

**AWARD
QUALIFICATIONS
(continued)**

Note: If a Sales Consultant transfers to another Honda dealership after year-end but prior to disbursement of his or her Honda Reward Card award dollars, he or she will receive the award dollars but will not be eligible for the dealer-match bonus.

ADDITIONAL DETAILS

American Honda Motor Co., Inc., reserves the right to modify, amend, cancel, or revoke, in whole or in part, this offer at any time and without prior notice.

In all matters pertaining to interpretation and application of any rule or phase of the program, the decision of American Honda Motor Co., Inc., will be final.

Awards cannot be transferred or exchanged.

For questions regarding the 2013 COSL program, please contact your Sales Manager or Program Headquarters at 1-866-446-0381, or via email at HondaCOSL@ProgramHQ.com.

AUDIT

American Honda Motor Co., Inc., reserves the right to inspect dealership records during normal business hours and to question and/or disqualify any sale made or information reported that is not in accordance with program rules.

At the conclusion of this program, representatives from your zone office may need to review dealership sales records for accuracy and validity. Such a review is not an audit and does not preclude an audit at a later date. Failure to submit dealer sales records to American Honda Motor Co., Inc., may result in disqualification from this program.

TAX LIABILITY

Awards received by Sales Consultants in the 2013 COSL program may be subject to federal, state, and/or local tax. Award winners should consult their tax advisers to determine their tax responsibility. Neither American Honda Motor Co., Inc., nor Honda dealers assume any such responsibility. Awards are considered taxable in the year they are received.

Note: Award dollars are taxed for the year in which they are deposited, regardless of when they are redeemed.

American Honda Motor Co., Inc., will mail the appropriate 1099 forms to award winners at their tax addresses on file in January 2015 for 2013 program awards distributed in calendar year 2014.

**SALES CONSULTANT VS.
SALES MANAGER
PROGRAM
PARTICIPATION**

If an individual changes job codes midyear, the new job code will be automatically transferred to his or her COSL participation. The job code of record on January 2, 2014, will determine the program for which the participant receives credit.

Example: A Sales Consultant advances to a Sales Manager position during the 2013 program. As a result, he or she can participate under the Sales Manager program. The Sales Manager is eligible for any awards under that program when he or she meets the established Sales Manager training requirements, and his or her dealership receives a top-150 national performance point ranking by January 2, 2014.

**COSL PROGRAM
WEBSITE**

The program website (**COSL.ProgramHQ.com**) offers the following:

- Your volume group, Silver and Gold level objectives, and 2012 membership level
- High-level view of your Training, Sales, and Sales & Delivery status (updated monthly)
- Resources that include directions on where to locate detailed reports on the INTERACTIVE NETWORK (iN)
- FAQs

**COSL ON THE
SALES PORTAL**

- Reports are updated daily. (Month-end and year-end results are delayed due to Sales Satisfaction Telephone Survey processing.)
- To review program objectives and rules, and to keep current on COSL progress, a Sales Consultant must sign in to **www.in.honda.com** and navigate the following path:
 1. **The Sales Portal**
 2. **COSL Status/Reports** from the **Stats Box** that appears in the upper left of **The Sales Portal** page
 3. **Sales Consultant Performance Summary**

**COSL PROGRAM
CONTACT
INFORMATION**

For questions about the COSL program:

- Email HondaCOSL@ProgramHQ.com.
- Call 1-866-446-0381 (toll-free) between 8:00 a.m. and 4:30 p.m. CT, Monday through Friday.
- Contact your Sales Manager.

APPENDIX A PROGRAM RULES

ELIGIBLE SALES

All retail sales of new vehicles, Honda Certified Used Cars (HCUC), and alternative-fuel (natural gas/compressed natural gas) vehicles, within the program period

INELIGIBLE SALES

- Dealer-owned demonstrators
- Rental vehicles
- Fleet sales
- Service vehicles
- Other sales

SALES PERFORMANCE

- COSL sales objectives for 2013 are posted on the COSL program website at **COSL.ProgramHQ.com** and the Honda Sales Portal on the iN at **www.in.honda.com**.
- Yearly sales objectives are set at the beginning of each program year by volume group and achievement level.
- Volume groups are determined based on 2012 year-end new-vehicle sales (NVS) for your dealership.
 - Volume Group 1: Dealerships with NVS of 1,800 units or more
 - Volume Group 2: Dealerships with NVS of 1000–1799
 - Volume Group 3: Dealerships with NVS of 999 or less

In instances where a full calendar year of sales is not available, due to a Buy/Sell or Open Point situation, the dealership's Market Area Potential (MAP) determines the volume group.

