



2016 LEAGUE OF ELITE PROGRAM RULES

PROGRAM DATES

January 1, 2016 through December 31, 2016*

QUALIFIER

- All Lexus dealerships achieving Lexus ELITE status for 2016 Program Year
- All Lexus dealerships achieving a minimum of 90.0% New Vehicle Sales efficiency at calendar year-end as measured by Lexus on a rolling 12-month basis.

LEAGUE OF ELITE QUALIFICATION PROCESS

All winning Elite of Lexus dealerships will be sorted by new car sales volume through year-end sales close.

Step #1: Dealerships will be sorted by year-end new retail, non-fleet sales volume.

Tier 1 - Top 50 volume dealerships

Tier 2 - Second 50 volume dealerships

Tier 3 - Third 50 volume dealerships

Tier 4 - All remaining dealerships

Step #2: Using each Tier as a separate volume group, dealerships will be sorted by an average Overall Satisfaction Survey score for Sales and Service: (Sales Overall Satisfaction + Service Overall Satisfaction) ÷ 2.

60 winning dealerships will be identified

Tier 1 - 30 dealership winners

Tier 2 - 10 dealership winners

Tier 3 - 10 dealership winners

Tier 4 - 10 dealership winners

OVERALL SATISFACTION SURVEY

The Overall Satisfaction Survey score is the average of the Sales and Service index scores, at calendar year-end, from the "Overall Satisfaction" question (question #1 on the Sales Survey and question #2 on the Service Survey) survey data as reported by Lexus: (Sales Overall Satisfaction + Service Overall Satisfaction) ÷ 2. The Overall Satisfaction Survey score will be measured to one (1) decimal place (example: 96.2). Scores will be tabulated monthly for the 2016 calendar year (January-December).

Each individual survey is scored and equally weighted.

TIEBREAKER

In the event of a tie for Overall Satisfaction Survey ranking, the tiebreaker will be determined as follows:

- For each dealership that is tied, Delivery Quality Index ("DQI") question (#9a on the Sales Survey) will be compared, and the dealership(s)

with the higher DQI score(s) at calendar year-end will be declared the winner(s). The DQI score will be measured to one (1) decimal place (example: 97.6).

- If there is still a tie after the Overall Satisfaction Ranking AND the Delivery Quality Index ranking, the final tiebreaker will be based on the dealership with the highest year-end new retail, non-fleet sales volume.

AWARD TRIP PARTICIPANTS

For this prestigious recognition trip, the intended attendees for winning League of Elite Lexus dealerships are Dealer Principals ("DPs") and senior Executives/Chairmen ("Executives") of publicly/privately owned dealership groups. With this intent, the following trip participant eligibility has been established as follows:

- Dealer Principals and Executives, plus Approved Automotive Operators ("AAOs") and General Managers ("GMs") with a meaningful equity ownership interest (as defined in the Lexus Market Representation Policy, but generally defined as a 10% ownership interest) are eligible to attend for each winning dealership. **Only one (1) trip attendee per winning dealership.**
- If the DP/Executive of a winning dealership is not able to attend, then individual(s) designated as the AAO, GM, or Responsible Executive ("RE") as named in the Lexus Dealer Agreement may be considered for attendance at the discretion and approval of Lexus senior management.

EXCEPTIONS

CCO/Primary

If a Primary and its CCO are both winning dealerships, regardless of Tier(s), the GM will be permitted to attend provided that:

- The DP/Executive is also attending the event OR
- The GM has a meaningful equity ownership interest and will be attending in lieu of the DP/Executive

Publicly Owned Dealerships

If the winning dealership is owned by a public dealership group and the Executive is unable to attend, then the GM of the winning dealership may attend provided he/she has held the GM position for the majority of the League of Elite program year.

Multiple Owner Dealerships

If a DP or Executive has multiple winning dealerships and is attending the event as a representative of one of the winning dealerships, then the GM(s) of one or more of the winning dealerships may also attend even if they do not meet the minimum ownership requirement (Note: The number of trip attendees for a Dealer/Dealer Group cannot exceed the number of winning dealerships for that Dealer/Dealer Group.).

*Unit sales will be based on Lexus year-end sales close date.



ASSOCIATE AWARDS

All certified associates at winning Lexus dealerships, included in Staffmaster as of December 31, 2016, will receive award points. If a certified dealership employee is associated with more than one winning Lexus dealership, that employee will be awarded for the role and dealership where he/she is enrolled in the Lexus Commitment to Perfection certification program as of December 31, 2016. If a Dealer Principal or General Manager is associated with more than one winning Lexus dealership, the following rules will be applied in the order as shown below to determine for which dealership the role will be awarded:

1. Dealership with the highest winning level
2. Primary dealership over CCO dealership
3. Dealer Code numeric order

Combining of awards is not permitted.

ADVERTISING

Elite of Lexus is a top Lexus recognition program signifying all-around excellence in dealership operations. Each dealership associate contributes to and shares in winning this award. We encourage every winning dealer to proudly promote its membership in Elite in all dealer marketing efforts.

League of Elite is a special recognition for Elite dealers who demonstrate the best overall Customer Service experience. Dealer Principals/ Executives who earn this distinction will be invited to a special meeting event each year to share ideas with the Lexus executive leadership team.

League of Elite is therefore not an award level and should not be promoted in dealer marketing efforts.

PROGRAM DISCLAIMER

Lexus reserves the right to cancel, amend, or revoke this Program or any portion of this Program at any time without prior notice.