alleged violation of these Program Rules, any controversy relating to the arbitrability of any dispute, or any claim that these Program Rules (or any part thereof) are invalid, illegal, or otherwise voidable (or void)) shall be resolved individually, without resort to any form of class action, and exclusively by arbitration to be held solely in Collin County, Plano, Texas under the auspices of the American Arbitration Association and pursuant to its Commercial Dispute Resolution Rules and Procedures; (2) any and all claims, judgments, liabilities, and/or awards shall be

limited to actual out-of-pocket costs incurred, including costs associated with Participant's or Dealer Owner's participation in this Program or otherwise accessing this Program, but in no event attorneys' fees; and (3) under no circumstances will Participants or Dealer Owners be permitted to obtain any awards for, and Participant hereby waives, all rights to claim, punitive, special, incidental, and/or consequential damages and any other damages, other than out-of-pocket expenses, and any and all rights to have damages multiplied or otherwise increased. SOME JURISDICTIONS DO NOT ALLOW THE LIMITATIONS OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE MAY NOT APPLY TO ALL PARTICIPANTS AND DEALER OWNERS. Judgment upon the arbitration award may be entered in any court having jurisdiction thereof. This arbitration provision shall be deemed to be self-executing, and in the event that either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party notwithstanding said failure to appear. In no event shall Participant or Dealer Owner seek or be entitled to rescission, injunctive, or other equitable relief or to enjoin or restrain the operation of this Program, exploitation of any advertising or other materials issued in connection therewith, or exploitation of this Program or any content or other material used or displayed regarding this Program. All issues and questions concerning the construction, validity, interpretation and enforceability of these Program Rules, or the rights and obligations of Participants, Dealer Owners and/or Lexus in connection with the Program, shall be governed by, and construed in accordance with, the laws of the State of Texas, without giving effect to any choice of law or conflict of law rules (whether of the State of Texas or any other jurisdiction), which would cause the application of the laws of any jurisdiction other than the State of Texas.

PRIVACY POLICY

Please review the privacy policy posted on the Lexus website at <https://www.lexus.com/privacy> or the Website for an explanation of Lexus' collecting, sharing, and tracking Participants' personal information.

WINNERS' LIST

The list of Winners will be posted on the Website on or about April 30, 2020.