- Year-end membership levels are determined by objective attainment (in the Sales Consultant's dealership volume group) through January 2, 2014.
- To qualify for COSL membership, the program requires a Sales Consultant to have year-to-date (YTD) sales credits (from January 2, 2013, through January 2, 2014) equal to or greater than the dealership's volume group Silver level objective. (Please refer to 2013 Honda COSL Sales Objectives on the Home page of **COSL.ProgramHQ.com** and on the iN.)
- When a Sales Consultant sells either a Honda new vehicle or an HCUC, the value is one credit per sale.
- The number of HCUC sales credits cannot exceed the total number of new-vehicle sales credits. (See Examples of Sales Credits Received later in this appendix)

SALES & DELIVERY SCORE

- To qualify for COSL membership, a Sales Consultant must have a YTD Sales & Delivery score equal to or greater than his or her YTD district average.
- To be eligible for awards, a Sales Consultant who transfers to another Honda dealership must have a minimum of a three-month (October to December) Sales & Delivery score that is equal to or greater than the YTD district average at his or her new dealership. (The Sales & Delivery score does not carry over when a Sales Consultant transfers from one dealership to another.)
- The Sales & Delivery score is calculated based on the average of responses to two questions on the Sales Satisfaction Telephone Survey:
 - Question 1 (overall satisfaction with the salesperson)
 - Question 7 (overall satisfaction with delivery)

Note: Scores are tallied based on the phone surveys completed that month – regardless of the month in which the vehicle is sold or the Retail Delivery Registration (RDR) is completed.

- The Sales & Delivery score is a YTD total based on responses from each qualified survey. (See Example of Sales & Delivery Score Calculation later in this appendix.)

TRAINING REQUIREMENTS

Sales Consultants will need to take and pass the following:

- **Honda Professional Selling Skills (HPSS) Core** training (with a score of 80 percent or higher) within 60 days of dealership employment
- At least one **Professional Development** course
- All **Current** web-based training courses (with a score of 100 percent) within 30 days of availability

“Waived” Criteria

If a Sales Consultant took all available online Professional Development courses in the 2012 program year, he or she will receive credit for professional development for 2013. (Class availability and course descriptions are available via the Online University, located on the Honda Sales Portal on the iN.) If a new online Professional Development course becomes available during the 2013 program year, Honda will revoke the waived status, and the Sales Consultant will need to complete the new Professional Development course to fulfill the 2013 requirement. The Sales Consultant should complete all required training by the end of each program month, regardless of individual hire date. If training is not completed by month-end, the training attainment scores, reflected on the iN reports for the individual and overall dealership, will be affected.

**MEMBERSHIP
LEVELS**

- **Silver** – Meet the Silver level year-end sales volume objective
- **Gold** – Meet the Gold level year-end sales volume objective
- **Gold Master** – Achieve Gold level three times, including the current year, at the same Honda dealership (years do not have to be consecutive)

**AWARDS AND
RECOGNITION BY
MEMBERSHIP LEVEL**

Program awards match each Sales Consultant's level of achievement.

Silver Awards

- 300 base award dollars on Honda Reward Card
- 1,000 Silver level business cards
- Personalized Silver level plaque
- Membership bonus opportunity*
- COSL-logoed apparel

Gold Awards

- 600 base award dollars on Honda Reward Card
- 1,500 Gold level business cards
- Personalized Gold level plaque
- Membership bonus opportunity*
- COSL-logoed apparel
- COSL awards banquet invitation for two, including overnight hotel stay

Gold Master Awards

- 750 base award dollars on Honda Reward Card
- 1,500 Gold Master level business cards
- Personalized Gold Master level plaque, redesigned for 2013, with year plate
- Membership bonus opportunity*
- COSL-logoed apparel
- COSL awards banquet invitation for two, including overnight hotel stay

Starting with the 2013 COSL program, Sales Consultants will no longer receive membership rings when they are COSL Gold Master members for three years. However, diamond additions for years 4–11 will still be available to those Sales Consultants who currently have membership rings and attain Gold Master status in 2013 and future program years.

*See Other Awards and Bonuses later in this appendix for more details.

TOP PERFORMERS

Top Sales Volume

- Recognition is given to the 2013 COSL Gold or Gold Master member (with job code SASA only) achieving the top sales volume in each volume group within each zone (confirmed via zone audit).
- Top sales volume is based on total sales credits received, which include those received for new-vehicle and HCUC sales.
- Winners receive awards recognizing their achievements.

Top Sales & Delivery Score

- Recognition is given to the 2013 COSL Gold or Gold Master member (with job code SASA only) attaining the highest Sales & Delivery score in each volume group within each zone (confirmed via zone audit).
- Winners receive awards recognizing their achievements.

MILESTONE AWARDS

Milestone Awards are presented to COSL members with long-standing Gold Master attainment or membership status. All information for these achievements is derived from the American Honda Motor Co., Inc., database.

Gold Master Milestone Award

- This award is presented to Sales Consultants who have consistently achieved Gold Master status in COSL over the course of many years, which do not have to be consecutive, at the same Honda dealership. Sales Consultants are honored for reaching one of the following milestone anniversaries for their Gold Master achievements through the 2013 program year: 15, 20, and 25 years.
- Each winner is honored at his or her zone awards banquet and receives a custom award.

Membership Milestone Award

- This award is presented to Sales Consultants who have consistently achieved Silver, Gold, or Gold Master status over the course of many years. (The years do not have to be consecutive.) Sales Consultants are honored for reaching one of the following milestone anniversaries for their achievements through the 2013 program year: 20, 25, and 30 years.
- Each winner receives a custom award.

OTHER AWARDS AND BONUSES

Top 100

New for 2013, this level of recognition honors COSL members who rank among the top 100 in combined new-vehicle and HCUC sales credits in the nation, regardless of zone or volume group. The top 100 receive invitations to a special business-oriented recognition trip and have their elite status noted on their business cards.

Membership Bonus

The 2013 COSL program provides membership bonuses – in the form of award dollars on the Honda Reward Card – to Sales Consultants who earn membership multiple times. The bonus begins at 20 percent of the base award in the second year of membership and builds by 10 percent each additional year, to a maximum of 200 percent.* Beginning in 2013, once a Sales Consultant exceeds the 20th year of membership, he or she will continue to receive a membership bonus, but it will remain at 200 percent. (See Examples of Membership Bonus later in this appendix.)

Note: Terms and conditions of the membership bonus are subject to change.

*If a Sales Consultant received a bonus in excess of 200 percent prior to the 2013 COSL program, he or she will continue to receive that same bonus percentage for all future membership years.

Dealer-Match Funds

- If a Sales Consultant's dealership has agreed to match award dollars given in the COSL program, the matching award dollar amount is added to the award total.
- To receive matched award dollars, a Sales Consultant must be employed at a participating dealership at the time he or she completes the order process.
- If a Sales Consultant transfers to another Honda dealership after year-end but prior to disbursement of his or her Honda Reward Card award dollars, he or she will receive the award dollars funded by Honda but will not be eligible for the dealer-matched funds.

Note: A dealership that has agreed to match award dollars given in the COSL program may choose to withdraw at any time and not participate in the Dealer Match program.

**OTHER AWARDS
AND BONUSES
(continued)**

Silver On-Track Award

The Silver On-Track Award is a small gift given during the program year to Sales Consultants who have achieved their Silver level sales objectives (through November data) and are on target to earn Silver level membership by being current on training and having Sales & Delivery scores above their district averages.

Note: Receiving a Silver On-Track Award does not guarantee Silver level membership status at year-end. For a Sales Consultant to earn membership, his or her Sales & Delivery score at year-end must exceed the district average, and his or her training must be completed.

**EXAMPLES OF
SALES CREDITS
RECEIVED**

Example #1

Sales Consultant A had 160 new-vehicle and 62 HCUC sales, for which he or she received the following year-end sales credits:

- 160 eligible new vehicles = 160 sales credits
- 62 HCUC = 62 sales credits
- Total sales credits: 222

Example #2

Sales Consultant B had 50 new-vehicle and 120 HCUC sales, for which he or she received the following year-end sales credits:

- 50 eligible new vehicles = 50 sales credits
- 120 Certified Used Cars = 50 sales credits (HCUC credits cannot exceed new-vehicle credits)
- Total sales credits: 100

**EXAMPLE OF
SALES &
DELIVERY SCORE
CALCULATION**

Sales Consultant A has the following scores (ratings 1–5) on Questions 1 and 7 from qualified Sales Satisfaction Telephone Surveys. Ratings are scored as follows:

- 5 = 100 points
- 4 = 80 points
- 3 = 60 points
- 2 = 40 points
- 1 = 20 points

	Customer #1	Customer #2	Customer #3	Total Points
Question 1	5	4	5	280
Question 7	5	5	3	<u>260</u>
				540
Sales Consultant A has 540 points ÷ 6 responses = Sales & Delivery score of 90.				

**EXAMPLE OF
MEMBERSHIP
BONUS**

Example #1: Bonus in early years of membership.

Program Year	Years of Membership	Status	Base Award Dollars	Membership Bonus Award Dollars	Total Award Dollars
2010	1	Silver	300	0	300
2012	2	Gold	600	20% of Base Award Dollars = 120	720
2013	3	Silver	300	30% of Base Award Dollars = 90	390

Example #2: Bonus when 20-year membership was achieved in 2012.

Program Year	Years of Membership	Status	Base Award Dollars	Membership Bonus Award Dollars	Total Award Dollars
2011	19	Silver	300	190% of Base Award Dollars = 570	870
2012	20	Silver	300	200% of Base Award Dollars = 600	900
2013	21	Silver	300	200% of Base Award Dollars = 600	900

Example #3: Exception bonus when membership for more than 20 years was achieved prior to 2013.

Program Year	Years of Membership	Status	Base Award Dollars	Membership Bonus Award Dollars	Total Award Dollars
2011	22	Silver	300	220% of Base Award Dollars = 660	960
2012	23	Silver	300	230% of Base Award Dollars = 690	990
2013	24	Silver	300	230% of Base Award Dollars = 690	990